

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-NOV-1999 09:40:49.00

SUBJECT: Here we go again: Corrected typo in wins document

TO: Morley A. Winograd (CN=Morley A. Winograd/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Brian W. Steel (CN=Brian W. Steel/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Trooper Sanders (CN=Trooper Sanders/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Theodore G. Osius (CN=Theodore G. Osius/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Jim Kohlenberger (CN=Jim Kohlenberger/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Mary E. Gore (CN=Mary E. Gore/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Monica M. Dixon (CN=Monica M. Dixon/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Kay Casstevens (CN=Kay Casstevens/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Sarah A. Bianchi (CN=Sarah A. Bianchi/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Ruby Shamir (CN=Ruby Shamir/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Martha Foley (CN=Martha Foley/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Brooke B. Livingston (CN=Brooke B. Livingston/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Sandra Yamin (CN=Sandra Yamin/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Dawn V. Woollen (CN=Dawn V. Woollen/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Alice H. Williams (CN=Alice H. Williams/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Anne Whitworth (CN=Anne Whitworth/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Ophelia D. West (CN=Ophelia D. West/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Victoria A. Wachino (CN=Victoria A. Wachino/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Sandra L. Via (CN=Sandra L. Via/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Loretta M. Ucelli (CN=Loretta M. Ucelli/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mark J. Tavlarides (CN=Mark J. Tavlarides/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Peter P. Swire (CN=Peter P. Swire/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Margaret M. Suntum (CN=Margaret M. Suntum/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Christine A. Stanek (CN=Christine A. Stanek/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Maria E. Soto (CN=Maria E. Soto/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Dawn L. Smalls (CN=Dawn L. Smalls/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: June Shih (CN=June Shih/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Matthew T. Schneider (CN=Matthew T. Schneider/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Matthew P. Schaefer (CN=Matthew P. Schaefer/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Shirley S. Sagawa (CN=Shirley S. Sagawa/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jena V. Roscoe (CN=Jena V. Roscoe/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Anna Richter (CN=Anna Richter/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Linda Ricci (CN=Linda Ricci/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Joseph D. Ratner (CN=Joseph D. Ratner/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TO: Melissa J. Prober (CN=Melissa J. Prober/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Carlos E. Pascual (CN=Carlos E. Pascual/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Paul K. Orzulak (CN=Paul K. Orzulak/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Ann O'Leary (CN=Ann O'Leary/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Mark D. Neschis (CN=Mark D. Neschis/OU=WHO/O=EOP@EOP [UNKNOWN])
READ:UNKNOWN

TO: Robert L. Nabors (CN=Robert L. Nabors/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: John B. Moore (CN=John B. Moore/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Megan C. Moloney (CN=Megan C. Moloney/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Rebecca J. Mitchell (CN=Rebecca J. Mitchell/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Cathy L. Millison (CN=Cathy L. Millison/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Ellen Mellody (CN=Ellen Mellody/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jennifer E. McGee (CN=Jennifer E. McGee/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Andrew J. Mayock (CN=Andrew J. Mayock/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Larry R. Matlack (CN=Larry R. Matlack/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Capricia P. Marshall (CN=Capricia P. Marshall/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Sean P. Maloney (CN=Sean P. Maloney/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Alphonse J. Maldon (CN=Alphonse J. Maldon/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Ellen M. Lovell (CN=Ellen M. Lovell/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Sara M. Latham (CN=Sara M. Latham/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Linda Lance (CN=Linda Lance/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Karin Kullman (CN=Karin Kullman/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Katherine D. Kincaid (CN=Katherine D. Kincaid/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Janis F. Kearney (CN=Janis F. Kearney/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Phyllis Kaiser-Dark (CN=Phyllis Kaiser-Dark/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Teresa M. Jones (CN=Teresa M. Jones/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Joel Johnson (CN=Joel Johnson/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Broderick Johnson (CN=Broderick Johnson/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Barbara B. Hunt (CN=Barbara B. Hunt/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Lindsey E. Huff (CN=Lindsey E. Huff/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Stephen K. Horn (CN=Stephen K. Horn/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Shannon M. Hinderliter (CN=Shannon M. Hinderliter/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Lori Hendricks (CN=Lori Hendricks/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Melinda D. Haskins (CN=Melinda D. Haskins/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: D Holly Hammonds (CN=D Holly Hammonds/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Victoria A. Greenfield (CN=Victoria A. Greenfield/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Laura A. Graham (CN=Laura A. Graham/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Joshua S. Gottheimer (CN=Joshua S. Gottheimer/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Dario J. Gomez (CN=Dario J. Gomez/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Matt Gobush (CN=Matt Gobush/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Paul D. Glastris (CN=Paul D. Glastris/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Lauren K. Gillespie (CN=Lauren K. Gillespie/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Kimberly Geier (CN=Kimberly Geier/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: George T. Frampton (CN=George T. Frampton/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Adrienne C. Erbach (CN=Adrienne C. Erbach/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Timothy W. Emrich (CN=Timothy W. Emrich/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Terry Edmonds (CN=Terry Edmonds/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Elliot J. Diringer (CN=Elliot J. Diringer/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: William G. Dauster (CN=William G. Dauster/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Sandra F. Daigle (CN=Sandra F. Daigle/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Stevan D. Crowder (CN=Stevan D. Crowder/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Kelly Craighead (CN=Kelly Craighead/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Pamela Cicetti (CN=Pamela Cicetti/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Audrey Choi (CN=Audrey Choi/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mary E. Cahill (CN=Mary E. Cahill/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Katharine Button (CN=Katharine Button/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Steven N. Braun (CN=Steven N. Braun/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Lisa D. Branch (CN=Lisa D. Branch/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Charles M. Brain (CN=Charles M. Brain/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Stephen N. Boyd (CN=Stephen N. Boyd/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Anne W. Bovaird (CN=Anne W. Bovaird/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Antony J. Blinken (CN=Antony J. Blinken/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Paul Bledsoe (CN=Paul Bledsoe/OU=WHCCTF/O=EOP@EOP [WHCCTF])
READ:UNKNOWN

TO: Leslie Bernstein (CN=Leslie Bernstein/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Rodney G. Bent (CN=Rodney G. Bent/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: June Bartlett (CN=June Bartlett/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Michael Barr (CN=Michael Barr/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Roger S. Ballentine (CN=Roger S. Ballentine/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Donald R. Arbuckle (CN=Donald R. Arbuckle/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Ann E. Woolston (CN=Ann E. Woolston/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Rachael E. Sullivan (CN=Rachael E. Sullivan/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Andrew F. Schneider (CN=Andrew F. Schneider/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Laura M. Quinn (CN=Laura M. Quinn/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Timothy P. Morningstar (CN=Timothy P. Morningstar/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Jonathan E. Kaplan (CN=Jonathan E. Kaplan/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Leon S. Fuerth (CN=Leon S. Fuerth/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Paul J. Cusack (CN=Paul J. Cusack/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Pieter J. Boelhouwer (CN=Pieter J. Boelhouwer/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: David W. Beier (CN=David W. Beier/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Beth Nolan (CN=Beth Nolan/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Lindsay R. Drewel (CN=Lindsay R. Drewel/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jonathan M. Young (CN=Jonathan M. Young/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Carolyn T. Wu (CN=Carolyn T. Wu/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Barbara D. Woolley (CN=Barbara D. Woolley/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Barry White (CN=Barry White/OU=OMB/O=EOP@EOP [UNKNOWN])
READ:UNKNOWN

TO: Andrew Weiss (CN=Andrew Weiss/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Rebecca L. Walldorff (CN=Rebecca L. Walldorff/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Beth A. Viola (CN=Beth A. Viola/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: David Vandivier (CN=David Vandivier/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mona K. Sutphen (CN=Mona K. Sutphen/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Aviva Steinberg (CN=Aviva Steinberg/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Aprill N. Springfield (CN=Aprill N. Springfield/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Douglas B. Sosnik (CN=Douglas B. Sosnik/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jack A. Smalligan (CN=Jack A. Smalligan/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Jeffrey A. Shesol (CN=Jeffrey A. Shesol/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jason H. Schechter (CN=Jason H. Schechter/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: David B Sandalow (CN=David B Sandalow/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Heather M. Riley (CN=Heather M. Riley/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Julia M. Payne (CN=Julia M. Payne/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jennifer M. Palmieri (CN=Jennifer M. Palmieri/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Sean P. O'Shea (CN=Sean P. O'Shea/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Elizabeth R. Newman (CN=Elizabeth R. Newman/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Bob J. Nash (CN=Bob J. Nash/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mary Morrison (CN=Mary Morrison/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Linda L. Moore (CN=Linda L. Moore/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Deborah B. Mohile (CN=Deborah B. Mohile/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Elaine M. Mitsler (CN=Elaine M. Mitsler/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Joseph J. Minarik (CN=Joseph J. Minarik/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Daniel N. Mendelson (CN=Daniel N. Mendelson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Fern Mechlowitz (CN=Fern Mechlowitz/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Irma L. Martinez (CN=Irma L. Martinez/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Thurgood Marshall Jr (CN=Thurgood Marshall Jr/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Tomasz P. Malinowski (CN=Tomasz P. Malinowski/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Lisel Loy (CN=Lisel Loy/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Eric P. Liu (CN=Eric P. Liu/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: David C. Leavy (CN=David C. Leavy/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Adrienne C. Lavallee (CN=Adrienne C. Lavallee/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Neal Lane (CN=Neal Lane/OU=OSTP/O=EOP@EOP [OSTP])
READ:UNKNOWN

TO: Robert D. Kyle (CN=Robert D. Kyle/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Lisa M. Kountoupes (CN=Lisa M. Kountoupes/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Charles E. Kieffer (CN=Charles E. Kieffer/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: M. Kay Joshi (CN=M. Kay Joshi/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Ronald E. Jones (CN=Ronald E. Jones/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Barbara A. Johnson (CN=Barbara A. Johnson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Tracey A. Jacobson (CN=Tracey A. Jacobson/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Scott Hynes (CN=Scott Hynes/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Craig Hughes (CN=Craig Hughes/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Maureen A. Hudson (CN=Maureen A. Hudson/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Marty J. Hoffmann (CN=Marty J. Hoffmann/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Nancy V. Hernreich (CN=Nancy V. Hernreich/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Daniel D. Heath (CN=Daniel D. Heath/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Kirk T. Hanlin (CN=Kirk T. Hanlin/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: David Halperin (CN=David Halperin/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Wendy E. Gray (CN=Wendy E. Gray/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Elizabeth Gore (CN=Elizabeth Gore/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Rachael F. Goldfarb (CN=Rachael F. Goldfarb/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: T J. Glauthier (CN=T J. Glauthier/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Cynthia L. Gire (CN=Cynthia L. Gire/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Sharon K. Gill (CN=Sharon K. Gill/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Sarah E. Gegenheimer (CN=Sarah E. Gegenheimer/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: John G. Fernald (CN=John G. Fernald/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Paul K. Engskov (CN=Paul K. Engskov/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Adrienne K. Elrod (CN=Adrienne K. Elrod/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Julie D. Eddy (CN=Julie D. Eddy/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jackson T. Dunn (CN=Jackson T. Dunn/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Laura K. Demeo (CN=Laura K. Demeo/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Michael M. Daum (CN=Michael M. Daum/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Robert G. Damus (CN=Robert G. Damus/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Stephanie A. Cutter (CN=Stephanie A. Cutter/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Betty W. Currie (CN=Betty W. Currie/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Patrick J. Crawford (CN=Patrick J. Crawford/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Amy Comstock (CN=Amy Comstock/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Barbara Chow (CN=Barbara Chow/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Nanda Chitre (CN=Nanda Chitre/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: George G. Caudill (CN=George G. Caudill/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Meredith E. Cabe (CN=Meredith E. Cabe/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Irene Bueno (CN=Irene Bueno/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Nancy L. Brandel (CN=Nancy L. Brandel/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Lael Brainard (CN=Lael Brainard/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Robert A. Bradtke (CN=Robert A. Bradtke/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Ian Bowles (CN=Ian Bowles/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Sidney Blumenthal (CN=Sidney Blumenthal/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Todd A. Bledsoe (CN=Todd A. Bledsoe/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Natasha F. Bilimoria (CN=Natasha F. Bilimoria/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: David A. Bernell (CN=David A. Bernell/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Melinda N. Bates (CN=Melinda N. Bates/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Douglas J. Band (CN=Douglas J. Band/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Michele Ballantyne (CN=Michele Ballantyne/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Martin N. Baily (CN=Martin N. Baily/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Christine L. Anderson (CN=Christine L. Anderson/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Kathleen K. Ahn (CN=Kathleen K. Ahn/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:

----- Forwarded by Melissa G. Green/OPD/EOP on 11/18/99
09:40 AM -----

Jason Furman
11/18/99 09:37:09 AM
Record Type: Record

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

cc:

Subject: Corrected typo in wins document

For any copies of the wins document that have not be sent out already,
people (leg, cabinet affairs, press) should use the attached version which
corrects a typo in the table of contents: "Protecting Fiscal Discipline
and Paying the Down the Debt"

Message Sent

To:

Melissa G. Green/OPD/EOP@EOP
William G. Dauster/OPD/EOP@EOP
Patrick M. Dorton/OPD/EOP@EOP
David Vandivier/OMB/EOP@EOP
Linda Ricci/OMB/EOP@EOP

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D22]ARMS232593230.336 to ASCII,
The following is a HEX DUMP:

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

**PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL
DEMOCRATS WIN ON THE BUDGET, BUT CONGRESS STILL NEEDS TO DO MORE
WORK TO ADDRESS AMERICA'S PRIORITIES**

November 18, 1999

TABLE OF CONTENTS

- I. Overview of Key Victories and Remaining Issues**
- II. A Victory for America's Students (table)**
- III. Progress On America's Priorities**
 - Protecting Fiscal Discipline and Paying Down the Debt
 - A Victory for America's Students
 - Fighting Crime, Drugs, and Guns
 - Investing in a Cleaner Environment
 - Maintaining America's Global Leadership
 - Empowering Families and Communities
 - Progress on the New Markets Initiative
 - Addressing Health Care
 - Responding to the Farm Crisis
 - A Strong Research and Development Agenda
 - Other Highlights
- IV. Despite All the Progress in this Year's Budget, There is Still More Work That Needs to Be Done**

OVERVIEW: PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL DEMOCRATS WIN ON THE BUDGET, BUT CONGRESS STILL NEEDS TO DO MORE WORK TO ADDRESS AMERICA'S PRIORITIES

November 18, 1999

PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT. The budget agreement represents a victory for President Clinton's stand for fiscal discipline. Between 1981 and 1992, the debt quadrupled. In 1992 the deficit was \$290 billion and projected to rise to over \$400 billion in 1999. As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of \$123 billion – the largest ever. Throughout the year, the Republicans have been proposing fiscally irresponsible tax cuts that would have jeopardized this record of fiscal discipline. In September, the President vetoed a Republican tax cut that would likely have drained hundreds of billions of dollars of the Social Security surplus from debt reduction. As a result of the President's stand, America will stay on course to pay off the debt held by the public by 2015 – for the first time since Andrew Jackson was President.

A VICTORY FOR AMERICA'S STUDENTS. After vetoing a Congressional budget that denied funding to priority education and training investments, President Clinton and Vice President Gore delivered on their ambitious education agenda.

- ✓ **More High-Quality Teachers With Smaller Class Sizes:** Following on a new initiative by the President last year, the budget agreement includes \$1.3 billion for a bipartisan plan to help reduce class size in the early grades by hiring 100,000 quality teachers over the next six years.
- ✓ **Double Funding for After School:** \$453 million for after school, providing support to 675,000 students – 375,000 more than last year.
- ✓ **GEAR UP:** A 67 percent increase to \$200 million for the President's GEAR UP initiative, which helps 482,000 students aspire to and prepare for college – the second year of this new initiative.
- ✓ **Accountability for the Lowest Performing Schools:** \$134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results.
- ✓ **Expanded Head Start:** A \$607 million increase for Head Start to serve an additional 44,000 children. Total funding is \$5.3 billion – 90 percent higher than 1993.
- ✓ **Hispanic Education Agenda:** \$436 million in increases for a number of education programs that help to improve the educational achievement and high dropout rates of Latino students.
- ✓ **Largest Pell Grant Maximum Award Ever:** Increased to \$3,300 – a 43 percent increase since 1993.

FIGHTING CRIME, DRUGS, AND GUNS. To keep crime coming down to record lows, President Clinton fought for important investments in the budget to build on the Administration's successful community policing initiative, including funds to put more police on the street and critical resources to strengthen law enforcement efforts to keep communities safe.

- ✓ **More Police for Our Streets:** The budget contains full funding for the first installment toward the President's goal to hire up to 50,000 more police officers for our Nation's streets by 2005. The initiative builds on the President's successful COPS program that has already funded 100,000 police officers to help keep America's streets safe.

INVESTING IN A CLEANER ENVIRONMENT. President Clinton and Vice President Gore won significant gains for the environment in the fiscal year 2000 budget, including new resources to combat water pollution, protect wildlife, address global warming, and preserve precious lands across the country. At the same time, the President and Vice President forced Congress to drop or substantially modify dozens of anti-environmental riders that would have rolled back hard-won environmental safeguards and benefited special interests at the expense of our public lands.

- ✓ **Preserving Our Lands Legacy:** The President and Vice President won \$651 million for Lands Legacy, a 42 percent increase for this historic initiative that strengthens federal efforts to preserve natural treasures and provides communities with new resources to protect local green spaces.

MAINTAINING AMERICA'S GLOBAL LEADERSHIP. The Republican Congressional budget would have turned its back on America's leading role in the world by not providing funds for peace in the Middle East, leadership at the United Nations, economic development in the poorest countries, and efforts to halt the spread of nuclear weapons. The President fought for and secured victories to strengthen America's leading role in the world – by meeting our commitment to the Middle East peace process, paying our dues and arrears to the United Nations, making a critical investment in debt relief for impoverished countries, funding efforts to safeguard nuclear weapons and expertise from the former Soviet Union, and help raise labor standards around the world.

EMPOWERING FAMILIES AND COMMUNITIES. President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget moves forward on their vision to help revitalize America's communities and empower families.

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families.**
- ✓ **Additional Funding for Empowerment Zones:** The budget provides \$55 million in funding for Urban Empowerment Zones and \$15 million for Rural Enterprise Zones and Enterprise Communities.
- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes \$95 million for the Community Development Financial Institutions (CDFI) Fund.

PROGRESS ON THE NEW MARKETS INITIATIVE: In his State of the Union, President Clinton proposed to bring more private investment to all areas of the United States. The President and Congressional Leaders have agreed to work together to enact bipartisan legislation to help spur economic development in urban and rural communities that have not shared fully in the benefits of the nation's strong economy. The New Markets initiative enjoys bipartisan support.

- ✓ **Funding America's Private Investment Companies (APICs):** Provides \$20 million of funding for APICs (subject to authorization), a key element of the President's New Markets Initiative, that would leverage \$800 million of new investment in underserved areas.
- ✓ **New Markets Venture Capital Program:** Provides, subject to authorization, \$16.5 million in funding for New Market Venture Capital Firms (NMVCs) and BusinessLINC to bring equity capital and technical assistance to small businesses in low- and moderate-income neighborhoods.

ADDRESSING HEALTH CARE. The President won a \$34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical

prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of \$2.3 billion.

- ✓ **Passing the landmark Work Incentives Improvement Act for people with disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a \$250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not yet sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.

RESPONDING TO THE FARM CRISIS: The Agriculture Appropriations bill included \$8.6 billion in emergency funds to assist our Nation's farmers and ranchers who are suffering through the second year in a row of low commodity prices and, for many, crop and livestock losses from severe drought and flooding. The final budget includes over \$550 million more to fulfil the unmet needs identified by the President, including significant funds targeted to hurricane-affected areas, increased crop loss payments for all producers, and over \$2.5 billion in additional farm loans to help producers secure financing for next year's crop. The President and Vice President remain concerned that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation and that more needs to be done.

A STRONG RESEARCH AND DEVELOPMENT AGENDA: The final budget included an unprecedented commitment to key civilian research. The final budget increases the President's "21st Century Research Fund" for civilian research programs by more than \$3 billion. It also includes a five year extension of the Research and Experimentation tax credit.

- ✓ **National Science Foundation:** A 6.6 percent increase in support for science and engineering research and education.
- ✓ **National Institutes of Health:** Provides \$2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President's commitment to biomedical research.
- ✓ **Information Technology:** The final budget includes more than \$80 million in funding for the Next Generation Internet and \$235 million for the Administration's "Information Technology for the 21st Century" initiative.

MUCH WORK STILL LEFT TO DO In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda, put more police on the streets, protect the environment, and strengthen America's leading role in the world. But much work still remains to be done.

- × **Passing Common Sense Gun Legislation:** Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.
- × **Passing a Strong, Enforceable, Patients' Bill of Rights:** During the past two years, the President has exercised his executive authority to extend critical patient protections to over 85 million

Americans. But ultimately, the only way to ensure that all Americans in all plans have basic consumer protections is to enact a strong, enforceable Patients' Bill of Rights.

- × **Strengthening Social Security:** The Republicans have proposed so-called "lockbox" legislation that would not add a single day to the life of Social Security; the President has asked them to join him in using the benefits of fiscal discipline to extend the life of Social Security from 2034 to 2050.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President and Vice President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. These challenges include modernizing it with a long overdue, optional prescription drug and giving Medicare the adequate resources and tools to be as efficient as possible.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start, through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs.
- × **Expanding Federal Hate Crimes Laws:** The President and Vice President have called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability.
- × **Providing for Long-term Care Assistance for Those With Chronic Illnesses and Their Families:** Despite proposals by the President and bipartisan support from many members of Congress, the Congress has failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** Although the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on the President's proposals to expand health options for older Americans
- × **Encouraging Small Businesses to Offer Health Insurance:** The President has urged Congress to provide new health insurance options for vulnerable Americans employed by small businesses.
- × **Continuing to Help People Move From Welfare to Work:** Although the Congress enacted eligibility changes similar to those proposed by the President to allow states, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, Congress failed to provide any new funding.
- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests.
- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act. This legislation would be an important milestone in America's effort to build a new economic relationship with Sub-Saharan Africa and deepen ties with our Caribbean and Central American neighbors.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years as part of an effort to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.
- × **Promoting Peacekeeping:** While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund

the full requests. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.

- × **School Construction:** The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. Congress should pass the President's plan and invest in our nation's schoolchildren.
- × **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.
- × **Child Care Initiative.** The Republicans refused to support the President's historic child care initiative to make child care better, safer, and more affordable for America's working families.
- × **Farm Assistance.** The President and Vice President were pleased to get \$8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress still needs to address the underlying issues that exist in the wake of Freedom to Farm legislation.
- × **Providing Fairness to Immigrant Families.** Congress has failed to take action to provide fairness to immigrant families.
- × **Continuing to Empower Communities:** The \$70 million funding for EZs and ECs represents less than half of the amounts authorized. The President and Vice President are committed to seeking full funding for the remaining eight years of this program.

A VICTORY FOR AMERICA'S STUDENTS

November 18, 1999

	HOUSE GOP BUDGET*	FINAL BUDGET AGREEMENT	DIFFERENCE
Class Size Reduction	\$0**	\$1.3 billion	+\$1.3 billion
After-School Programs	\$300 million	\$453 million	+\$153 million
GEAR UP	\$0	\$200 million	+\$200 million
Title I Grants to LEAs	\$7.732 billion	\$7.941 billion	+\$209 million
Accountability Set-aside/Title I	\$0	\$134 million***	+\$134 million
Head Start	\$4.760 billion	\$5.267 billion	+\$507 million
Education Technology	\$500 million	\$769 million	+\$269 million
Teacher Quality Enhancement	\$75 million	\$98 million	+\$23 million
Safe and Drug Free Schools	\$566 million	\$606 million	+\$40 million
Charter Schools	\$130 million	\$145 million	+\$15 million
Reading Excellence	\$200 million	\$260 million	+\$60 million
Adult Education	\$ 378 million	\$470 million	+\$92 million
Work Study	\$ 880 million	\$934 million	+\$64 million
Learning Anytime Anywhere	\$0	\$24 million	+\$24 million
Hispanic Educ. Action Plan ****	\$43 million	\$436 million	+\$393 million

*Based on the Labor/Health and Human Services and Education bill passed by the House Appropriations Committee on September 23, 1999. This bill provided \$33.321 billion for all education programs, compared to \$35.701 billion in the final budget agreement.

**House bill eliminated the class size program by absorbing it in a block grant that dedicated no funding specifically for class size reduction.

***The Title I set-aside for accountability is also included in the Title I grants to LEAs.

****These figures represent increase over FY 1999. HEAP figures also include increase to Title I.

PROGRESS ON AMERICA'S PRIORITIES

November 18, 1999

PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT

The budget agreement represents a victory for President Clinton's stand for fiscal discipline. As a result of the President's commitments, America will stay on course to pay off the debt held by the public by 2015 – for the first time since Andrew Jackson was President.

- **Debt Quadrupled Between 1981 and 1992:** Between 1981 and 1992, the debt held by the public quadrupled. The budget deficit grew to \$290 billion in 1992 – and was projected to grow to more than \$400 billion by 1999.
- **President's Tough Choices Led to Largest Surplus Ever:** As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of \$123 billion – the largest ever.
- **The President Stopped Republican Attempts to Reverse this Fiscal Discipline:** Throughout the year, the Republican Congress took steps that would have threatened our fiscal discipline. These were stopped by the President, who vetoed the Republican's fiscally irresponsible and exploding tax cut.
 - **In January, Republicans Proposed a Tax Cut that Would Have Spent the Social Security Surplus:** H.R. 3 and S. 3 called for an across-the-board 10 percent reduction in income tax rates. According to Joint Committee on Taxation Estimates, this proposal would have cost \$58 billion in 2000 – *using tens of billions of dollars from the Social Security surplus this year*. In the first five years, this tax cut would have cost \$360 billion – much more than could be paid for out of the non-Social Security surplus, then projected at \$165 billion by the Congressional Budget Office (CBO).
 - **In August, Republicans Passed a Tax Cut that Would Likely Have Spent the Social Security Surplus:** In August, the Republican Congress passed a \$792 billion tax cut that, if continued, would have used virtually all of CBO's projected surplus over the next 10 years. It would have used growing amounts of the Social Security surplus every year after 2004. This tax cut was based on a budget plan that would have required nearly 50 percent cuts in all domestic discretionary spending, assuming defense were funded at the level requested by the President. If cuts of this magnitude were not made, the likely consequence of the Republican tax cut would have been to divert hundreds of billions of dollars of the Social Security surplus from promised debt reduction.

A VICTORY FOR AMERICA'S STUDENTS

After vetoing a Congressional budget that denied funding to priority education and training investments, President Clinton and Vice President Gore delivered on their ambitious education agenda.

- ✓ **More High-Quality Teachers With Smaller Class Sizes:** President Clinton's budget included the second installment of his plan to help reduce class size in the early grades by hiring 100,000 quality

teachers. The President vetoed a Congressional budget that reneged on last year's bipartisan agreement, did not guarantee funding for 29,000 teachers hired last year, and would have allowed Class Size dollars to be used for virtually any activity – including vouchers – rather than hiring qualified teachers. The final budget enhances last year's teacher quality and flexibility provisions and provides \$1.3 billion for Class Size Reduction, enough to stay on track to hire 100,000 teachers over the next 6 years.

- ✓ **More than Twice as Much Federal Support for After School:** In his State of the Union address, the President called for a large investment in after school and summer school programs to give children the extra help they need to meet high standards. The final budget more than doubles the federal investment in these programs to \$453 million, to provide educational support to nearly 675,000 students – 375,000 more students than last year.
- ✓ **Early Intervention To Help Disadvantaged Students Prepare for College:** House Republicans proposed to terminate the President's GEAR UP college preparation initiative for low-income students, a new initiative begun in 1998. The final budget increases funding for GEAR UP from \$120 million in 1999 to \$200 million to support State projects and partnerships of colleges, high-poverty schools, and community organizations, to help 482,000 students aspire to and prepare for college starting in the 7th grade.
- ✓ **Accountability for the Lowest Performing Schools:** In his State of the Union address, President Clinton insisted that “all states and school districts must turn around their worst-performing schools – or shut them down,” and his Budget included funds to help states and school districts turn around their own failing schools. The final bill provides \$134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results. In addition, the bill provides \$7,807 million for the base program, Title I Grants to LEAs, which is an increase of \$75 million over last year, in order to continue efforts to help disadvantaged students catch up with their peers.
- ✓ **More Education Technology for Students:** The final budget triples funding for Community Technology Centers to reach at least 120 low-income communities, provides \$75 million to train new teachers in the use of technology, and provides \$425 million to states and school districts to purchase computer hardware and educational software. Investment in educational technology has increased to \$769 million, up from \$698 million in 1999.
- ✓ **Making Schools Safe, Disciplined, and Drug-Free:** The budget agreement provides \$606 million for school-based drug and violence prevention programs, including the President's \$50 million request for the Coordinator Initiative, that would provide coordinators to plan, implement, and evaluate successful prevention programs in middle schools across the Nation. Additional resources are also provided for an expansion of the interagency Safe Schools / Healthy Students initiative, with HHS and DoJ.
- ✓ **Expanded Head Start:** President Clinton and Vice President Gore proposed a \$607 million increase for Head Start to serve an additional 44,000 young children – and stay on track toward serving one million children by 2002. The House Republican budget did not provide the President's increase and would have denied over 40,000 children Head Start slots if enacted. The final budget includes the President's full increase for Head Start, which is funded at \$5.3 billion – or 90 percent above the 1993 level.

- ✓ **Increasing Public School Choice Through Charter Schools:** The budget agreement provides \$145 million for Public Charter Schools, an increase of \$45 million over the FY 1999 enacted level. This will strengthen and expand public school choice by providing startup funding to as many as 2,400 charter schools next year, about 650 more schools than this year. The President has pledged to help start 3,000 charter schools across the country by early in the next century. When President Clinton and Vice President Gore were first elected in 1992, there was only one charter school operating in the country. This year, more than 1,700 charter schools are operating, serving a diverse student body in more than 30 states. This remarkable growth is in large part due to the President's leadership and support for these innovative high quality schools.
- ✓ **Hispanic Education Agenda:** President Clinton's budget included an ambitious agenda to address the disproportionately low educational achievement and high dropout rates of Latino students. The final budget includes \$436 million in increases for a number of education programs that help to improve the educational outcomes of Latinos and limited English proficient students, including Title I Grants to LEAs, Adult Education, Bilingual Education, and TRIO.
- ✓ **English Language/Civics Education Initiative:** The increase to Adult Education targets \$25.5 million for the President's ESL/Civics Initiative, which would provide instruction in both English literacy and critical life skills necessary for effective citizenship and civic participation.
- ✓ **Largest Maximum Pell Grant Award Ever:** The final budget provides \$7.7 billion for Pell Grants, increasing the maximum Pell Grant award from \$3,125 to \$3,300. The maximum award has increased 43 percent since President Clinton and Vice President Gore took office in 1993.
- ✓ **Support for One Million Students To Work Their Way Through College:** The President's budget requested \$934 million for Federal Work-Study to fulfill his commitment to expand work-study to one million students in FY 2000. House Republicans initially provided only \$880 million. The final budget provides the President's request and will give one million students the opportunity to earn money for college through part-time work.
- ✓ **Training for Dislocated Workers:** The final budget provides a \$190 million increase for a total of \$1.6 billion to provide much needed training for dislocated workers. This is more than triple the funding in 1993, allowing the program to serve more than 3 times as many dislocated workers. This increase is a step toward meeting the 5-year goal of the Universal Reemployment Initiative to provide training to every dislocated worker who wants and needs training.
- ✓ **Providing for School Construction:** The final budget extends Qualified Zone Academy Bonds (QZABs) through 2001. QZABs provide no-interest loans to school districts in needy areas to fund certain expenditures on rehabilitation and repairs, educational equipment, curriculum development, and teacher training. QZABs have been used to purchase computers and develop technology-based curricula, renovate and repair a charter school, purchase computer software and hardware to develop literacy programs, and even to establish the first public secondary military academy in the nation.
- ✓ **Tax Relief to Encourage Worker Training:** The final budget extends the tax relief provided by Section 127 through 2001, which allows employers to provide educational assistance for courses at degree-granting institutions as a tax-free fringe benefit. By encouraging worker education, it helps employers expand the skills of their work force and expands the opportunities of workers to adapt to new technologies.

FIGHTING CRIME, DRUGS, AND GUNS

To keep crime coming down to record lows, President Clinton and Vice President Gore fought for important investments in the budget to build on the Administration's successful community policing initiative, including funds to put more police on the street and critical resources to strengthen law enforcement efforts to keep communities safe.

- ✓ **More Police on the Streets:** In 1994, President Clinton and Vice President Gore won a commitment to put 100,000 police officers on the street. In his State of the Union Address, the President proposed a 21st Century crime plan to hire up to 50,000 more police officers by 2005. The final budget contains full funding for the first installment toward meeting this goal.
- ✓ **Law Enforcement Technology:** The final budget provides \$230 million to provide law enforcement with the latest crime-fighting and crime-solving technology.
- ✓ **Community Prosecutors:** Provides \$10 for the Administration's initiative to extend the success of community policing to local prosecutors.
- ✓ **Strengthened Gun Enforcement:** An increase of \$12.6 million for more ATF agents to bolster federal law enforcement efforts against gun crime.
- ✓ **Youth and Guns:** Over \$50 million for the President's Youth Crime Gun Interdiction Initiative, to expand the initiative from 27 to 38 cities, trace more guns used in crimes, and add more ATF agents to crack down on illegal gun traffickers who supply guns to juveniles and criminals.
- ✓ **Youth Anti-Drug Media Campaign:** \$185 million to continue the successful campaign to reach our youth with the message that drugs are wrong, dangerous and deadly.

INVESTING IN A CLEANER ENVIRONMENT

President Clinton and Vice President Gore won significant gains for the environment in the fiscal year 2000 budget, including new resources to combat water pollution, protect wildlife, address global warming, and preserve precious lands across the country. At the same time, the President and Vice President forced Congress to drop or substantially modify dozens of anti-environmental riders that would have rolled back hard-won environmental safeguards and benefited special interests at the expense of our public lands.

- ✓ **Preserving Our Lands Legacy:** The President and Vice President won \$651 million for Lands Legacy, an historic initiative that strengthens federal efforts to preserve natural treasures and provides communities with new resources to protect local green spaces. Lands Legacy funding, a 42 percent increase over last year, includes:
 - \$444 million for federal agencies to acquire and protect dozens of natural and historic sites around the country and off our coasts, including:
 - The full \$101 million needed to purchase New Mexico's majestic Baca Ranch, home to one of North America's largest wild elk herds;
 - \$78 million to acquire lands critical to the Administration's Everglades restoration strategy;

- \$36 million to manage and protect marine sanctuaries and coral reefs;
 - \$15 million in matching funds to protect wilderness and other lands in the California Desert.
 - \$206 million for states and local governments to help communities preserve their farms, urban parks, coastal areas, and working forests.
- ✓ **Ensuring Clean Water and Healthy Communities:** The final budget secures \$1.8 billion for the President's Clean Water Action Plan, a 9 percent increase includes increased funds to reduce polluted runoff from large livestock operations. In addition, the Environmental Protection Agency budget provides \$2.17 billion to help communities build or upgrade drinking water and sewage treatment plants, and \$1.4 billion to continue progress toward cleaning up 900 Superfund sites by 2002.
 - ✓ **Leading the Fight Against Global Warming:** The budget provides \$1.1 billion for research and development of clean energy through the Climate Change Technology Initiative, including a 7 percent increase for energy efficiency investments to reduce pollution, create jobs, and save consumers money.
 - ✓ **Saving Pacific Salmon:** The Administration secured \$83 million to initiate two major new efforts to restore salmon in the Pacific Northwest: \$58 million for states and tribes through the Administration's Pacific Coastal Salmon Recovery Fund; and \$25 million to implement an historic salmon treaty with Canada.
 - ✓ **Fighting Congestion and Dirty Air:** The budget provides \$8.2 billion, a 10 percent increase, for programs that reduce air pollution while increasing transportation choices. This includes increases of \$407 million for public transit, and \$278 million to help communities reduce congestion while improving air quality.
 - ✓ **Encouraging Energy Efficiency:** Extend through 2001 the tax credits for wind and biomass energy production. These tax credits encourage no- (wind) and low- (biomass) emission energy production. The biomass tax credit encourages farmers to grow certain materials that can be burned to produce energy. Producing energy from wind and biomass preserves scarce energy resources and reduces our reliance on imported oil.
 - ✓ **Cleaning Up Brownfields:** The budget extends the tax provision that allows businesses to fully deduct the cost of cleaning up polluted "brownfields" in targeted areas through 2001. This provision encourages the redevelopment of blighted properties, which improves the environment and makes communities more livable.
 - ✓ **Defending Our Environment Against Stealth Attacks:** In addition to securing these major new environmental investments, President Clinton and Vice President Gore stood as the last line of defense against congressional efforts to attach anti-environmental riders to budget bills. These riders would have given special deals to special interests by: allowing overcutting of our national forests and jeopardizing the President's plan to protect more than 40 million acres of roadless areas; allowing mining companies to dump more toxic waste on public lands and delaying critical mining reforms; letting major oil companies continue paying below-market royalties on oil developed on federal lands; crippling critical protections for wetlands and wildlife; and attempting to block common-sense actions to reduce greenhouse gas pollution.

MAINTAINING AMERICA'S GLOBAL LEADERSHIP

The Republican Congressional budget would have turned its back on America's leading role in the world by not providing for peace in the Middle East, leadership at the United Nations, economic development in the poorest countries, and efforts to halt the spread of nuclear weapons. The President fought for and secured victories to strengthen America's leading role in the world – by meeting our commitment to the Middle East peace process, paying our dues and arrears to the United Nations, making a critical investment in debt relief for impoverished countries, funding efforts to safeguard nuclear weapons and expertise from the former Soviet Union, and help raise labor standards around the world.

- ✓ **Promoting Peace in the Middle East:** The Congress fully funded the President's \$1.8 billion request arising from the Wye River Agreement, which is essential to promoting peace in the Middle East. As Israelis and Palestinians move ahead on an ambitious agenda to rapidly conclude a peace accord, this funding sends an important message of U.S. commitment to building a lasting peace.
- ✓ **Maintaining Leadership at the United Nations:** In an agreement reached between the President and Congress, the United States will now be able to avoid losing its vote, encourage needed reforms at the UN, and repay \$926 million owed to the UN. This will help meet our obligations to the UN in order to protect our national security interests and preserve American influence within the organization and around the world. The bill passed by the Congress and vetoed by the President would have caused the United States to lose its vote in the General Assembly.
- ✓ **Debt Relief for Poor Countries:** The bill provides \$110 million to fund reduction of debts owed to the U.S. government by the poorest developing countries. This amount represents an increase of \$90 million above the Foreign Operations conference agreement funding level for this purpose (\$20 million). We now have sufficient resources to finance U.S. participation over the next year in the bilateral debt aspect of the Cologne Debt Initiative. The agreement also includes authorization for U.S. support to use a portion of International Monetary Fund (IMF) gold reserves for debt relief, and additional authorization would permit the use of the full amount of gold earnings. Together, the funding and authorizations will help to begin to provide debt relief for the world's poorest nations, and allow them to focus on providing basic needs for their own citizens instead of paying interest to international creditors. Unfortunately, the agreement omits appropriations for the U.S. contribution to the Heavily Indebted Poor Country (HIPC) Trust Fund, which will be necessary to fully finance the participation of some multilateral development institutions in this historic initiative. We will work with Congress next year to secure this crucial funding as well as authorization to use the remaining portion of IMF gold earnings.
- ✓ **Promoting International Development:** The bill provides \$1.1 billion for the U.S. contribution to multilateral development banks including the World Bank and regional development banks. This amount represents an increase from the \$895 million included in the Foreign Operations conference agreement; however, it remains lower than the Administration's original request of \$1.4 billion.
- ✓ **Reducing the Nuclear Weapons Threat and Building Democracy in Russia and the Newly Independent States:** The final bill provides \$839 million to fund critical efforts in the Newly Independent States (NIS) to reduce the threat of nuclear weapons, to promote democracy, private

enterprise, and free speech, and to generally assist in the transition these countries are undertaking. The bulk of these funds will go to the President's Expanded Threat Reduction Initiative (ETRI) for programs to increase nuclear security in the former Soviet Union, dismantle strategic weapons, and strengthen efforts to block transfers of sensitive technology and expertise. The budget will also allow us to help remove Russian troops from Georgia and Moldova, and to expand civilian research projects with former Soviet weapons scientists.

- ✓ **Raising International Labor Standards and Protecting Workers:** The FY 2000 Budget includes \$70 million for working with developing economies through the International Labor Organization (ILO), an increase of \$30 million over FY 1999. These funds include \$20 million to finance the creation of a new arm of the ILO to provide technical assistance to help countries implement core labor standards. The agreement also provides \$10 million to fund bilateral technical assistance by the US Department of Labor to developing economies seeking to establish social safety net programs and design, implement and enforce labor market policies. In addition, Congress provided the State Department with sufficient funds to allow it to go forward with the President's initiative to support innovative efforts to eliminate sweatshops.
- ✓ **More Funding for President Clinton's Child Labor Initiative:** Last year, the President proposed a 10-fold increase in funding for the ILO's International Program for the Elimination of Child Labor (IPEC) – from \$3 million to \$30 million – and Congress agreed. This year, the Congress once again fully funded the President's \$30 million request. In addition, Congress provided additional funds sought by the President to support enhanced customs enforcement of the ban on importation of goods made with forced or indentured child labor. Congress also provided sufficient funds to the United States Agency for International Development (USAID) to allow it to go forward with the President's new "School Works!" program, which will help developing countries provide educational alternatives to abusive child labor. Finally, to help us lead by example, the budget includes enhanced resources for domestic labor standards enforcement that should help improve compliance with U.S. child labor laws.
- ✓ **Improving Military Pay and Readiness:** The final bill fully funded the President's "trilogy" pay initiative which includes a significant pay raise, pay table reform, and a change in military retirement. The bill additionally funds fully all of our critical readiness programs (unit training, depot maintenance, recruiting, and spare purchases).
- ✓ **Modernizing the Air Force:** The final bill restores most of the funding for the F-22, allowing the program to continue.
- ✓ **Continuing Chemical Demilitarization:** The final bill approves the higher funding level passed by the Senate (the House proposed cuts of \$392 million), helping to meet our treaty deadlines under the Chemical Weapons Convention for destruction of chemical weapons.

EMPOWERING FAMILIES AND COMMUNITIES

President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget moves forward on their vision to help revitalize America's communities and empower families.

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families:** The budget includes \$347 million for 60,000 new housing vouchers for low-income families, building

on last year's level of 50,000. The House and Senate-passed bills had included zero funding for this initiative. These vouchers will subsidize the rents of America's hard-pressed working families, enabling them to move closer to economic opportunities.

- ✓ **Additional Funding for Empowerment Zones:** The budget provides \$70 million in funding for Rural and Urban Empowerment Zones. The President's budget requested \$165 million – \$150 million for urban EZs and \$15 million for rural EZs/ECs. The House and Senate bills included no funding. All of the Urban and Rural EZs (20 Zones) and rural enterprise communities (20 ECs) that were designated by the Vice President in January 1999 as Round II zones will receive funding.
- ✓ **Protecting Rent Subsidies for Low-Income Families:** The final budget includes \$10.8 billion for the renewal of all Section 8 contracts, an increase of \$1.2 billion from FY 1999. This will ensure continuation of HUD rental subsidies for low-income tenants in privately-owned housing.
- ✓ **Housing Assistance for Elderly and Disabled:** The final budget includes expansion of funding for affordable housing for the elderly and disabled by \$911 million, \$57 million above FY 1999, enabling about 30,000 people to have affordable housing. Also included were core elements of a *Housing Security Plan* for older Americans that recognizes the dramatic increase in our elderly population and the changing housing needs that accompany this demographic shift.
- ✓ **Increased Funding for Homeless Assistance:** The President and Vice President proposed a major expansion of HUD's continuum of care program, designed to help homeless persons obtain temporary and permanent housing. The final budget includes \$1.02 billion in funds for the homeless assistance grants – a \$45 million, or 5 percent, increase over last year.
- ✓ **Extending the Work Opportunity Tax Credit:** This tax credit encourages employers to hire individuals who have traditionally had a hard time securing employment. Targeted groups include disadvantaged youth, including those living in empowerment zones and enterprise communities, welfare recipients, and qualified veterans. The maximum credit paid to the employer is as much as 40 percent of an individual's first \$6,000 in wages. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Extending the Welfare-to-Work Tax Credit:** This tax credit encourages employers to hire and retain certain long-term assistance recipients. The maximum credit to an employer is as much as 50 percent of wages, with a maximum credit of \$8,500 per qualified employee over 2 years. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Access to Jobs Transportation Funds:** The final budget includes \$75 million to assist states and localities in developing flexible transportation alternatives, such as van services, to help former welfare recipients and other low income workers get to work.
- ✓ **Individual Development Accounts:** Since 1992, President Clinton and Vice President Gore have supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. Last year, Congress passed legislation authorizing IDAs, and the final budget includes \$10 million for a second round of demonstration grants.

- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes \$95 million for the Community Development Financial Institutions (CDFI) Fund that will expand the capacity of the network of community development financial institutions across the country, spurring the flow of capital to distressed neighborhoods and low-income residents. The President's budget requested \$125 million for the CDFI Fund – the House appropriated \$70 million and the Senate appropriated \$80 million. The added resources bring funding up to FY 1999 enacted levels.
- ✓ **More Home Delivered Meals:** President Clinton's budget included an additional \$35 million for home-delivered meals, a 31 percent increase over last year's funding level. Hundreds of thousands of seniors with disabilities depend on nutritious home-delivered meals to help them remain in their homes. The final bill includes this increase to support the delivery of 146 million meals in FY 2000.
- ✓ **HUD Fair Housing.** The final budget includes \$44 million for efforts to fight housing discrimination, a \$4 million increase from last year's enacted level, as part of President Clinton and Vice President Gore's "One America" initiative. This amount includes \$6 million to continue the audit-based fair housing enforcement initiative started last year.
- ✓ **Maintaining Community Service.** The VA/HUD bill includes \$438.5 million for AmeriCorps, funding that will support nearly 50,000 AmeriCorps members in community service projects across the country.

PROGRESS ON THE NEW MARKETS INITIATIVE

In his State of the Union, President Clinton proposed to bring more private investment to all areas of the United States. The President and Congressional Leaders have agreed to work together to enact bipartisan legislation to help spur economic development in urban and rural communities that have not shared fully in the benefits of the nation's strong economy. The New Markets initiative enjoys bipartisan support.

- ✓ **Funding America's Private Investment Companies (APICs):** Provides \$20 million of funding for APICs (subject to authorization), key elements of the President's New Markets Initiative to leverage \$800 million of new investment in underserved areas.
- ✓ **New Markets Venture Capital Program:** \$16.5 million in funding, subject to authorization, has been provided for the New Markets program at the Small Business Administration (SBA). This includes \$6 million in funding for the New Markets Venture Capital program, which provides capital to untapped rural and urban new market areas; \$1.5 million for BusinessLINC, which encourages large businesses to mentor small business owners; and \$9 million for technical assistance to enhance the borrower's probability of success. This program exploits investment opportunities that are not presently being met by private lenders.
- ✓ **Authorization of the PRIME Program:** Congress passed new legislation that included authorization of the PRIME Act, which will provide micro-enterprise technical assistance through competitive grants to micro-enterprise development organizations that focus on low-income entrepreneurs.

ADDRESSING HEALTH CARE

The President won a \$34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of \$2.3 billion.

- ✓ **Passing the Landmark Work Incentives Improvement Act for People with Disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a \$250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.
- ✓ **Increasing Access to Health Care for the Uninsured:** Fully funds the President's request of \$25 million, making a down payment on the President's \$1 billion investment in developing integrated systems of care for the uninsured. It also provides an additional \$15 million to identify the best way to deliver health care services to this population.
- ✓ **Supporting Graduate Medical Education at Children's Hospitals:** Fully funds the President's request of \$40 million to support graduate medical education at freestanding children's hospitals, which play an essential role in the education of the nation's pediatricians.
- ✓ **Caring for the Nation's Elderly.** Includes a \$43.5 million increase for the new Nursing Home Initiative, only \$1 million below the President's request, for more rigorous inspections of nursing facilities and improved federal oversight and enforcement of nursing home quality.
- ✓ **Improving States' Capacity to Deliver Health Care Services to the Mentally Ill:** Provides an additional \$67 million above the FY 1999 funding level, for the Mental Health Block Grant, a 23 percent increase over FY 1999 and the largest increase ever.
- ✓ **Preparing For and Preventing Bioterrorist Attacks:** Fully funds the President's request of \$52 million to stockpile vaccines, antibiotics, and other medical supplies to deploy in the event of a chemical or biological terrorist attack.
- ✓ **Reducing Racial Disparities in Health Status:** Provides an additional \$20 million, a 200 percent increase over the FY 1999 funding level for health education, prevention, and treatment services to address health disparities among minority populations.
- ✓ **Expanding AIDS Care, Prevention, and Research:** The Administration and Congress continue their strong partnership to address the AIDS epidemic with substantial increases in funding. Included in the bill are a \$73 million increase in funding for HIV prevention activities to help stop the spread of this disease; an increase of \$183 million in the Ryan White CARE Act, which helps provide primary care and support for those living with HIV/AIDS; and an estimated \$300 million in additional funds for AIDS-related research at the NIH. Congress and the Administration also worked closely together to add \$80 million in funding to the Minority AIDS Initiative, which

utilizes existing programs to reach African-Americans, Latinos, and other racial and ethnic minorities that are disproportionately impacted by HIV/AIDS. Consistent with the President's request, an additional \$100 million to fight AIDS internationally was funded. Finally, the Administration helped protect local authority over HIV prevention activities, successfully removing language from the District of Columbia appropriations bill that would have tied the hands of community health agencies in their ability to use needle exchange programs as part of their overall HIV prevention strategy.

- ✓ **Preventing Childhood Diseases:** Provides an additional \$62 million, a 4 percent increase over FY 1999 funding levels to provide childhood immunizations nationwide and fully funds the President's request to eradicate polio worldwide.
- ✓ **Providing Critical Organ Transplants to Those Most In Need:** Permits the development of a more equitable allocation system for the over 63,000 Americans awaiting organ transplants, saving hundreds of lives a year.
- ✓ **First Time Funding For the Ricky Ray Hemophilia Relief Fund Act:** Provides \$75 million for one-time payments of \$100,000 to hemophiliacs who were infected with HIV by blood solids during the 1980s.
- ✓ **Controlling the Spread of Infectious Disease:** Provides \$29 million to the Center for Disease Control (CDC), a 21 percent increase over the FY 1999 funding level, for programs dedicated to emerging infectious diseases and improving disease surveillance systems.

RESPONDING TO THE FARM CRISIS

The Agriculture Appropriations bill included \$8.6 billion in emergency funds to assist our Nation's farmers and ranchers who are suffering through the second year in a row of low commodity prices and, for many, crop and livestock losses from severe drought and flooding. The bill doubled annual payments to farmers of major grain crops to about \$11 billion. The emergency funds include \$400 million to help subsidize the cost of crop insurance premiums and \$325 million for livestock and dairy assistance. In addition, the Administration secured an additional \$2.5 billion in farm loans in final negotiations, as well as \$186 million more for nationwide crop losses – bringing total crop loss funds to nearly \$1.4 billion, as well as \$130 million to clear farm fields and streams of debris left by flooding. The President and Vice President remain concerned that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation and that more needs to be done.

A STRONG RESEARCH AND DEVELOPMENT AGENDA

For six years in a row, President Clinton and Vice President Gore have proposed substantial increases in the Federal government's research and development portfolio to build a healthier, more prosperous, and productive future. The final budget increases the President's "21st Century Research Fund" for civilian research programs by more than \$3 billion.

- ✓ **National Science Foundation:** A 6.6 percent increase in support for science and engineering research and education, including \$126 million for the Administration's "Information Technology for the 21st century" initiative. The NSF supports nearly half of the non-medical basic research conducted at universities.

- ✓ **National Institutes of Health:** Provides \$2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President's commitment to biomedical research as a foundation for combating disease and advancing medical technologies.
- ✓ **Information Technology:** The final budget includes more than \$80 million in funding for the Next Generation Internet, which is connecting more than 100 universities at speeds that are up to 1,000 times faster than today's Internet. It also includes \$235 million for the Administration's "Information Technology for the 21st Century" initiative, which will strengthen America's leadership in the high-tech industries of the future, and accelerate the pace of discovery in all science and engineering disciplines. Currently, IT industries account for 1/3 of U.S. economic growth.
- ✓ **Defense Research:** Department of Defense (DOD) support for basic and applied research is up almost 8 percent. DOD is a leading supporter of basic research in computer sciences, mathematics, oceanography, and most engineering disciplines.
- ✓ **Increases in Science at Department of Energy:** Science Programs increased \$117 million. DOE, the principal supporter of the Federal investment in the physical sciences, has supported research that has resulted in over 60 Nobel prizes. DOE's scientific user facilities are used by more than 15,000 scientists to conduct frontier scientific research, and provide the next generation of scientists and engineers.
- ✓ **Advanced Technology Program:** President Clinton's FY 2000 budget continues to fund ATP's research and development into cutting-edge high-technologies. While the House proposed eliminating the program, the final budget will allow ATP funding for an additional \$51 million in new awards. ATP supports the development of high-risk technologies that promise significant commercial payoffs and widespread economic benefits.
- ✓ **NASA - Investing in Our Future:** The budget includes \$13.65 billion for NASA, an additional \$100 million. The funding levels passed by the House would have cut the NASA budget by almost \$1 billion. These investments offer the potential of new scientific breakthroughs through an aggressive robotic series of exploration missions into the solar system, as well as enhancing our ability to monitor important changes in the earth's climate system, and strengthening aviation safety for the travelling public.
- ✓ **Extending the Research and Experimentation Tax Credit:** President Clinton proposed to extend the research tax credit because it provides incentives for private sector investment in research and innovation that can help increase America's economic competitiveness and enhance U.S. productivity. The final budget extends this research tax credit through 2004. This long-term extension will encourage companies to undertake new multi-year research activities, secure in the knowledge that the 20 percent tax credit will continue to be available.

OTHER HIGHLIGHTS

- ✓ **Nutrition for Women, Infants, and Children (WIC):** The final budget provides over \$4 billion for nutrition assistance to 7.4 million women, infants, and children through the WIC program, an increase of \$108 million over FY 1999. The additional funds will allow the program to provide a monthly package of nourishing supplemental foods, nutrition education, and health care referrals to

7.4 million low-income women, infants, and children who are at nutritional risk – a 25 percent increase in participation since 1993.

- ✓ **Boosting Funding for Natural Disasters Such as Hurricane Floyd:** The budget provides \$2.8 billion for the Federal Emergency Management Agency's (FEMA) disaster relief fund to assist victims with repairs and recovery from natural disasters. This includes \$215 million to address unmet housing needs resulting from Hurricane Floyd that could not otherwise be met by Federal disaster assistance programs.
- ✓ **Expanding Civil Rights Enforcement:** Funding for the Civil Rights Division of Justice was expanded from \$69 million in FY 1999 to \$82 million in FY 2000 – a 19 percent increase. Funding for HUD fair housing programs was increased by \$4 million – a 10 percent increase.
- ✓ **Largest Increase In Family Planning Services Since 1993:** The President won a nearly \$25 million increase for Title X family planning, the largest increase since 1993, bringing the program to almost \$240 million for FY 99. These grants fund family planning clinics providing reproductive health services and clinical care to over 5 million low-income women.
- ✓ **President's Food Safety Initiative:** The bill provides an increase of \$59 million for the President's Food Safety Initiative, which will fund enhanced domestic and imported food safety inspections; increased outbreak response and traceback work; and expanded research, risk assessment and education activities. In addition, this increase will fund enhanced Federal-State inspection partnerships, bioscience research, and Risk Assessment modeling and data collection to include the pre-harvest phase for all foods.
- ✓ **The Final Bill Strengthens Enforcement of Labor Protections.** The final bill provides key funding increases for worker protection programs including Occupational Safety and Health Administration (OSHA) oversight of employee pension and health plans, enforcement of wage and hour laws, and the National Labor Relations Board (NLRB). The final total of \$1.3 billion is \$105 million (9 percent) above the FY 1999 enacted level. As a result of these increases, OSHA will conduct approximately 3,000 more compliance inspections thereby increasing the safety and health of our Nation's workers, particularly those in high-hazard industries. In addition, the Department of Labor also will be able to implement new health care laws effectively and encourage equal pay practices that will benefit our workers.
- ✓ **Ensuring That American Families Continue to Benefit From Tax Credits:** The budget ensures that Americans take full advantage of their personal credits—including the child credit, the child and dependent care tax credit, and the Hope scholarship and Lifetime Learning credits—without restriction by the alternative minimum tax. The final budget extends these rules for the alternative minimum tax through 2001.
- ✓ **Encouraging First-Time Homeowners in the District of Columbia:** Extend through 2001 the \$5,000 tax credit for low- and moderate-income first-time homebuyers who purchase homes in the District of Columbia. This tax credit encourages homeownership and strengthens neighborhoods in the Capital City.

**DESPITE ALL THE PROGRESS IN THIS YEAR'S BUDGET, THERE IS STILL MORE
WORK THAT NEEDS TO BE DONE**

November 18, 1999

In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda, put more police on the streets, protect the environment, and strengthen America's leading role in the world. Much work remains for the future.

- × **Passing Common Sense Gun Legislation:** While the Administration's successful strategy of keeping guns out of the hands of fugitives, felons, and children has contributed to record declines in crime, recent tragic shootings reinforce the need to protect American families from gun violence. For months, Congress has failed to enact common-sense gun legislation. Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.
- × **Passing a Strong, Enforceable, Patients' Bill of Rights:** For over two years, the American people have been waiting for Congress to pass a strong, enforceable Patients Bill of Rights. During that time, the President has exercised his executive authority to extend critical patient protections to over 85 million Americans. The House passed such legislation earlier this year, but the Republican leadership is preventing an open debate on it in conference. The President continues to urge the Congress to recommit to passing this legislation and prevent another year from passing without action on this important issue.
- × **Strengthening Social Security:** The President has put forth a specific proposal to use the benefits of fiscal discipline and debt reduction to strengthen Social Security, extending its solvency from 2034 to 2050. This would be a down payment on truly saving Social Security. The Republican so-called "lockbox" legislation would not add a single day to the life of Social Security.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. With the number of beneficiaries expected to double over the next 30 years, Medicare needs adequate resources and the tools to be as efficient as possible. A long-overdue prescription drug benefit option is also essential for seniors and people with disabilities.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs. Congressional Republicans have acted as politicians instead of parents, and killed this year's effort to increase the excise tax on cigarettes by 55 cents a pack. Public health experts agree that the single most effective way to cut youth smoking is to raise the price of cigarettes.

- × **Expanding Federal Hate Crimes Laws:** At a time when our leaders should be doing all they can to bring Americans together, the Congress has refused to enact legislation to punish hate crimes. The President has called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability. Congress should take a strong stand against intolerance and hatred by enacting such legislation without further delay.
- × **Providing for Long-term Care Assistance for the Those Chronic Illnesses and Their Families:** At the beginning of this year, the President proposed a new, \$6 billion initiative to address complex long-term care needs, including an unprecedented \$1,000 tax credit that compensates Americans with long-term care needs of all ages or the family caregivers who support them for their formal or informal costs. The initiative also supports a new National Family Caregivers Support Program that provides a range of critical services such as respite, home care services, and information and referral. Many members of Congress, on a bipartisan basis, introduced similar proposals, but despite this, the Congress failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** In the FY 1999 and FY 2000 budgets, the President proposed an initiative to expand health options available for older Americans by: enabling Americans aged 62 to 65 to buy into Medicare by paying a full premium; providing vulnerable displaced workers ages 55 and older access to Medicare by offering those who have involuntarily lost their jobs and their health care coverage a similar Medicare buy-in option; and providing Americans ages 55 and older whose companies reneged on their commitment to provide retiree health benefits a new health option, by extending "COBRA" continuation coverage until age 65. Despite the fact that the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on this proposal.
- × **Encouraging Small Businesses to Offer Health Insurance:** In the FY 2000 budget, the President proposed an initiative to encourage small businesses to offer health insurance to their employees through: a new tax credit for small businesses who offer coverage by joining coalitions; encouraging private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; offering technical assistance to small business coalitions from the Office of Personnel Management. The President urges Congress to provide new health insurance options for these vulnerable Americans.
- × **Continuing to Help People Move From Welfare to Work:** In January, the President proposed to invest an additional \$1 billion in the Welfare-to-Work program and to reauthorize the program with several changes including helping more low-income fathers work and support their children. The Congress enacted eligibility changes similar to those proposed by the Administration to allow States, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, but failed to provide any new funding.
- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests. More than 11 million workers would benefit from a \$1 increase in the minimum wage. A full-time, year-round worker at the minimum wage would

get a \$2,000 raise – enough for a typical family of four to buy groceries for 7 months or pay rent for 5 months.

- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act and the Caribbean Basin legislation -- crucial to strengthening our economic ties with Sub-Saharan Africa and our Caribbean and Central American neighbors. This legislation would help increase trade, enhance opportunity, and boost growth in America and nations in Africa, the Caribbean, and Central America. The President called for the rapid passage of the Africa legislation in the State of the Union address and has pressed the case for these bills several times since. The House passed this legislation overwhelming earlier this summer, but the legislation is now awaiting Conference action.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years. This initiative is an important part of the Stability Pact launched by the President and other leaders last July, and is designed to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.
- × **Promoting Peacekeeping:** While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund the full requests. The shortage threatens to undermine fragile peace processes around the world or to incur additional UN arrears. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.
- × **School Construction:** Despite record student enrollment and a massive maintenance backlog in our nation's schools, Congressional Republicans again failed to enact school construction legislation. The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. We can not hold students to high academic standards if we do not provide them with adequate facilities within which to learn. Congress should pass the President's plan and invest in our nation's schoolchildren.
- × **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. Although the House passed a bipartisan reform plan, a minority of the Senate blocked further action and left unchecked the influence of moneyed special interests. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.
- × **Child Care Initiative.** In his State of the Union, the President proposed an historic child care initiative to make child care better, safer, and more affordable for America's working families. The President's proposal included \$7.5 billion over 5 years for child care subsidies for low-income working families, and tax credits to help millions of working families pay for child care. The Republican Majority has refused to support these critical investments.
- × **Farm Assistance.** The President and Vice President were pleased to get \$8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress did not address the underlying

issues that exist in the wake of Freedom to Farm legislation. For example, most of the assistance is not targeted to farmers who need it most, but is available to farmers, both large and small, whether they have suffered particular difficulty this year or not.

- × **Providing Fairness to Immigrant Families.** Congress has failed to take action to provide fairness to immigrant families by: restoring important disability, health, and nutrition benefits to additional categories of legal immigrants; restructuring the Immigration and Naturalization Service (INS); approving the Administration's proposal to support the process of democratization and stabilization now underway in Central America and Haiti and ensure equitable treatment for migrants from these countries; or changing the registry date to permit long-term migrants to adjust their status.
- × **Continuing to Empower Communities:** Urban and Rural Empowerment Zones were funded at \$70 million in 2000, \$55 million for Urban Zones and \$15 million for Rural Zones and Enterprise Communities. Empowerment Zones continue to be a priority for the President and Vice President and they are committed to supporting and obtaining funding for the Empowerment Zones' remaining eight years. Without the full 10 years of funding, the Round II Empowerment Zones and Enterprise Communities, designated in January 1999 by the Vice President, will have difficulty implementing their community and economic development strategies to revitalize their communities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-NOV-1999 15:14:43.00

SUBJECT: Yet another revised wins document

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TO: Adrienne K. Elrod (CN=Adrienne K. Elrod/OU=WHO/O=EOP@EOP [WHO])
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TO: Julie D. Eddy (CN=Julie D. Eddy/OU=WHO/O=EOP@EOP [WHO])
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TO: Jackson T. Dunn (CN=Jackson T. Dunn/OU=WHO/O=EOP@EOP [WHO])
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TO: Laura K. Demeo (CN=Laura K. Demeo/OU=WHO/O=EOP@EOP [WHO])
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TO: Michael M. Daum (CN=Michael M. Daum/OU=OPD/O=EOP@EOP [OPD])
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TO: Stephanie A. Cutter (CN=Stephanie A. Cutter/OU=WHO/O=EOP@EOP [WHO])
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TO: Patrick J. Crawford (CN=Patrick J. Crawford/OU=WHO/O=EOP@EOP [WHO])
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TO: Barbara Chow (CN=Barbara Chow/OU=OMB/O=EOP@EOP [OMB])
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TO: Nanda Chitre (CN=Nanda Chitre/OU=WHO/O=EOP@EOP [WHO])
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TO: George G. Caudill (CN=George G. Caudill/OU=WHO/O=EOP@EOP [WHO])
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TO: Meredith E. Cabe (CN=Meredith E. Cabe/OU=WHO/O=EOP@EOP [WHO])
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TO: Irene Bueno (CN=Irene Bueno/OU=OPD/O=EOP@EOP [OPD])
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TO: Nancy L. Brandel (CN=Nancy L. Brandel/OU=OMB/O=EOP@EOP [OMB])
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TO: Robert A. Bradtke (CN=Robert A. Bradtke/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Ian Bowles (CN=Ian Bowles/OU=CEQ/O=EOP@EOP [CEQ])
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TO: Sidney Blumenthal (CN=Sidney Blumenthal/OU=WHO/O=EOP@EOP [WHO])
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TO: Todd A. Bledsoe (CN=Todd A. Bledsoe/OU=WHO/O=EOP@EOP [WHO])
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TO: Natasha F. Bilimoria (CN=Natasha F. Bilimoria/OU=OPD/O=EOP@EOP [OPD])
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TEXT:

again, do not recall, just use this from now on. thanks

----- Forwarded by Melissa G. Green/OPD/EOP on 11/18/99
03:12 PM -----

Jason Furman
11/18/99 03:11:23 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Yet another revised wins document

Sorry about all of these. I was aiming to beat the China-WTO record set the other day. The following changes the "Reducing the Nuclear Weapons Threat" number, using a conceptually different basis for it. You do not need to recall previous versions of this document -- just ensure that this is the version distributed in the future.

Message Sent

To:

Melissa G. Green/OPD/EOP@EOP
William G. Dauster/OPD/EOP@EOP
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===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D37]ARMS26748233N.336 to ASCII,
The following is a HEX DUMP:

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

**PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL
DEMOCRATS WIN ON THE BUDGET, BUT CONGRESS STILL NEEDS TO DO MORE
WORK TO ADDRESS AMERICA'S PRIORITIES**

November 18, 1999

TABLE OF CONTENTS

- I. Overview of Key Victories and Remaining Issues**
- II. A Victory for America's Students (table)**
- III. Progress On America's Priorities**
 - Protecting Fiscal Discipline and Paying Down the Debt
 - A Victory for America's Students
 - Fighting Crime, Drugs, and Guns
 - Investing in a Cleaner Environment
 - Maintaining America's Global Leadership
 - Empowering Families and Communities
 - Progress on the New Markets Initiative
 - Addressing Health Care
 - Responding to the Farm Crisis
 - A Strong Research and Development Agenda
 - Other Highlights
- IV. Despite All the Progress in this Year's Budget, There is Still More Work That Needs to Be Done**

OVERVIEW: PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL DEMOCRATS WIN ON THE BUDGET, BUT CONGRESS STILL NEEDS TO DO MORE WORK TO ADDRESS AMERICA'S PRIORITIES

November 18, 1999

PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT. The budget agreement represents a victory for President Clinton's stand for fiscal discipline. Between 1981 and 1992, the debt quadrupled. In 1992 the deficit was \$290 billion and projected to rise to over \$400 billion in 1999. As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of \$123 billion – the largest ever. Throughout the year, the Republicans have been proposing fiscally irresponsible tax cuts that would have jeopardized this record of fiscal discipline. In September, the President vetoed a Republican tax cut that would likely have drained hundreds of billions of dollars of the Social Security surplus from debt reduction. As a result of the President's stand, America will stay on course to pay off the debt held by the public by 2015 – for the first time since Andrew Jackson was President.

A VICTORY FOR AMERICA'S STUDENTS. After vetoing a Congressional budget that denied funding to priority education and training investments, President Clinton and Vice President Gore delivered on their ambitious education agenda.

- ✓ **More High-Quality Teachers With Smaller Class Sizes:** Following on a new initiative by the President last year, the budget agreement includes \$1.3 billion for a bipartisan plan to help reduce class size in the early grades by hiring 100,000 quality teachers over the next six years.
- ✓ **Double Funding for After School:** \$453 million for after school, providing support to 675,000 students – 375,000 more than last year.
- ✓ **GEAR UP:** A 67 percent increase to \$200 million for the President's GEAR UP initiative, which helps 482,000 students aspire to and prepare for college – the second year of this new initiative.
- ✓ **Accountability for the Lowest Performing Schools:** \$134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results.
- ✓ **Expanded Head Start:** A \$607 million increase for Head Start to serve an additional 44,000 children. Total funding is \$5.3 billion – 90 percent higher than 1993.
- ✓ **Hispanic Education Agenda:** \$436 million in increases for a number of education programs that help to improve the educational achievement and high dropout rates of Latino students.
- ✓ **Largest Pell Grant Maximum Award Ever:** Increased to \$3,300 – a 43 percent increase since 1993.

FIGHTING CRIME, DRUGS, AND GUNS. To keep crime coming down to record lows, President Clinton fought for important investments in the budget to build on the Administration's successful community policing initiative, including funds to put more police on the street and critical resources to strengthen law enforcement efforts to keep communities safe.

- ✓ **More Police for Our Streets:** The budget contains full funding for the first installment toward the President's goal to hire up to 50,000 more police officers for our Nation's streets by 2005. The initiative builds on the President's successful COPS program that has already funded 100,000 police officers to help keep America's streets safe.

INVESTING IN A CLEANER ENVIRONMENT. President Clinton and Vice President Gore won significant gains for the environment in the fiscal year 2000 budget, including new resources to combat water pollution, protect wildlife, address global warming, and preserve precious lands across the country. At the same time, the President and Vice President forced Congress to drop or substantially modify dozens of anti-environmental riders that would have rolled back hard-won environmental safeguards and benefited special interests at the expense of our public lands.

- ✓ **Preserving Our Lands Legacy:** The President and Vice President won \$651 million for Lands Legacy, a 42 percent increase for this historic initiative that strengthens federal efforts to preserve natural treasures and provides communities with new resources to protect local green spaces.

MAINTAINING AMERICA'S GLOBAL LEADERSHIP. The Republican Congressional budget would have turned its back on America's leading role in the world by not providing funds for peace in the Middle East, leadership at the United Nations, economic development in the poorest countries, and efforts to halt the spread of nuclear weapons. The President fought for and secured victories to strengthen America's leading role in the world – by meeting our commitment to the Middle East peace process, paying our dues and arrears to the United Nations, making a critical investment in debt relief for impoverished countries, funding efforts to safeguard nuclear weapons and expertise from the former Soviet Union, and help raise labor standards around the world.

EMPOWERING FAMILIES AND COMMUNITIES. President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget moves forward on their vision to help revitalize America's communities and empower families.

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families.**
- ✓ **Additional Funding for Empowerment Zones:** The budget provides \$55 million in funding for Urban Empowerment Zones and \$15 million for Rural Enterprise Zones and Enterprise Communities.
- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes \$95 million for the Community Development Financial Institutions (CDFI) Fund.

PROGRESS ON THE NEW MARKETS INITIATIVE: In his State of the Union, President Clinton proposed to bring more private investment to all areas of the United States. The President and Congressional Leaders have agreed to work together to enact bipartisan legislation to help spur economic development in urban and rural communities that have not shared fully in the benefits of the nation's strong economy. The New Markets initiative enjoys bipartisan support.

- ✓ **Funding America's Private Investment Companies (APICs):** Provides \$20 million of funding for APICs (subject to authorization), a key element of the President's New Markets Initiative, that would leverage \$800 million of new investment in underserved areas.
- ✓ **New Markets Venture Capital Program:** Provides, subject to authorization, \$16.5 million in funding for New Market Venture Capital Firms (NMVCs) and BusinessLINC to bring equity capital and technical assistance to small businesses in low- and moderate-income neighborhoods.

ADDRESSING HEALTH CARE. The President won a \$34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical

prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of \$2.3 billion.

- ✓ **Passing the landmark Work Incentives Improvement Act for people with disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a \$250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not yet sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.

RESPONDING TO THE FARM CRISIS: The Agriculture Appropriations bill included \$8.6 billion in emergency funds to assist our Nation's farmers and ranchers who are suffering through the second year in a row of low commodity prices and, for many, crop and livestock losses from severe drought and flooding. The final budget includes over \$550 million more to fulfil the unmet needs identified by the President, including significant funds targeted to hurricane-affected areas, increased crop loss payments for all producers, and over \$2.5 billion in additional farm loans to help producers secure financing for next year's crop. The President and Vice President remain concerned that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation and that more needs to be done.

A STRONG RESEARCH AND DEVELOPMENT AGENDA: The final budget included an unprecedented commitment to key civilian research. The final budget increases the President's "21st Century Research Fund" for civilian research programs by more than \$3 billion. It also includes a five year extension of the Research and Experimentation tax credit.

- ✓ **National Science Foundation:** A 6.6 percent increase in support for science and engineering research and education.
- ✓ **National Institutes of Health:** Provides \$2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President's commitment to biomedical research.
- ✓ **Information Technology:** The final budget includes more than \$80 million in funding for the Next Generation Internet and \$235 million for the Administration's "Information Technology for the 21st Century" initiative.

MUCH WORK STILL LEFT TO DO In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda, put more police on the streets, protect the environment, and strengthen America's leading role in the world. But much work still remains to be done.

- × **Passing Common Sense Gun Legislation:** Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.
- × **Passing a Strong, Enforceable, Patients' Bill of Rights:** During the past two years, the President has exercised his executive authority to extend critical patient protections to over 85 million

Americans. But ultimately, the only way to ensure that all Americans in all plans have basic consumer protections is to enact a strong, enforceable Patients' Bill of Rights.

- × **Strengthening Social Security:** The Republicans have proposed so-called "lockbox" legislation that would not add a single day to the life of Social Security; the President has asked them to join him in using the benefits of fiscal discipline to extend the life of Social Security from 2034 to 2050.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President and Vice President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. These challenges include modernizing it with a long overdue, optional prescription drug and giving Medicare the adequate resources and tools to be as efficient as possible.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start, through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs.
- × **Expanding Federal Hate Crimes Laws:** The President and Vice President have called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability.
- × **Funding the EEOC:** Despite EEOC's success in beginning to reduce its backlog of private-sector cases in the last year, Congress failed to provide the funding which would allow EEOC to meet its goal of reducing the backlog of cases to 28,000 by the end of 2000. In addition, despite the fact that women still earn only approximately 75 percent of what men earn, Congress has failed to fund the EEOC's Equal Pay Initiative to improve compliance with equal pay laws.
- × **Providing for Long-term Care Assistance for Those With Chronic Illnesses and Their Families:** Despite proposals by the President and bipartisan support from many members of Congress, the Congress has failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** Although the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on the President's proposals to expand health options for older Americans
- × **Encouraging Small Businesses to Offer Health Insurance:** The President has urged Congress to provide new health insurance options for vulnerable Americans employed by small businesses.
- × **Continuing to Help People Move From Welfare to Work:** Although the Congress enacted eligibility changes similar to those proposed by the President to allow states, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, Congress failed to provide any new funding.
- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests.
- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act. This legislation would be an important milestone in America's effort to build a new economic relationship with Sub-Saharan Africa and deepen ties with our Caribbean and Central American neighbors.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years as part

of an effort to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.

- × **Promoting Peacekeeping:** While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund the full requests. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.
- × **School Construction:** The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. Congress should pass the President's plan and invest in our nation's schoolchildren.
- × **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.
- × **Child Care Initiative.** The Republicans refused to support the President's historic child care initiative to make child care better, safer, and more affordable for America's working families.
- × **Farm Assistance.** The President and Vice President were pleased to get \$8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress still needs to address the underlying issues that exist in the wake of Freedom to Farm legislation.
- × **Providing Fairness to Immigrant Families.** Congress has failed to take action to provide fairness to immigrant families.
- × **Continuing to Empower Communities:** The \$70 million funding for EZs and ECs represents less than half of the amounts authorized. The President and Vice President are committed to seeking full funding for the remaining eight years of this program.

A VICTORY FOR AMERICA'S STUDENTS
November 18, 1999

	HOUSE GOP BUDGET*	FINAL BUDGET AGREEMENT	DIFFERENCE
Class Size Reduction	\$0**	\$1.3 billion	+\$1.3 billion
After-School Programs	\$300 million	\$453 million	+\$153 million
GEAR UP	\$0	\$200 million	+\$200 million
Title I Grants to LEAs	\$7.732 billion	\$7.941 billion	+\$209 million
Accountability Set-aside/Title I	\$0	\$134 million***	+\$134 million
Head Start	\$4.760 billion	\$5.267 billion	+\$507 million
Education Technology	\$500 million	\$769 million	+\$269 million
Teacher Quality Enhancement	\$75 million	\$98 million	+\$23 million
Safe and Drug Free Schools	\$566 million	\$606 million	+\$40 million
Charter Schools	\$130 million	\$145 million	+\$15 million
Reading Excellence	\$200 million	\$260 million	+\$60 million
Adult Education	\$ 378 million	\$470 million	+\$92 million
Work Study	\$ 880 million	\$934 million	+\$64 million
Learning Anytime Anywhere	\$0	\$24 million	+\$24 million
Hispanic Educ. Action Plan ****	\$43 million	\$436 million	+\$393 million

*Based on the Labor/Health and Human Services and Education bill passed by the House Appropriations Committee on September 23, 1999. This bill provided \$33.321 billion for all education programs, compared to \$35.701 billion in the final budget agreement.

**House bill eliminated the class size program by absorbing it in a block grant that dedicated no funding specifically for class size reduction.

***The Title I set-aside for accountability is also included in the Title I grants to LEAs.

****These figures represent increase over FY 1999. HEAP figures also include increase to Title I.

PROGRESS ON AMERICA'S PRIORITIES

November 18, 1999

PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT

The budget agreement represents a victory for President Clinton's stand for fiscal discipline. As a result of the President's commitments, America will stay on course to pay off the debt held by the public by 2015 – for the first time since Andrew Jackson was President.

- **Debt Quadrupled Between 1981 and 1992:** Between 1981 and 1992, the debt held by the public quadrupled. The budget deficit grew to \$290 billion in 1992 – and was projected to grow to more than \$400 billion by 1999.
- **President's Tough Choices Led to Largest Surplus Ever:** As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of \$123 billion – the largest ever.
- **The President Stopped Republican Attempts to Reverse this Fiscal Discipline:** Throughout the year, the Republican Congress took steps that would have threatened our fiscal discipline. These were stopped by the President, who vetoed the Republican's fiscally irresponsible and exploding tax cut.
 - **In January, Republicans Proposed a Tax Cut that Would Have Spent the Social Security Surplus:** H.R. 3 and S. 3 called for an across-the-board 10 percent reduction in income tax rates. According to Joint Committee on Taxation Estimates, this proposal would have cost \$58 billion in 2000 – *using tens of billions of dollars from the Social Security surplus this year*. In the first five years, this tax cut would have cost \$360 billion – much more than could be paid for out of the non-Social Security surplus, then projected at \$165 billion by the Congressional Budget Office (CBO).
 - **In August, Republicans Passed a Tax Cut that Would Likely Have Spent the Social Security Surplus:** In August, the Republican Congress passed a \$792 billion tax cut that, if continued, would have used virtually all of CBO's projected surplus over the next 10 years. It would have used growing amounts of the Social Security surplus every year after 2004. This tax cut was based on a budget plan that would have required nearly 50 percent cuts in all domestic discretionary spending, assuming defense were funded at the level requested by the President. If cuts of this magnitude were not made, the likely consequence of the Republican tax cut would have been to divert hundreds of billions of dollars of the Social Security surplus from promised debt reduction.

A VICTORY FOR AMERICA'S STUDENTS

After vetoing a Congressional budget that denied funding to priority education and training investments, President Clinton and Vice President Gore delivered on their ambitious education agenda.

- ✓ **More High-Quality Teachers With Smaller Class Sizes:** President Clinton's budget included the second installment of his plan to help reduce class size in the early grades by hiring 100,000 quality

teachers. The President vetoed a Congressional budget that reneged on last year's bipartisan agreement, did not guarantee funding for 29,000 teachers hired last year, and would have allowed Class Size dollars to be used for virtually any activity – including vouchers – rather than hiring qualified teachers. The final budget enhances last year's teacher quality and flexibility provisions and provides \$1.3 billion for Class Size Reduction, enough to stay on track to hire 100,000 teachers over the next 6 years.

- ✓ **More than Twice as Much Federal Support for After School:** In his State of the Union address, the President called for a large investment in after school and summer school programs to give children the extra help they need to meet high standards. The final budget more than doubles the federal investment in these programs to \$453 million, to provide educational support to nearly 675,000 students – 375,000 more students than last year.
- ✓ **Early Intervention To Help Disadvantaged Students Prepare for College:** House Republicans proposed to terminate the President's GEAR UP college preparation initiative for low-income students, a new initiative begun in 1998. The final budget increases funding for GEAR UP from \$120 million in 1999 to \$200 million to support State projects and partnerships of colleges, high-poverty schools, and community organizations, to help 482,000 students aspire to and prepare for college starting in the 7th grade.
- ✓ **Accountability for the Lowest Performing Schools:** In his State of the Union address, President Clinton insisted that "all states and school districts must turn around their worst-performing schools – or shut them down," and his Budget included funds to help states and school districts turn around their own failing schools. The final bill provides \$134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results. In addition, the bill provides \$7,807 million for the base program, Title I Grants to LEAs, which is an increase of \$75 million over last year, in order to continue efforts to help disadvantaged students catch up with their peers.
- ✓ **More Education Technology for Students:** The final budget triples funding for Community Technology Centers to reach at least 120 low-income communities, provides \$75 million to train new teachers in the use of technology, and provides \$425 million to states and school districts to purchase computer hardware and educational software. Investment in educational technology has increased to \$769 million, up from \$698 million in 1999.
- ✓ **Making Schools Safe, Disciplined, and Drug-Free:** The budget agreement provides \$606 million for school-based drug and violence prevention programs, including the President's \$50 million request for the Coordinator Initiative, that would provide coordinators to plan, implement, and evaluate successful prevention programs in middle schools across the Nation. Additional resources are also provided for an expansion of the interagency Safe Schools / Healthy Students initiative, with HHS and DoJ.
- ✓ **Expanded Head Start:** President Clinton and Vice President Gore proposed a \$607 million increase for Head Start to serve an additional 44,000 young children – and stay on track toward serving one million children by 2002. The House Republican budget did not provide the President's increase and would have denied over 40,000 children Head Start slots if enacted. The final budget includes the President's full increase for Head Start, which is funded at \$5.3 billion – or 90 percent above the 1993 level.

- ✓ **Increasing Public School Choice Through Charter Schools:** The budget agreement provides \$145 million for Public Charter Schools, an increase of \$45 million over the FY 1999 enacted level. This will strengthen and expand public school choice by providing startup funding to as many as 2,400 charter schools next year, about 650 more schools than this year. The President has pledged to help start 3,000 charter schools across the country by early in the next century. When President Clinton and Vice President Gore were first elected in 1992, there was only one charter school operating in the country. This year, more than 1,700 charter schools are operating, serving a diverse student body in more than 30 states. This remarkable growth is in large part due to the President's leadership and support for these innovative high quality schools.
- ✓ **Hispanic Education Agenda:** President Clinton's budget included an ambitious agenda to address the disproportionately low educational achievement and high dropout rates of Latino students. The final budget includes \$436 million in increases for a number of education programs that help to improve the educational outcomes of Latinos and limited English proficient students, including Title I Grants to LEAs, Adult Education, Bilingual Education, and TRIO.
- ✓ **English Language/Civics Education Initiative:** The increase to Adult Education targets \$25.5 million for the President's ESL/Civics Initiative, which would provide instruction in both English literacy and critical life skills necessary for effective citizenship and civic participation.
- ✓ **Largest Maximum Pell Grant Award Ever:** The final budget provides \$7.7 billion for Pell Grants, increasing the maximum Pell Grant award from \$3,125 to \$3,300. The maximum award has increased 43 percent since President Clinton and Vice President Gore took office in 1993.
- ✓ **Support for One Million Students To Work Their Way Through College:** The President's budget requested \$934 million for Federal Work-Study to fulfill his commitment to expand work-study to one million students in FY 2000. House Republicans initially provided only \$880 million. The final budget provides the President's request and will give one million students the opportunity to earn money for college through part-time work.
- ✓ **Training for Dislocated Workers:** The final budget provides a \$190 million increase for a total of \$1.6 billion to provide much needed training for dislocated workers. This is more than triple the funding in 1993, allowing the program to serve more than 3 times as many dislocated workers. This increase is a step toward meeting the 5-year goal of the Universal Reemployment Initiative to provide training to every dislocated worker who wants and needs training.
- ✓ **Providing for School Construction:** The final budget extends Qualified Zone Academy Bonds (QZABs) through 2001. QZABs provide no-interest loans to school districts in needy areas to fund certain expenditures on rehabilitation and repairs, educational equipment, curriculum development, and teacher training. QZABs have been used to purchase computers and develop technology-based curricula, renovate and repair a charter school, purchase computer software and hardware to develop literacy programs, and even to establish the first public secondary military academy in the nation.
- ✓ **Tax Relief to Encourage Worker Training:** The final budget extends the tax relief provided by Section 127 through 2001, which allows employers to provide educational assistance for courses at degree-granting institutions as a tax-free fringe benefit. By encouraging worker education, it helps employers expand the skills of their work force and expands the opportunities of workers to adapt to new technologies.

FIGHTING CRIME, DRUGS, AND GUNS

To keep crime coming down to record lows, President Clinton and Vice President Gore fought for important investments in the budget to build on the Administration's successful community policing initiative, including funds to put more police on the street and critical resources to strengthen law enforcement efforts to keep communities safe.

- ✓ **More Police on the Streets:** In 1994, President Clinton and Vice President Gore won a commitment to put 100,000 police officers on the street. In his State of the Union Address, the President proposed a 21st Century crime plan to hire up to 50,000 more police officers by 2005. The final budget contains full funding for the first installment toward meeting this goal.
- ✓ **Law Enforcement Technology:** The final budget provides \$230 million to provide law enforcement with the latest crime-fighting and crime-solving technology.
- ✓ **Community Prosecutors:** Provides \$10 for the Administration's initiative to extend the success of community policing to local prosecutors.
- ✓ **Strengthened Gun Enforcement:** An increase of \$12.6 million for more ATF agents to bolster federal law enforcement efforts against gun crime.
- ✓ **Youth and Guns:** Over \$50 million for the President's Youth Crime Gun Interdiction Initiative, to expand the initiative from 27 to 38 cities, trace more guns used in crimes, and add more ATF agents to crack down on illegal gun traffickers who supply guns to juveniles and criminals.
- ✓ **Youth Anti-Drug Media Campaign:** \$185 million to continue the successful campaign to reach our youth with the message that drugs are wrong, dangerous and deadly.

INVESTING IN A CLEANER ENVIRONMENT

President Clinton and Vice President Gore won significant gains for the environment in the fiscal year 2000 budget, including new resources to combat water pollution, protect wildlife, address global warming, and preserve precious lands across the country. At the same time, the President and Vice President forced Congress to drop or substantially modify dozens of anti-environmental riders that would have rolled back hard-won environmental safeguards and benefited special interests at the expense of our public lands.

- ✓ **Preserving Our Lands Legacy:** The President and Vice President won \$651 million for Lands Legacy, an historic initiative that strengthens federal efforts to preserve natural treasures and provides communities with new resources to protect local green spaces. Lands Legacy funding, a 42 percent increase over last year, includes:
 - \$444 million for federal agencies to acquire and protect dozens of natural and historic sites around the country and off our coasts, including:
 - The full \$101 million needed to purchase New Mexico's majestic Baca Ranch, home to one of North America's largest wild elk herds;
 - \$78 million to acquire lands critical to the Administration's Everglades restoration strategy;

- \$36 million to manage and protect marine sanctuaries and coral reefs;
 - \$15 million in matching funds to protect wilderness and other lands in the California Desert.
 - \$206 million for states and local governments to help communities preserve their farms, urban parks, coastal areas, and working forests.
- ✓ **Ensuring Clean Water and Healthy Communities:** The final budget secures \$1.8 billion for the President's Clean Water Action Plan, a 9 percent increase includes increased funds to reduce polluted runoff from large livestock operations. In addition, the Environmental Protection Agency budget provides \$2.17 billion to help communities build or upgrade drinking water and sewage treatment plants, and \$1.4 billion to continue progress toward cleaning up 900 Superfund sites by 2002.
 - ✓ **Leading the Fight Against Global Warming:** The budget provides \$1.1 billion for research and development of clean energy through the Climate Change Technology Initiative, including a 7 percent increase for energy efficiency investments to reduce pollution, create jobs, and save consumers money.
 - ✓ **Saving Pacific Salmon:** The Administration secured \$83 million to initiate two major new efforts to restore salmon in the Pacific Northwest: \$58 million for states and tribes through the Administration's Pacific Coastal Salmon Recovery Fund; and \$25 million to implement an historic salmon treaty with Canada.
 - ✓ **Fighting Congestion and Dirty Air:** The budget provides \$8.2 billion, a 10 percent increase, for programs that reduce air pollution while increasing transportation choices. This includes increases of \$407 million for public transit, and \$278 million to help communities reduce congestion while improving air quality.
 - ✓ **Encouraging Energy Efficiency:** Extend through 2001 the tax credits for wind and biomass energy production. These tax credits encourage no- (wind) and low- (biomass) emission energy production. The biomass tax credit encourages farmers to grow certain materials that can be burned to produce energy. Producing energy from wind and biomass preserves scarce energy resources and reduces our reliance on imported oil.
 - ✓ **Cleaning Up Brownfields:** The budget extends the tax provision that allows businesses to fully deduct the cost of cleaning up polluted "brownfields" in targeted areas through 2001. This provision encourages the redevelopment of blighted properties, which improves the environment and makes communities more livable.
 - ✓ **Defending Our Environment Against Stealth Attacks:** In addition to securing these major new environmental investments, President Clinton and Vice President Gore stood as the last line of defense against congressional efforts to attach anti-environmental riders to budget bills. These riders would have given special deals to special interests by: allowing overcutting of our national forests and jeopardizing the President's plan to protect more than 40 million acres of roadless areas; allowing mining companies to dump more toxic waste on public lands and delaying critical mining reforms; letting major oil companies continue paying below-market royalties on oil developed on federal lands; crippling critical protections for wetlands and wildlife; and attempting to block common-sense actions to reduce greenhouse gas pollution.

MAINTAINING AMERICA'S GLOBAL LEADERSHIP

The Republican Congressional budget would have turned its back on America's leading role in the world by not providing for peace in the Middle East, leadership at the United Nations, economic development in the poorest countries, and efforts to halt the spread of nuclear weapons. The President fought for and secured victories to strengthen America's leading role in the world – by meeting our commitment to the Middle East peace process, paying our dues and arrears to the United Nations, making a critical investment in debt relief for impoverished countries, funding efforts to safeguard nuclear weapons and expertise from the former Soviet Union, and help raise labor standards around the world.

- ✓ **Promoting Peace in the Middle East:** The Congress fully funded the President's \$1.8 billion request arising from the Wye River Agreement, which is essential to promoting peace in the Middle East. As Israelis and Palestinians move ahead on an ambitious agenda to rapidly conclude a peace accord, this funding sends an important message of U.S. commitment to building a lasting peace.
- ✓ **Maintaining Leadership at the United Nations:** In an agreement reached between the President and Congress, the United States will now be able to avoid losing its vote, encourage needed reforms at the UN, and repay \$926 million owed to the UN. This will help meet our obligations to the UN in order to protect our national security interests and preserve American influence within the organization and around the world. The bill passed by the Congress and vetoed by the President would have caused the United States to lose its vote in the General Assembly.
- ✓ **Debt Relief for Poor Countries:** The bill provides \$110 million to fund reduction of debts owed to the U.S. government by the poorest developing countries. This amount represents an increase of \$90 million above the Foreign Operations conference agreement funding level for this purpose (\$20 million). We now have sufficient resources to finance U.S. participation over the next year in the bilateral debt aspect of the Cologne Debt Initiative. The agreement also includes authorization for U.S. support to use a portion of International Monetary Fund (IMF) gold reserves for debt relief, and additional authorization would permit the use of the full amount of gold earnings. Together, the funding and authorizations will help to begin to provide debt relief for the world's poorest nations, and allow them to focus on providing basic needs for their own citizens instead of paying interest to international creditors. Unfortunately, the agreement omits appropriations for the U.S. contribution to the Heavily Indebted Poor Country (HIPC) Trust Fund, which will be necessary to fully finance the participation of some multilateral development institutions in this historic initiative. We will work with Congress next year to secure this crucial funding as well as authorization to use the remaining portion of IMF gold earnings.
- ✓ **Promoting International Development:** The bill provides \$1.1 billion for the U.S. contribution to multilateral development banks including the World Bank and regional development banks. This amount represents an increase from the \$895 million included in the Foreign Operations conference agreement; however, it remains lower than the Administration's original request of \$1.4 billion. The bill also provides \$1.8 billion for development assistance and child survival funding, over 96 percent of the President's request. This amount includes full funding of the President's expanded global HIV/AIDS assistance initiative.

- ✓ **Reducing the Nuclear Weapons Threat and Building Democracy in Russia and the Newly Independent States:** The final bills provide \$1.5 billion across the government to fund critical efforts in the Newly Independent States (NIS) to reduce the threat of nuclear weapons, to promote democracy, private enterprise, and free speech, and to generally assist in the transition these countries are undertaking. The bulk of these funds will go to the President's Expanded Threat Reduction Initiative (ETRI) for programs to increase nuclear security in the former Soviet Union, dismantle strategic weapons, and strengthen efforts to block transfers of sensitive technology and expertise. The budget will also allow us to help remove Russian troops from Georgia and Moldova, and to expand civilian research projects with former Soviet weapons scientists.
- ✓ **Raising International Labor Standards and Protecting Workers:** The FY 2000 Budget includes \$70 million for working with developing economies through the International Labor Organization (ILO), an increase of \$30 million over FY 1999. These funds include \$20 million to finance the creation of a new arm of the ILO to provide technical assistance to help countries implement core labor standards. The agreement also provides \$10 million to fund bilateral technical assistance by the US Department of Labor to developing economies seeking to establish social safety net programs and design, implement and enforce labor market policies. In addition, Congress provided the State Department with sufficient funds to allow it to go forward with the President's initiative to support innovative efforts to eliminate sweatshops.
- ✓ **More Funding for President Clinton's Child Labor Initiative:** Last year, the President proposed a 10-fold increase in funding for the ILO's International Program for the Elimination of Child Labor (IPEC) – from \$3 million to \$30 million – and Congress agreed. This year, the Congress once again fully funded the President's \$30 million request. In addition, Congress provided additional funds sought by the President to support enhanced customs enforcement of the ban on importation of goods made with forced or indentured child labor. Congress also provided sufficient funds to the United States Agency for International Development (USAID) to allow it to go forward with the President's new "School Works!" program, which will help developing countries provide educational alternatives to abusive child labor. Finally, to help us lead by example, the budget includes enhanced resources for domestic labor standards enforcement that should help improve compliance with U.S. child labor laws.
- ✓ **Improving Military Pay and Readiness:** The final bill fully funded the President's "trilogy" pay initiative which includes a significant pay raise, pay table reform, and a change in military retirement. The bill additionally funds fully all of our critical readiness programs (unit training, depot maintenance, recruiting, and spare purchases).
- ✓ **Modernizing the Air Force:** The final bill restores most of the funding for the F-22, allowing the program to continue.
- ✓ **Continuing Chemical Demilitarization:** The final bill approves the higher funding level passed by the Senate (the House proposed cuts of \$392 million), helping to meet our treaty deadlines under the Chemical Weapons Convention for destruction of chemical weapons.

EMPOWERING FAMILIES AND COMMUNITIES

President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget moves forward on their vision to help revitalize America's communities and empower families.

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families:** The budget includes \$347 million for 60,000 new housing vouchers for low-income families, building on last year's level of 50,000. The House and Senate-passed bills had included zero funding for this initiative. These vouchers will subsidize the rents of America's hard-pressed working families, enabling them to move closer to economic opportunities.
- ✓ **Additional Funding for Empowerment Zones:** The budget provides \$70 million in funding for Rural and Urban Empowerment Zones. The President's budget requested \$165 million – \$150 million for urban EZs and \$15 million for rural EZs/ECs. The House and Senate bills included no funding. All of the Urban and Rural EZs (20 Zones) and rural enterprise communities (20 ECs) that were designated by the Vice President in January 1999 as Round II zones will receive funding.
- ✓ **Protecting Rent Subsidies for Low-Income Families:** The final budget includes \$10.8 billion for the renewal of all Section 8 contracts, an increase of \$1.2 billion from FY 1999. This will ensure continuation of HUD rental subsidies for low-income tenants in privately-owned housing.
- ✓ **Housing Assistance for Elderly and Disabled:** The final budget includes expansion of funding for affordable housing for the elderly and disabled by \$911 million, \$57 million above FY 1999, enabling about 30,000 people to have affordable housing. Also included were core elements of a *Housing Security Plan* for older Americans that recognizes the dramatic increase in our elderly population and the changing housing needs that accompany this demographic shift.
- ✓ **Increased Funding for Homeless Assistance:** The President and Vice President proposed a major expansion of HUD's continuum of care program, designed to help homeless persons obtain temporary and permanent housing. The final budget includes \$1.02 billion in funds for the homeless assistance grants – a \$45 million, or 5 percent, increase over last year.
- ✓ **Extending the Work Opportunity Tax Credit:** This tax credit encourages employers to hire individuals who have traditionally had a hard time securing employment. Targeted groups include disadvantaged youth, including those living in empowerment zones and enterprise communities, welfare recipients, and qualified veterans. The maximum credit paid to the employer is as much as 40 percent of an individual's first \$6,000 in wages. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Extending the Welfare-to-Work Tax Credit:** This tax credit encourages employers to hire and retain certain long-term assistance recipients. The maximum credit to an employer is as much as 50 percent of wages, with a maximum credit of \$8,500 per qualified employee over 2 years. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Access to Jobs Transportation Funds:** The final budget includes \$75 million to assist states and localities in developing flexible transportation alternatives, such as van services, to help former welfare recipients and other low income workers get to work.
- ✓ **Individual Development Accounts:** Since 1992, President Clinton and Vice President Gore have supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. Last year, Congress passed

legislation authorizing IDAs, and the final budget includes \$10 million for a second round of demonstration grants.

- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes \$95 million for the Community Development Financial Institutions (CDFI) Fund that will expand the capacity of the network of community development financial institutions across the country, spurring the flow of capital to distressed neighborhoods and low-income residents. The President's budget requested \$125 million for the CDFI Fund – the House appropriated \$70 million and the Senate appropriated \$80 million. The added resources bring funding up to FY 1999 enacted levels.
- ✓ **More Home Delivered Meals:** President Clinton's budget included an additional \$35 million for home-delivered meals, a 31 percent increase over last year's funding level. Hundreds of thousands of seniors with disabilities depend on nutritious home-delivered meals to help them remain in their homes. The final bill includes this increase to support the delivery of 146 million meals in FY 2000.
- ✓ **HUD Fair Housing.** The final budget includes \$44 million for efforts to fight housing discrimination, a \$4 million increase from last year's enacted level, as part of President Clinton and Vice President Gore's "One America" initiative. This amount includes \$6 million to continue the audit-based fair housing enforcement initiative started last year.
- ✓ **Maintaining Community Service.** The VA/HUD bill includes \$438.5 million for AmeriCorps, funding that will support nearly 50,000 AmeriCorps members in community service projects across the country.

PROGRESS ON THE NEW MARKETS INITIATIVE

In his State of the Union, President Clinton proposed to bring more private investment to all areas of the United States. The President and Congressional Leaders have agreed to work together to enact bipartisan legislation to help spur economic development in urban and rural communities that have not shared fully in the benefits of the nation's strong economy. The New Markets initiative enjoys bipartisan support.

- ✓ **Funding America's Private Investment Companies (APICs):** Provides \$20 million of funding for APICs (subject to authorization), key elements of the President's New Markets Initiative to leverage \$800 million of new investment in underserved areas.
- ✓ **New Markets Venture Capital Program:** \$16.5 million in funding, subject to authorization, has been provided for the New Markets program at the Small Business Administration (SBA). This includes \$6 million in funding for the New Markets Venture Capital program, which provides capital to untapped rural and urban new market areas; \$1.5 million for BusinessLINC, which encourages large businesses to mentor small business owners; and \$9 million for technical assistance to enhance the borrower's probability of success. This program exploits investment opportunities that are not presently being met by private lenders.
- ✓ **Authorization of the PRIME Program:** Congress passed new legislation that included authorization of the PRIME Act, which will provide micro-enterprise technical assistance through

competitive grants to micro-enterprise development organizations that focus on low-income entrepreneurs.

ADDRESSING HEALTH CARE

The President won a \$34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of \$2.3 billion.

- ✓ **Passing the Landmark Work Incentives Improvement Act for People with Disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a \$250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.
- ✓ **Increasing Access to Health Care for the Uninsured:** Fully funds the President's request of \$25 million, making a down payment on the President's \$1 billion investment in developing integrated systems of care for the uninsured. It also provides an additional \$15 million to identify the best way to deliver health care services to this population.
- ✓ **Supporting Graduate Medical Education at Children's Hospitals:** Fully funds the President's request of \$40 million to support graduate medical education at freestanding children's hospitals, which play an essential role in the education of the nation's pediatricians.
- ✓ **Caring for the Nation's Elderly.** Includes a \$43.5 million increase for the new Nursing Home Initiative, only \$1 million below the President's request, for more rigorous inspections of nursing facilities and improved federal oversight and enforcement of nursing home quality.
- ✓ **Improving States' Capacity to Deliver Health Care Services to the Mentally Ill:** Provides an additional \$67 million above the FY 1999 funding level, for the Mental Health Block Grant, a 23 percent increase over FY 1999 and the largest increase ever.
- ✓ **Preparing For and Preventing Bioterrorist Attacks:** Fully funds the President's request of \$52 million to stockpile vaccines, antibiotics, and other medical supplies to deploy in the event of a chemical or biological terrorist attack.
- ✓ **Reducing Racial Disparities in Health Status:** Provides an additional \$20 million, a 200 percent increase over the FY 1999 funding level for health education, prevention, and treatment services to address health disparities among minority populations.
- ✓ **Expanding AIDS Care, Prevention, and Research:** The Administration and Congress continue their strong partnership to address the AIDS epidemic with substantial increases in funding. Included in the bill are a \$73 million increase in funding for HIV prevention activities to help stop the spread of this disease; an increase of \$183 million in the Ryan White CARE Act, which helps

provide primary care and support for those living with HIV/AIDS; and an estimated \$300 million in additional funds for AIDS-related research at the NIH. Congress and the Administration also worked closely together to add \$80 million in funding to the Minority AIDS Initiative, which utilizes existing programs to reach African-Americans, Latinos, and other racial and ethnic minorities that are disproportionately impacted by HIV/AIDS. Consistent with the President's request, an additional \$100 million to fight AIDS internationally was funded. Finally, the Administration helped protect local authority over HIV prevention activities, successfully removing language from the District of Columbia appropriations bill that would have tied the hands of community health agencies in their ability to use needle exchange programs as part of their overall HIV prevention strategy.

- ✓ **Preventing Childhood Diseases:** Provides an additional \$62 million, a 4 percent increase over FY 1999 funding levels to provide childhood immunizations nationwide and fully funds the President's request to eradicate polio worldwide.
- ✓ **Providing Critical Organ Transplants to Those Most In Need:** Permits the development of a more equitable allocation system for the over 63,000 Americans awaiting organ transplants, saving hundreds of lives a year.
- ✓ **First Time Funding For the Ricky Ray Hemophilia Relief Fund Act:** Provides \$75 million for one-time payments of \$100,000 to hemophiliacs who were infected with HIV by blood solids during the 1980s.
- ✓ **Controlling the Spread of Infectious Disease:** Provides \$29 million to the Center for Disease Control (CDC), a 21 percent increase over the FY 1999 funding level, for programs dedicated to emerging infectious diseases and improving disease surveillance systems.

RESPONDING TO THE FARM CRISIS

The Agriculture Appropriations bill included \$8.6 billion in emergency funds to assist our Nation's farmers and ranchers who are suffering through the second year in a row of low commodity prices and, for many, crop and livestock losses from severe drought and flooding. The bill doubled annual payments to farmers of major grain crops to about \$11 billion. The emergency funds include \$400 million to help subsidize the cost of crop insurance premiums and \$325 million for livestock and dairy assistance. In addition, the Administration secured an additional \$2.5 billion in farm loans in final negotiations, as well as \$186 million more for nationwide crop losses – bringing total crop loss funds to nearly \$1.4 billion, as well as \$130 million to clear farm fields and streams of debris left by flooding. The President and Vice President remain concerned that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation and that more needs to be done.

A STRONG RESEARCH AND DEVELOPMENT AGENDA

For six years in a row, President Clinton and Vice President Gore have proposed substantial increases in the Federal government's research and development portfolio to build a healthier, more prosperous, and productive future. The final budget increases the President's "21st Century Research Fund" for civilian research programs by more than \$3 billion.

- ✓ **National Science Foundation:** A 6.6 percent increase in support for science and engineering research and education, including \$126 million for the Administration's "Information Technology

for the 21st century” initiative. The NSF supports nearly half of the non-medical basic research conducted at universities.

- ✓ **National Institutes of Health:** Provides \$2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President’s commitment to biomedical research as a foundation for combating disease and advancing medical technologies.
- ✓ **Information Technology:** The final budget includes more than \$80 million in funding for the Next Generation Internet, which is connecting more than 100 universities at speeds that are up to 1,000 times faster than today’s Internet. It also includes \$235 million for the Administration’s “Information Technology for the 21st Century” initiative, which will strengthen America’s leadership in the high-tech industries of the future, and accelerate the pace of discovery in all science and engineering disciplines. Currently, IT industries account for 1/3 of U.S. economic growth.
- ✓ **Defense Research:** Department of Defense (DOD) support for basic and applied research is up almost 8 percent. DOD is a leading supporter of basic research in computer sciences, mathematics, oceanography, and most engineering disciplines.
- ✓ **Increases in Science at Department of Energy:** Science Programs increased \$117 million. DOE, the principal supporter of the Federal investment in the physical sciences, has supported research that has resulted in over 60 Nobel prizes. DOE’s scientific user facilities are used by more than 15,000 scientists to conduct frontier scientific research, and provide the next generation of scientists and engineers.
- ✓ **Advanced Technology Program:** President Clinton’s FY 2000 budget continues to fund ATP’s research and development into cutting-edge high-technologies. While the House proposed eliminating the program, the final budget will allow ATP funding for an additional \$51 million in new awards. ATP supports the development of high-risk technologies that promise significant commercial payoffs and widespread economic benefits.
- ✓ **NASA - Investing in Our Future:** The budget includes \$13.65 billion for NASA, an additional \$100 million. The funding levels passed by the House would have cut the NASA budget by almost \$1 billion. These investments offer the potential of new scientific breakthroughs through an aggressive robotic series of exploration missions into the solar system, as well as enhancing our ability to monitor important changes in the earth’s climate system, and strengthening aviation safety for the travelling public.
- ✓ **Extending the Research and Experimentation Tax Credit:** President Clinton proposed to extend the research tax credit because it provides incentives for private sector investment in research and innovation that can help increase America’s economic competitiveness and enhance U.S. productivity. The final budget extends this research tax credit through 2004. This long-term extension will encourage companies to undertake new multi-year research activities, secure in the knowledge that the 20 percent tax credit will continue to be available.

OTHER HIGHLIGHTS

- ✓ **Nutrition for Women, Infants, and Children (WIC):** The final budget provides over \$4 billion for nutrition assistance to 7.4 million women, infants, and children through the WIC program, an

increase of \$108 million over FY 1999. The additional funds will allow the program to provide a monthly package of nourishing supplemental foods, nutrition education, and health care referrals to 7.4 million low-income women, infants, and children who are at nutritional risk – a 25 percent increase in participation since 1993.

- ✓ **Boosting Funding for Natural Disasters Such as Hurricane Floyd:** The budget provides \$2.8 billion for the Federal Emergency Management Agency's (FEMA) disaster relief fund to assist victims with repairs and recovery from natural disasters. This includes \$215 million to address unmet housing needs resulting from Hurricane Floyd that could not otherwise be met by Federal disaster assistance programs.
- ✓ **Expanding Civil Rights Enforcement:** Funding for the Civil Rights Division of Justice was expanded from \$69 million in FY 1999 to \$82 million in FY 2000 – a 19 percent increase. Funding for HUD fair housing programs was increased by \$4 million – a 10 percent increase.
- ✓ **Largest Increase In Family Planning Services Since 1993:** The President won a nearly \$25 million increase for Title X family planning, the largest increase since 1993, bringing the program to almost \$240 million for FY 99. These grants fund family planning clinics providing reproductive health services and clinical care to over 5 million low-income women.
- ✓ **President's Food Safety Initiative:** The bill provides an increase of \$59 million for the President's Food Safety Initiative, which will fund enhanced domestic and imported food safety inspections; increased outbreak response and traceback work; and expanded research, risk assessment and education activities. In addition, this increase will fund enhanced Federal-State inspection partnerships, bioscience research, and Risk Assessment modeling and data collection to include the pre-harvest phase for all foods.
- ✓ **The Final Bill Strengthens Enforcement of Labor Protections.** The final bill provides key funding increases for worker protection programs including Occupational Safety and Health Administration (OSHA) oversight of employee pension and health plans, enforcement of wage and hour laws, and the National Labor Relations Board (NLRB). The final total of \$1.3 billion is \$105 million (9 percent) above the FY 1999 enacted level. As a result of these increases, OSHA will conduct approximately 3,000 more compliance inspections thereby increasing the safety and health of our Nation's workers, particularly those in high-hazard industries. In addition, the Department of Labor also will be able to implement new health care laws effectively and encourage equal pay practices that will benefit our workers.
- ✓ **Ensuring That American Families Continue to Benefit From Tax Credits:** The budget ensures that Americans take full advantage of their personal credits—including the child credit, the child and dependent care tax credit, and the Hope scholarship and Lifetime Learning credits—without restriction by the alternative minimum tax. The final budget extends these rules for the alternative minimum tax through 2001.
- ✓ **Encouraging First-Time Homeowners in the District of Columbia:** Extend through 2001 the \$5,000 tax credit for low- and moderate-income first-time homebuyers who purchase homes in the District of Columbia. This tax credit encourages homeownership and strengthens neighborhoods in the Capital City.

**DESPITE ALL THE PROGRESS IN THIS YEAR'S BUDGET, THERE IS STILL MORE
WORK THAT NEEDS TO BE DONE**

November 18, 1999

In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda, put more police on the streets, protect the environment, and strengthen America's leading role in the world. Much work remains for the future.

- × **Passing Common Sense Gun Legislation:** While the Administration's successful strategy of keeping guns out of the hands of fugitives, felons, and children has contributed to record declines in crime, recent tragic shootings reinforce the need to protect American families from gun violence. For months, Congress has failed to enact common-sense gun legislation. Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.
- × **Passing a Strong, Enforceable, Patients' Bill of Rights:** For over two years, the American people have been waiting for Congress to pass a strong, enforceable Patients Bill of Rights. During that time, the President has exercised his executive authority to extend critical patient protections to over 85 million Americans. The House passed such legislation earlier this year, but the Republican leadership is preventing an open debate on it in conference. The President continues to urge the Congress to recommit to passing this legislation and prevent another year from passing without action on this important issue.
- × **Strengthening Social Security:** The President has put forth a specific proposal to use the benefits of fiscal discipline and debt reduction to strengthen Social Security, extending its solvency from 2034 to 2050. This would be a down payment on truly saving Social Security. The Republican so-called "lockbox" legislation would not add a single day to the life of Social Security.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. With the number of beneficiaries expected to double over the next 30 years, Medicare needs adequate resources and the tools to be as efficient as possible. A long-overdue prescription drug benefit option is also essential for seniors and people with disabilities.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs. Congressional Republicans have acted as politicians instead of parents, and killed this year's effort to increase the excise tax on cigarettes by 55 cents a pack. Public health experts agree that the single most effective way to cut youth smoking is to raise the price of cigarettes.

- × **Expanding Federal Hate Crimes Laws:** At a time when our leaders should be doing all they can to bring Americans together, the Congress has refused to enact legislation to punish hate crimes. The President has called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability. Congress should take a strong stand against intolerance and hatred by enacting such legislation without further delay.
- × **Funding the EEOC:** Despite EEOC's success in beginning to reduce its backlog of private-sector cases in the last year, Congress failed to provide the funding which would allow EEOC to meet its goal of reducing the backlog of cases to 28,000 by the end of 2000. In addition, despite the fact that women still earn only approximately 75 percent of what men earn, Congress has failed to fund the EEOC's Equal Pay Initiative to improve compliance with equal pay laws.
- × **Providing for Long-term Care Assistance for the Those Chronic Illnesses and Their Families:** At the beginning of this year, the President proposed a new, \$6 billion initiative to address complex long-term care needs, including an unprecedented \$1,000 tax credit that compensates Americans with long-term care needs of all ages or the family caregivers who support them for their formal or informal costs. The initiative also supports a new National Family Caregivers Support Program that provides a range of critical services such as respite, home care services, and information and referral. Many members of Congress, on a bipartisan basis, introduced similar proposals, but despite this, the Congress failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** In the FY 1999 and FY 2000 budgets, the President proposed an initiative to expand health options available for older Americans by: enabling Americans aged 62 to 65 to buy into Medicare by paying a full premium; providing vulnerable displaced workers ages 55 and older access to Medicare by offering those who have involuntarily lost their jobs and their health care coverage a similar Medicare buy-in option; and providing Americans ages 55 and older whose companies reneged on their commitment to provide retiree health benefits a new health option, by extending "COBRA" continuation coverage until age 65. Despite the fact that the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on this proposal.
- × **Encouraging Small Businesses to Offer Health Insurance:** In the FY 2000 budget, the President proposed an initiative to encourage small businesses to offer health insurance to their employees through: a new tax credit for small businesses who offer coverage by joining coalitions; encouraging private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; offering technical assistance to small business coalitions from the Office of Personnel Management. The President urges Congress to provide new health insurance options for these vulnerable Americans.
- × **Continuing to Help People Move From Welfare to Work:** In January, the President proposed to invest an additional \$1 billion in the Welfare-to-Work program and to reauthorize the program with several changes including helping more low-income fathers work and support their children. The Congress enacted eligibility changes similar to those proposed by the Administration to allow States, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, but failed to provide any new funding.

- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests. More than 11 million workers would benefit from a \$1 increase in the minimum wage. A full-time, year-round worker at the minimum wage would get a \$2,000 raise – enough for a typical family of four to buy groceries for 7 months or pay rent for 5 months.
- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act and the Caribbean Basin legislation -- crucial to strengthening our economic ties with Sub-Saharan Africa and our Caribbean and Central American neighbors. This legislation would help increase trade, enhance opportunity, and boost growth in America and nations in Africa, the Caribbean, and Central America. The President called for the rapid passage of the Africa legislation in the State of the Union address and has pressed the case for these bills several times since. The House passed this legislation overwhelming earlier this summer, but the legislation is now awaiting Conference action.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years. This initiative is an important part of the Stability Pact launched by the President and other leaders last July, and is designed to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.
- × **Promoting Peacekeeping:** While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund the full requests. The shortage threatens to undermine fragile peace processes around the world or to incur additional UN arrears. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.
- × **School Construction:** Despite record student enrollment and a massive maintenance backlog in our nation's schools, Congressional Republicans again failed to enact school construction legislation. The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. We can not hold students to high academic standards if we do not provide them with adequate facilities within which to learn. Congress should pass the President's plan and invest in our nation's schoolchildren.
- × **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. Although the House passed a bipartisan reform plan, a minority of the Senate blocked further action and left unchecked the influence of moneyed special interests. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.
- × **Child Care Initiative.** In his State of the Union, the President proposed an historic child care initiative to make child care better, safer, and more affordable for America's working families. The President's proposal included \$7.5 billion over 5 years for child care subsidies for low-income

working families, and tax credits to help millions of working families pay for child care. The Republican Majority has refused to support these critical investments.

- × **Farm Assistance.** The President and Vice President were pleased to get \$8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation. For example, most of the assistance is not targeted to farmers who need it most, but is available to farmers, both large and small, whether they have suffered particular difficulty this year or not.
- × **Providing Fairness to Immigrant Families.** Congress has failed to take action to provide fairness to immigrant families by: restoring important disability, health, and nutrition benefits to additional categories of legal immigrants; restructuring the Immigration and Naturalization Service (INS); approving the Administration's proposal to support the process of democratization and stabilization now underway in Central America and Haiti and ensure equitable treatment for migrants from these countries; or changing the registry date to permit long-term migrants to adjust their status.
- × **Continuing to Empower Communities:** Urban and Rural Empowerment Zones were funded at \$70 million in 2000, \$55 million for Urban Zones and \$15 million for Rural Zones and Enterprise Communities. Empowerment Zones continue to be a priority for the President and Vice President and they are committed to supporting and obtaining funding for the Empowerment Zones' remaining eight years. Without the full 10 years of funding, the Round II Empowerment Zones and Enterprise Communities, designated in January 1999 by the Vice President, will have difficulty implementing their community and economic development strategies to revitalize their communities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Malcolm R. Lee (CN=Malcolm R. Lee/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-NOV-1999 19:22:36.00

SUBJECT: Meeting with AFL

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

CC: Victoria A. Greenfield (CN=Victoria A. Greenfield/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TEXT:

Time? Place? Participants? Agenda? Chair? Will Karen Tramontano attend?

ML

**Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]**

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

This marker identifies a responsive email, already made available within another collection.

Collection: 2013-0306-F

Bucket: OPD

Creation Date: 1999-11-18

Subject: AFL-CIO- CEA Meeting

Creator: Malcolm R. Lee

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Francine P. Obermiller (CN=Francine P. Obermiller/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME:18-NOV-1999 10:03:45.00

SUBJECT: Your Personal Y2K Preparations for CEA

TO: John C. Williams (CN=John C. Williams/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Noah Y. Weisberger (CN=Noah Y. Weisberger/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Charles F. Stone (CN=Charles F. Stone/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Linda A. Reilly (CN=Linda A. Reilly/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Robin L. Lumsdaine (CN=Robin L. Lumsdaine/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Stephen F. Lin (CN=Stephen F. Lin/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Mary E. Jones (CN=Mary E. Jones/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: John L. Goldie (CN=John L. Goldie/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Catherine H. Furlong (CN=Catherine H. Furlong/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: John G. Fernald (CN=John G. Fernald/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Audrey Choi (CN=Audrey Choi/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Michael J. Brien (CN=Michael J. Brien/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Lisa D. Branch (CN=Lisa D. Branch/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Martin N. Baily (CN=Martin N. Baily/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Douglas V. Almond (CN=Douglas V. Almond/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Alice H. Williams (CN=Alice H. Williams/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Mary A. Thomas (CN=Mary A. Thomas/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Sarah Rosen Wartell (CN=Sarah Rosen Wartell/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Rosalind V. Rasin (CN=Rosalind V. Rasin/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Leigh L. Linden (CN=Leigh L. Linden/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Victoria A. Greenfield (CN=Victoria A. Greenfield/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: William H. Gillespie (CN=William H. Gillespie/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Mary Fibich (CN=Mary Fibich/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Susan P. Clements (CN=Susan P. Clements/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Yu-Chin Chen (CN=Yu-Chin Chen/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Steven N. Braun (CN=Steven N. Braun/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Jason A. Bernstein (CN=Jason A. Bernstein/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Brian A. Amorosi (CN=Brian A. Amorosi/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TEXT:

Please respond to me no later than December 1, as Audrey must submit our answer to White House Counsel then (see below).

----- Forwarded by Francine P. Obermiller/CEA/EOP on
11/18/99 10:00 AM -----

Francine P. Obermiller
11/18/99 10:00:30 AM
Record Type: Record

To: Francine P. Obermiller/CEA/EOP@EOP
cc:
bcc:
Subject: Re: Your Personal Y2K Preparations for CEA

Francine P. Obermiller
11/12/99 10:50:19 AM
Record Type: Record

To: Francine P. Obermiller/CEA/EOP@EOP
cc:
Subject:

----- Forwarded by Francine P. Obermiller/CEA/EOP on
11/12/99 10:49 AM -----

Audrey Choi
11/10/99 08:12:15 PM
Record Type: Record

To: All CEA Users
cc:
Subject: Your Personal Y2K Preparations for CEA

Earlier this week each of you received a copy of CEA's Business Continuity and Contingency Plan for Y2K issue.

As you'll see, there are a few things that each employee will need to do before certain deadlines to ensure the least possible disruption to our abilities to keep CEA humming through the turn of the millennium. .

Here's the first one.

In case the Internet and e-mail communication outside of the WH Complex is not available, our Plan calls for each employee to ask their regular e-mail correspondents to supply current telephone and fax numbers. Each user will be responsible for collecting and organizing this information, printing out copies, and having them available by December 1, 1999.

Please e-mail Francine Obermiller when you have completed the task, so that we can be assured that we are adhering to our Plan and will be as

prepared as we can be in the event of any interruptions after January 1, 2000.

Thanks for your cooperation,

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-NOV-1999 08:27:09.00

SUBJECT: FINAL BUDGET WINS --

TO: Martha Foley (CN=Martha Foley/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Brooke B. Livingston (CN=Brooke B. Livingston/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Sandra Yamin (CN=Sandra Yamin/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Dawn V. Woollen (CN=Dawn V. Woollen/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Alice H. Williams (CN=Alice H. Williams/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Anne Whitworth (CN=Anne Whitworth/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Ophelia D. West (CN=Ophelia D. West/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Victoria A. Wachino (CN=Victoria A. Wachino/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Sandra L. Via (CN=Sandra L. Via/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Loretta M. Ucelli (CN=Loretta M. Ucelli/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mark J. Tavlarides (CN=Mark J. Tavlarides/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Peter P. Swire (CN=Peter P. Swire/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Margaret M. Suntum (CN=Margaret M. Suntum/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Christine A. Stanek (CN=Christine A. Stanek/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Maria E. Soto (CN=Maria E. Soto/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Dawn L. Smalls (CN=Dawn L. Smalls/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: June Shih (CN=June Shih/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Matthew T. Schneider (CN=Matthew T. Schneider/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Matthew P. Schaefer (CN=Matthew P. Schaefer/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Shirley S. Sagawa (CN=Shirley S. Sagawa/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jena V. Roscoe (CN=Jena V. Roscoe/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Anna Richter (CN=Anna Richter/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Linda Ricci (CN=Linda Ricci/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Joseph D. Ratner (CN=Joseph D. Ratner/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TO: Melissa J. Prober (CN=Melissa J. Prober/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Carlos E. Pascual (CN=Carlos E. Pascual/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Paul K. Orzulak (CN=Paul K. Orzulak/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Ann O'Leary (CN=Ann O'Leary/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Mark D. Neschis (CN=Mark D. Neschis/OU=WHO/O=EOP@EOP [UNKNOWN])
READ:UNKNOWN

TO: Robert L. Nabors (CN=Robert L. Nabors/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: John B. Moore (CN=John B. Moore/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Megan C. Moloney (CN=Megan C. Moloney/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Rebecca J. Mitchell (CN=Rebecca J. Mitchell/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Cathy L. Millison (CN=Cathy L. Millison/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Ellen Mellody (CN=Ellen Mellody/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jennifer E. McGee (CN=Jennifer E. McGee/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Andrew J. Mayock (CN=Andrew J. Mayock/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Larry R. Matlack (CN=Larry R. Matlack/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Capricia P. Marshall (CN=Capricia P. Marshall/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Sean P. Maloney (CN=Sean P. Maloney/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Alphonse J. Maldon (CN=Alphonse J. Maldon/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Ellen M. Lovell (CN=Ellen M. Lovell/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Sara M. Latham (CN=Sara M. Latham/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Linda Lance (CN=Linda Lance/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Karin Kullman (CN=Karin Kullman/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Katherine D. Kincaid (CN=Katherine D. Kincaid/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Janis F. Kearney (CN=Janis F. Kearney/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Phyllis Kaiser-Dark (CN=Phyllis Kaiser-Dark/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Teresa M. Jones (CN=Teresa M. Jones/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Joel Johnson (CN=Joel Johnson/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Broderick Johnson (CN=Broderick Johnson/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Barbara B. Hunt (CN=Barbara B. Hunt/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Lindsey E. Huff (CN=Lindsey E. Huff/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Stephen K. Horn (CN=Stephen K. Horn/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Shannon M. Hinderliter (CN=Shannon M. Hinderliter/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Lori Hendricks (CN=Lori Hendricks/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Melinda D. Haskins (CN=Melinda D. Haskins/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: D Holly Hammonds (CN=D Holly Hammonds/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Victoria A. Greenfield (CN=Victoria A. Greenfield/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Laura A. Graham (CN=Laura A. Graham/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Joshua S. Gottheimer (CN=Joshua S. Gottheimer/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Dario J. Gomez (CN=Dario J. Gomez/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Matt Gobush (CN=Matt Gobush/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Paul D. Glastris (CN=Paul D. Glastris/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Lauren K. Gillespie (CN=Lauren K. Gillespie/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Kimberly Geier (CN=Kimberly Geier/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: George T. Frampton (CN=George T. Frampton/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Adrienne C. Erbach (CN=Adrienne C. Erbach/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Timothy W. Emrich (CN=Timothy W. Emrich/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Terry Edmonds (CN=Terry Edmonds/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Elliot J. Diringer (CN=Elliot J. Diringer/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: William G. Dauster (CN=William G. Dauster/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Sandra F. Daigle (CN=Sandra F. Daigle/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Stevan D. Crowder (CN=Stevan D. Crowder/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Kelly Craighead (CN=Kelly Craighead/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Pamela Cicetti (CN=Pamela Cicetti/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Audrey Choi (CN=Audrey Choi/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mary E. Cahill (CN=Mary E. Cahill/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Katharine Button (CN=Katharine Button/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Steven N. Braun (CN=Steven N. Braun/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Lisa D. Branch (CN=Lisa D. Branch/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Charles M. Brain (CN=Charles M. Brain/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Stephen N. Boyd (CN=Stephen N. Boyd/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Anne W. Bovaird (CN=Anne W. Bovaird/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Antony J. Blinken (CN=Antony J. Blinken/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Paul Bledsoe (CN=Paul Bledsoe/OU=WHCCTF/O=EOP@EOP [WHCCTF])
READ:UNKNOWN

TO: Leslie Bernstein (CN=Leslie Bernstein/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Rodney G. Bent (CN=Rodney G. Bent/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: June Bartlett (CN=June Bartlett/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Michael Barr (CN=Michael Barr/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Roger S. Ballentine (CN=Roger S. Ballentine/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Donald R. Arbuckle (CN=Donald R. Arbuckle/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Beth Nolan (CN=Beth Nolan/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Lindsay R. Drewel (CN=Lindsay R. Drewel/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jonathan M. Young (CN=Jonathan M. Young/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Carolyn T. Wu (CN=Carolyn T. Wu/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Barbara D. Woolley (CN=Barbara D. Woolley/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Barry White (CN=Barry White/OU=OMB/O=EOP@EOP [UNKNOWN])
READ:UNKNOWN

TO: Andrew Weiss (CN=Andrew Weiss/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Rebecca L. Walldorff (CN=Rebecca L. Walldorff/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Beth A. Viola (CN=Beth A. Viola/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: David Vandivier (CN=David Vandivier/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mona K. Sutphen (CN=Mona K. Sutphen/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Aviva Steinberg (CN=Aviva Steinberg/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Aprill N. Springfield (CN=Aprill N. Springfield/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Douglas B. Sosnik (CN=Douglas B. Sosnik/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jack A. Smalligan (CN=Jack A. Smalligan/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Jeffrey A. Shesol (CN=Jeffrey A. Shesol/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jason H. Schechter (CN=Jason H. Schechter/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: David B Sandalow (CN=David B Sandalow/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Heather M. Riley (CN=Heather M. Riley/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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08:01 AM -----

Jason Furman
11/17/99 11:00:53 PM
Record Type: Record

To: See the distribution list at the bottom of this message
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Subject: FINAL BUDGET WINS --

Message Sent

To:

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

**PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL
DEMOCRATS WIN ON THE BUDGET, BUT CONGRESS STILL NEEDS TO DO MORE
WORK TO ADDRESS AMERICA'S PRIORITIES**

November 18, 1999

TABLE OF CONTENTS

- I. Overview of Key Victories and Remaining Issues**
- II. A Victory for America's Students (table)**
- III. Progress On America's Priorities**
 - Protecting Fiscal Discipline and Paying the Down
 - A Victory for America's Students
 - Fighting Crime, Drugs, and Guns
 - Investing in a Cleaner Environment
 - Maintaining America's Global Leadership
 - Empowering Families and Communities
 - Progress on the New Markets Initiative
 - Addressing Health Care
 - Responding to the Farm Crisis
 - A Strong Research and Development Agenda
 - Other Highlights
- IV. Despite All the Progress in this Year's Budget, There is Still More Work That Needs to Be Done**

OVERVIEW: PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL DEMOCRATS WIN ON THE BUDGET, BUT CONGRESS STILL NEEDS TO DO MORE WORK TO ADDRESS AMERICA'S PRIORITIES

November 18, 1999

PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT. The budget agreement represents a victory for President Clinton's stand for fiscal discipline. Between 1981 and 1992, the debt quadrupled. In 1992 the deficit was \$290 billion and projected to rise to over \$400 billion in 1999. As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of \$123 billion – the largest ever. Throughout the year, the Republicans have been proposing fiscally irresponsible tax cuts that would have jeopardized this record of fiscal discipline. In September, the President vetoed a Republican tax cut that would likely have drained hundreds of billions of dollars of the Social Security surplus from debt reduction. As a result of the President's stand, America will stay on course to pay off the debt held by the public by 2015 – for the first time since Andrew Jackson was President.

A VICTORY FOR AMERICA'S STUDENTS. After vetoing a Congressional budget that denied funding to priority education and training investments, President Clinton and Vice President Gore delivered on their ambitious education agenda.

- ✓ **More High-Quality Teachers With Smaller Class Sizes:** Following on a new initiative by the President last year, the budget agreement includes \$1.3 billion for a bipartisan plan to help reduce class size in the early grades by hiring 100,000 quality teachers over the next six years.
- ✓ **Double Funding for After School:** \$453 million for after school, providing support to 675,000 students – 375,000 more than last year.
- ✓ **GEAR UP:** A 67 percent increase to \$200 million for the President's GEAR UP initiative, which helps 482,000 students aspire to and prepare for college – the second year of this new initiative.
- ✓ **Accountability for the Lowest Performing Schools:** \$134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results.
- ✓ **Expanded Head Start:** A \$607 million increase for Head Start to serve an additional 44,000 children. Total funding is \$5.3 billion – 90 percent higher than 1993.
- ✓ **Hispanic Education Agenda:** \$436 million in increases for a number of education programs that help to improve the educational achievement and high dropout rates of Latino students.
- ✓ **Largest Pell Grant Maximum Award Ever:** Increased to \$3,300 – a 43 percent increase since 1993.

FIGHTING CRIME, DRUGS, AND GUNS. To keep crime coming down to record lows, President Clinton fought for important investments in the budget to build on the Administration's successful community policing initiative, including funds to put more police on the street and critical resources to strengthen law enforcement efforts to keep communities safe.

- ✓ **More Police for Our Streets:** The budget contains full funding for the first installment toward the President's goal to hire up to 50,000 more police officers for our Nation's streets by 2005. The initiative builds on the President's successful COPS program that has already funded 100,000 police officers to help keep America's streets safe.

INVESTING IN A CLEANER ENVIRONMENT. President Clinton and Vice President Gore won significant gains for the environment in the fiscal year 2000 budget, including new resources to combat water pollution, protect wildlife, address global warming, and preserve precious lands across the country. At the same time, the President and Vice President forced Congress to drop or substantially modify dozens of anti-environmental riders that would have rolled back hard-won environmental safeguards and benefited special interests at the expense of our public lands.

- ✓ **Preserving Our Lands Legacy:** The President and Vice President won \$651 million for Lands Legacy, a 42 percent increase for this historic initiative that strengthens federal efforts to preserve natural treasures and provides communities with new resources to protect local green spaces.

MAINTAINING AMERICA'S GLOBAL LEADERSHIP. The Republican Congressional budget would have turned its back on America's leading role in the world by not providing funds for peace in the Middle East, leadership at the United Nations, economic development in the poorest countries, and efforts to halt the spread of nuclear weapons. The President fought for and secured victories to strengthen America's leading role in the world – by meeting our commitment to the Middle East peace process, paying our dues and arrears to the United Nations, making a critical investment in debt relief for impoverished countries, funding efforts to safeguard nuclear weapons and expertise from the former Soviet Union, and help raise labor standards around the world.

EMPOWERING FAMILIES AND COMMUNITIES. President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget moves forward on their vision to help revitalize America's communities and empower families.

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families.**
- ✓ **Additional Funding for Empowerment Zones:** The budget provides \$55 million in funding for Urban Empowerment Zones and \$15 million for Rural Enterprise Zones and Enterprise Communities.
- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes \$95 million for the Community Development Financial Institutions (CDFI) Fund.

PROGRESS ON THE NEW MARKETS INITIATIVE: In his State of the Union, President Clinton proposed to bring more private investment to all areas of the United States. The President and Congressional Leaders have agreed to work together to enact bipartisan legislation to help spur economic development in urban and rural communities that have not shared fully in the benefits of the nation's strong economy. The New Markets initiative enjoys bipartisan support.

- ✓ **Funding America's Private Investment Companies (APICs):** Provides \$20 million of funding for APICs (subject to authorization), a key element of the President's New Markets Initiative, that would leverage \$800 million of new investment in underserved areas.
- ✓ **New Markets Venture Capital Program:** Provides, subject to authorization, \$16.5 million in funding for New Market Venture Capital Firms (NMVCs) and BusinessLINC to bring equity capital and technical assistance to small businesses in low- and moderate-income neighborhoods.

ADDRESSING HEALTH CARE. The President won a \$34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical

prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of \$2.3 billion.

- ✓ **Passing the landmark Work Incentives Improvement Act for people with disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a \$250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not yet sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.

RESPONDING TO THE FARM CRISIS: The Agriculture Appropriations bill included \$8.6 billion in emergency funds to assist our Nation's farmers and ranchers who are suffering through the second year in a row of low commodity prices and, for many, crop and livestock losses from severe drought and flooding. The final budget includes over \$550 million more to fulfil the unmet needs identified by the President, including significant funds targeted to hurricane-affected areas, increased crop loss payments for all producers, and over \$2.5 billion in additional farm loans to help producers secure financing for next year's crop. The President and Vice President remain concerned that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation and that more needs to be done.

A STRONG RESEARCH AND DEVELOPMENT AGENDA: The final budget included an unprecedented commitment to key civilian research. The final budget increases the President's "21st Century Research Fund" for civilian research programs by more than \$3 billion. It also includes a five year extension of the Research and Experimentation tax credit.

- ✓ **National Science Foundation:** A 6.6 percent increase in support for science and engineering research and education.
- ✓ **National Institutes of Health:** Provides \$2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President's commitment to biomedical research.
- ✓ **Information Technology:** The final budget includes more than \$80 million in funding for the Next Generation Internet and \$235 million for the Administration's "Information Technology for the 21st Century" initiative.

MUCH WORK STILL LEFT TO DO In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda, put more police on the streets, protect the environment, and strengthen America's leading role in the world. But much work still remains to be done.

- × **Passing Common Sense Gun Legislation:** Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.
- × **Passing a Strong, Enforceable, Patients' Bill of Rights:** During the past two years, the President has exercised his executive authority to extend critical patient protections to over 85 million

Americans. But ultimately, the only way to ensure that all Americans in all plans have basic consumer protections is to enact a strong, enforceable Patients' Bill of Rights.

- × **Strengthening Social Security:** The Republicans have proposed so-called "lockbox" legislation that would not add a single day to the life of Social Security; the President has asked them to join him in using the benefits of fiscal discipline to extend the life of Social Security from 2034 to 2050.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President and Vice President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. These challenges include modernizing it with a long overdue, optional prescription drug and giving Medicare the adequate resources and tools to be as efficient as possible.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start, through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs.
- × **Expanding Federal Hate Crimes Laws:** The President and Vice President have called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability.
- × **Providing for Long-term Care Assistance for Those With Chronic Illnesses and Their Families:** Despite proposals by the President and bipartisan support from many members of Congress, the Congress has failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** Although the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on the President's proposals to expand health options for older Americans
- × **Encouraging Small Businesses to Offer Health Insurance:** The President has urged Congress to provide new health insurance options for vulnerable Americans employed by small businesses.
- × **Continuing to Help People Move From Welfare to Work:** Although the Congress enacted eligibility changes similar to those proposed by the President to allow states, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, Congress failed to provide any new funding.
- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests.
- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act. This legislation would be an important milestone in America's effort to build a new economic relationship with Sub-Saharan Africa and deepen ties with our Caribbean and Central American neighbors.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years as part of an effort to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.
- × **Promoting Peacekeeping:** While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund

the full requests. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.

- × **School Construction:** The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. Congress should pass the President's plan and invest in our nation's schoolchildren.
- × **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.
- × **Child Care Initiative.** The Republicans refused to support the President's historic child care initiative to make child care better, safer, and more affordable for America's working families.
- × **Farm Assistance.** The President and Vice President were pleased to get \$8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress still needs to address the underlying issues that exist in the wake of Freedom to Farm legislation.
- × **Providing Fairness to Immigrant Families.** Congress has failed to take action to provide fairness to immigrant families.
- × **Continuing to Empower Communities:** The \$70 million funding for EZs and ECs represents less than half of the amounts authorized. The President and Vice President are committed to seeking full funding for the remaining eight years of this program.

A VICTORY FOR AMERICA'S STUDENTS

November 18, 1999

	HOUSE GOP BUDGET*	FINAL BUDGET AGREEMENT	DIFFERENCE
Class Size Reduction	\$0**	\$1.3 billion	+\$1.3 billion
After-School Programs	\$300 million	\$453 million	+\$153 million
GEAR UP	\$0	\$200 million	+\$200 million
Title I Grants to LEAs	\$7.732 billion	\$7.941 billion	+\$209 million
Accountability Set-aside/Title I	\$0	\$134 million***	+\$134 million
Head Start	\$4.760 billion	\$5.267 billion	+\$507 million
Education Technology	\$500 million	\$769 million	+\$269 million
Teacher Quality Enhancement	\$75 million	\$98 million	+\$23 million
Safe and Drug Free Schools	\$566 million	\$606 million	+\$40 million
Charter Schools	\$130 million	\$145 million	+\$15 million
Reading Excellence	\$200 million	\$260 million	+\$60 million
Adult Education	\$ 378 million	\$470 million	+\$92 million
Work Study	\$ 880 million	\$934 million	+\$64 million
Learning Anytime Anywhere	\$0	\$24 million	+\$24 million
Hispanic Educ. Action Plan ****	\$43 million	\$436 million	+\$393 million

*Based on the Labor/Health and Human Services and Education bill passed by the House Appropriations Committee on September 23, 1999. This bill provided \$33.321 billion for all education programs, compared to \$35.701 billion in the final budget agreement.

**House bill eliminated the class size program by absorbing it in a block grant that dedicated no funding specifically for class size reduction.

***The Title I set-aside for accountability is also included in the Title I grants to LEAs.

****These figures represent increase over FY 1999. HEAP figures also include increase to Title I.

PROGRESS ON AMERICA'S PRIORITIES

November 18, 1999

PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT

The budget agreement represents a victory for President Clinton's stand for fiscal discipline. As a result of the President's commitments, America will stay on course to pay off the debt held by the public by 2015 – for the first time since Andrew Jackson was President.

- **Debt Quadrupled Between 1981 and 1992:** Between 1981 and 1992, the debt held by the public quadrupled. The budget deficit grew to \$290 billion in 1992 – and was projected to grow to more than \$400 billion by 1999.
- **President's Tough Choices Led to Largest Surplus Ever:** As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of \$123 billion – the largest ever.
- **The President Stopped Republican Attempts to Reverse this Fiscal Discipline:** Throughout the year, the Republican Congress took steps that would have threatened our fiscal discipline. These were stopped by the President, who vetoed the Republican's fiscally irresponsible and exploding tax cut.
 - **In January, Republicans Proposed a Tax Cut that Would Have Spent the Social Security Surplus:** H.R. 3 and S. 3 called for an across-the-board 10 percent reduction in income tax rates. According to Joint Committee on Taxation Estimates, this proposal would have cost \$58 billion in 2000 – *using tens of billions of dollars from the Social Security surplus this year*. In the first five years, this tax cut would have cost \$360 billion – much more than could be paid for out of the non-Social Security surplus, then projected at \$165 billion by the Congressional Budget Office (CBO).
 - **In August, Republicans Passed a Tax Cut that Would Likely Have Spent the Social Security Surplus:** In August, the Republican Congress passed a \$792 billion tax cut that, if continued, would have used virtually all of CBO's projected surplus over the next 10 years. It would have used growing amounts of the Social Security surplus every year after 2004. This tax cut was based on a budget plan that would have required nearly 50 percent cuts in all domestic discretionary spending, assuming defense were funded at the level requested by the President. If cuts of this magnitude were not made, the likely consequence of the Republican tax cut would have been to divert hundreds of billions of dollars of the Social Security surplus from promised debt reduction.

A VICTORY FOR AMERICA'S STUDENTS

After vetoing a Congressional budget that denied funding to priority education and training investments, President Clinton and Vice President Gore delivered on their ambitious education agenda.

- ✓ **More High-Quality Teachers With Smaller Class Sizes:** President Clinton's budget included the second installment of his plan to help reduce class size in the early grades by hiring 100,000 quality

teachers. The President vetoed a Congressional budget that reneged on last year's bipartisan agreement, did not guarantee funding for 29,000 teachers hired last year, and would have allowed Class Size dollars to be used for virtually any activity – including vouchers – rather than hiring qualified teachers. The final budget enhances last year's teacher quality and flexibility provisions and provides \$1.3 billion for Class Size Reduction, enough to stay on track to hire 100,000 teachers over the next 6 years.

- ✓ **More than Twice as Much Federal Support for After School:** In his State of the Union address, the President called for a large investment in after school and summer school programs to give children the extra help they need to meet high standards. The final budget more than doubles the federal investment in these programs to \$453 million, to provide educational support to nearly 675,000 students – 375,000 more students than last year.
- ✓ **Early Intervention To Help Disadvantaged Students Prepare for College:** House Republicans proposed to terminate the President's GEAR UP college preparation initiative for low-income students, a new initiative begun in 1998. The final budget increases funding for GEAR UP from \$120 million in 1999 to \$200 million to support State projects and partnerships of colleges, high-poverty schools, and community organizations, to help 482,000 students aspire to and prepare for college starting in the 7th grade.
- ✓ **Accountability for the Lowest Performing Schools:** In his State of the Union address, President Clinton insisted that “all states and school districts must turn around their worst-performing schools – or shut them down,” and his Budget included funds to help states and school districts turn around their own failing schools. The final bill provides \$134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results. In addition, the bill provides \$7,807 million for the base program, Title I Grants to LEAs, which is an increase of \$75 million over last year, in order to continue efforts to help disadvantaged students catch up with their peers.
- ✓ **More Education Technology for Students:** The final budget triples funding for Community Technology Centers to reach at least 120 low-income communities, provides \$75 million to train new teachers in the use of technology, and provides \$425 million to states and school districts to purchase computer hardware and educational software. Investment in educational technology has increased to \$769 million, up from \$698 million in 1999.
- ✓ **Making Schools Safe, Disciplined, and Drug-Free:** The budget agreement provides \$606 million for school-based drug and violence prevention programs, including the President's \$50 million request for the Coordinator Initiative, that would provide coordinators to plan, implement, and evaluate successful prevention programs in middle schools across the Nation. Additional resources are also provided for an expansion of the interagency Safe Schools / Healthy Students initiative, with HHS and DoJ.
- ✓ **Expanded Head Start:** President Clinton and Vice President Gore proposed a \$607 million increase for Head Start to serve an additional 44,000 young children – and stay on track toward serving one million children by 2002. The House Republican budget did not provide the President's increase and would have denied over 40,000 children Head Start slots if enacted. The final budget includes the President's full increase for Head Start, which is funded at \$5.3 billion – or 90 percent above the 1993 level.

- ✓ **Increasing Public School Choice Through Charter Schools:** The budget agreement provides \$145 million for Public Charter Schools, an increase of \$45 million over the FY 1999 enacted level. This will strengthen and expand public school choice by providing startup funding to as many as 2,400 charter schools next year, about 650 more schools than this year. The President has pledged to help start 3,000 charter schools across the country by early in the next century. When President Clinton and Vice President Gore were first elected in 1992, there was only one charter school operating in the country. This year, more than 1,700 charter schools are operating, serving a diverse student body in more than 30 states. This remarkable growth is in large part due to the President's leadership and support for these innovative high quality schools.
- ✓ **Hispanic Education Agenda:** President Clinton's budget included an ambitious agenda to address the disproportionately low educational achievement and high dropout rates of Latino students. The final budget includes \$436 million in increases for a number of education programs that help to improve the educational outcomes of Latinos and limited English proficient students, including Title I Grants to LEAs, Adult Education, Bilingual Education, and TRIO.
- ✓ **English Language/Civics Education Initiative:** The increase to Adult Education targets \$25.5 million for the President's ESL/Civics Initiative, which would provide instruction in both English literacy and critical life skills necessary for effective citizenship and civic participation.
- ✓ **Largest Maximum Pell Grant Award Ever:** The final budget provides \$7.7 billion for Pell Grants, increasing the maximum Pell Grant award from \$3,125 to \$3,300. The maximum award has increased 43 percent since President Clinton and Vice President Gore took office in 1993.
- ✓ **Support for One Million Students To Work Their Way Through College:** The President's budget requested \$934 million for Federal Work-Study to fulfill his commitment to expand work-study to one million students in FY 2000. House Republicans initially provided only \$880 million. The final budget provides the President's request and will give one million students the opportunity to earn money for college through part-time work.
- ✓ **Training for Dislocated Workers:** The final budget provides a \$190 million increase for a total of \$1.6 billion to provide much needed training for dislocated workers. This is more than triple the funding in 1993, allowing the program to serve more than 3 times as many dislocated workers. This increase is a step toward meeting the 5-year goal of the Universal Reemployment Initiative to provide training to every dislocated worker who wants and needs training.
- ✓ **Providing for School Construction:** The final budget extends Qualified Zone Academy Bonds (QZABs) through 2001. QZABs provide no-interest loans to school districts in needy areas to fund certain expenditures on rehabilitation and repairs, educational equipment, curriculum development, and teacher training. QZABs have been used to purchase computers and develop technology-based curricula, renovate and repair a charter school, purchase computer software and hardware to develop literacy programs, and even to establish the first public secondary military academy in the nation.
- ✓ **Tax Relief to Encourage Worker Training:** The final budget extends the tax relief provided by Section 127 through 2001, which allows employers to provide educational assistance for courses at degree-granting institutions as a tax-free fringe benefit. By encouraging worker education, it helps employers expand the skills of their work force and expands the opportunities of workers to adapt to new technologies.

FIGHTING CRIME, DRUGS, AND GUNS

To keep crime coming down to record lows, President Clinton and Vice President Gore fought for important investments in the budget to build on the Administration's successful community policing initiative, including funds to put more police on the street and critical resources to strengthen law enforcement efforts to keep communities safe.

- ✓ **More Police on the Streets:** In 1994, President Clinton and Vice President Gore won a commitment to put 100,000 police officers on the street. In his State of the Union Address, the President proposed a 21st Century crime plan to hire up to 50,000 more police officers by 2005. The final budget contains full funding for the first installment toward meeting this goal.
- ✓ **Law Enforcement Technology:** The final budget provides \$230 million to provide law enforcement with the latest crime-fighting and crime-solving technology.
- ✓ **Community Prosecutors:** Provides \$10 for the Administration's initiative to extend the success of community policing to local prosecutors.
- ✓ **Strengthened Gun Enforcement:** An increase of \$12.6 million for more ATF agents to bolster federal law enforcement efforts against gun crime.
- ✓ **Youth and Guns:** Over \$50 million for the President's Youth Crime Gun Interdiction Initiative, to expand the initiative from 27 to 38 cities, trace more guns used in crimes, and add more ATF agents to crack down on illegal gun traffickers who supply guns to juveniles and criminals.
- ✓ **Youth Anti-Drug Media Campaign:** \$185 million to continue the successful campaign to reach our youth with the message that drugs are wrong, dangerous and deadly.

INVESTING IN A CLEANER ENVIRONMENT

President Clinton and Vice President Gore won significant gains for the environment in the fiscal year 2000 budget, including new resources to combat water pollution, protect wildlife, address global warming, and preserve precious lands across the country. At the same time, the President and Vice President forced Congress to drop or substantially modify dozens of anti-environmental riders that would have rolled back hard-won environmental safeguards and benefited special interests at the expense of our public lands.

- ✓ **Preserving Our Lands Legacy:** The President and Vice President won \$651 million for Lands Legacy, an historic initiative that strengthens federal efforts to preserve natural treasures and provides communities with new resources to protect local green spaces. Lands Legacy funding, a 42 percent increase over last year, includes:
 - \$444 million for federal agencies to acquire and protect dozens of natural and historic sites around the country and off our coasts, including:
 - The full \$101 million needed to purchase New Mexico's majestic Baca Ranch, home to one of North America's largest wild elk herds;
 - \$78 million to acquire lands critical to the Administration's Everglades restoration strategy;

- \$36 million to manage and protect marine sanctuaries and coral reefs;
 - \$15 million in matching funds to protect wilderness and other lands in the California Desert.
 - \$206 million for states and local governments to help communities preserve their farms, urban parks, coastal areas, and working forests.
- ✓ **Ensuring Clean Water and Healthy Communities:** The final budget secures \$1.8 billion for the President's Clean Water Action Plan, a 9 percent increase includes increased funds to reduce polluted runoff from large livestock operations. In addition, the Environmental Protection Agency budget provides \$2.17 billion to help communities build or upgrade drinking water and sewage treatment plants, and \$1.4 billion to continue progress toward cleaning up 900 Superfund sites by 2002.
 - ✓ **Leading the Fight Against Global Warming:** The budget provides \$1.1 billion for research and development of clean energy through the Climate Change Technology Initiative, including a 7 percent increase for energy efficiency investments to reduce pollution, create jobs, and save consumers money.
 - ✓ **Saving Pacific Salmon:** The Administration secured \$83 million to initiate two major new efforts to restore salmon in the Pacific Northwest: \$58 million for states and tribes through the Administration's Pacific Coastal Salmon Recovery Fund; and \$25 million to implement an historic salmon treaty with Canada.
 - ✓ **Fighting Congestion and Dirty Air:** The budget provides \$8.2 billion, a 10 percent increase, for programs that reduce air pollution while increasing transportation choices. This includes increases of \$407 million for public transit, and \$278 million to help communities reduce congestion while improving air quality.
 - ✓ **Encouraging Energy Efficiency:** Extend through 2001 the tax credits for wind and biomass energy production. These tax credits encourage no- (wind) and low- (biomass) emission energy production. The biomass tax credit encourages farmers to grow certain materials that can be burned to produce energy. Producing energy from wind and biomass preserves scarce energy resources and reduces our reliance on imported oil.
 - ✓ **Cleaning Up Brownfields:** The budget extends the tax provision that allows businesses to fully deduct the cost of cleaning up polluted "brownfields" in targeted areas through 2001. This provision encourages the redevelopment of blighted properties, which improves the environment and makes communities more livable.
 - ✓ **Defending Our Environment Against Stealth Attacks:** In addition to securing these major new environmental investments, President Clinton and Vice President Gore stood as the last line of defense against congressional efforts to attach anti-environmental riders to budget bills. These riders would have given special deals to special interests by: allowing overcutting of our national forests and jeopardizing the President's plan to protect more than 40 million acres of roadless areas; allowing mining companies to dump more toxic waste on public lands and delaying critical mining reforms; letting major oil companies continue paying below-market royalties on oil developed on federal lands; crippling critical protections for wetlands and wildlife; and attempting to block common-sense actions to reduce greenhouse gas pollution.

MAINTAINING AMERICA'S GLOBAL LEADERSHIP

The Republican Congressional budget would have turned its back on America's leading role in the world by not providing for peace in the Middle East, leadership at the United Nations, economic development in the poorest countries, and efforts to halt the spread of nuclear weapons. The President fought for and secured victories to strengthen America's leading role in the world – by meeting our commitment to the Middle East peace process, paying our dues and arrears to the United Nations, making a critical investment in debt relief for impoverished countries, funding efforts to safeguard nuclear weapons and expertise from the former Soviet Union, and help raise labor standards around the world.

- ✓ **Promoting Peace in the Middle East:** The Congress fully funded the President's \$1.8 billion request arising from the Wye River Agreement, which is essential to promoting peace in the Middle East. As Israelis and Palestinians move ahead on an ambitious agenda to rapidly conclude a peace accord, this funding sends an important message of U.S. commitment to building a lasting peace.
- ✓ **Maintaining Leadership at the United Nations:** In an agreement reached between the President and Congress, the United States will now be able to avoid losing its vote, encourage needed reforms at the UN, and repay \$926 million owed to the UN. This will help meet our obligations to the UN in order to protect our national security interests and preserve American influence within the organization and around the world. The bill passed by the Congress and vetoed by the President would have caused the United States to lose its vote in the General Assembly.
- ✓ **Debt Relief for Poor Countries:** The bill provides \$110 million to fund reduction of debts owed to the U.S. government by the poorest developing countries. This amount represents an increase of \$90 million above the Foreign Operations conference agreement funding level for this purpose (\$20 million). We now have sufficient resources to finance U.S. participation over the next year in the bilateral debt aspect of the Cologne Debt Initiative. The agreement also includes authorization for U.S. support to use a portion of International Monetary Fund (IMF) gold reserves for debt relief, and additional authorization would permit the use of the full amount of gold earnings. Together, the funding and authorizations will help to begin to provide debt relief for the world's poorest nations, and allow them to focus on providing basic needs for their own citizens instead of paying interest to international creditors. Unfortunately, the agreement omits appropriations for the U.S. contribution to the Heavily Indebted Poor Country (HIPC) Trust Fund, which will be necessary to fully finance the participation of some multilateral development institutions in this historic initiative. We will work with Congress next year to secure this crucial funding as well as authorization to use the remaining portion of IMF gold earnings.
- ✓ **Promoting International Development:** The bill provides \$1.1 billion for the U.S. contribution to multilateral development banks including the World Bank and regional development banks. This amount represents an increase from the \$895 million included in the Foreign Operations conference agreement; however, it remains lower than the Administration's original request of \$1.4 billion.
- ✓ **Reducing the Nuclear Weapons Threat and Building Democracy in Russia and the Newly Independent States:** The final bill provides \$839 million to fund critical efforts in the Newly Independent States (NIS) to reduce the threat of nuclear weapons, to promote democracy, private

enterprise, and free speech, and to generally assist in the transition these countries are undertaking. The bulk of these funds will go to the President's Expanded Threat Reduction Initiative (ETRI) for programs to increase nuclear security in the former Soviet Union, dismantle strategic weapons, and strengthen efforts to block transfers of sensitive technology and expertise. The budget will also allow us to help remove Russian troops from Georgia and Moldova, and to expand civilian research projects with former Soviet weapons scientists.

- ✓ **Raising International Labor Standards and Protecting Workers:** The FY 2000 Budget includes \$70 million for working with developing economies through the International Labor Organization (ILO), an increase of \$30 million over FY 1999. These funds include \$20 million to finance the creation of a new arm of the ILO to provide technical assistance to help countries implement core labor standards. The agreement also provides \$10 million to fund bilateral technical assistance by the US Department of Labor to developing economies seeking to establish social safety net programs and design, implement and enforce labor market policies. In addition, Congress provided the State Department with sufficient funds to allow it to go forward with the President's initiative to support innovative efforts to eliminate sweatshops.
- ✓ **More Funding for President Clinton's Child Labor Initiative:** Last year, the President proposed a 10-fold increase in funding for the ILO's International Program for the Elimination of Child Labor (IPEC) – from \$3 million to \$30 million – and Congress agreed. This year, the Congress once again fully funded the President's \$30 million request. In addition, Congress provided additional funds sought by the President to support enhanced customs enforcement of the ban on importation of goods made with forced or indentured child labor. Congress also provided sufficient funds to the United States Agency for International Development (USAID) to allow it to go forward with the President's new "School Works!" program, which will help developing countries provide educational alternatives to abusive child labor. Finally, to help us lead by example, the budget includes enhanced resources for domestic labor standards enforcement that should help improve compliance with U.S. child labor laws.
- ✓ **Improving Military Pay and Readiness:** The final bill fully funded the President's "trilogy" pay initiative which includes a significant pay raise, pay table reform, and a change in military retirement. The bill additionally funds fully all of our critical readiness programs (unit training, depot maintenance, recruiting, and spare purchases).
- ✓ **Modernizing the Air Force:** The final bill restores most of the funding for the F-22, allowing the program to continue.
- ✓ **Continuing Chemical Demilitarization:** The final bill approves the higher funding level passed by the Senate (the House proposed cuts of \$392 million), helping to meet our treaty deadlines under the Chemical Weapons Convention for destruction of chemical weapons.

EMPOWERING FAMILIES AND COMMUNITIES

President Clinton and Vice President Gore are committed to tapping the potential of America's urban and rural communities. This budget moves forward on their vision to help revitalize America's communities and empower families.

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families:** The budget includes \$347 million for 60,000 new housing vouchers for low-income families, building

on last year's level of 50,000. The House and Senate-passed bills had included zero funding for this initiative. These vouchers will subsidize the rents of America's hard-pressed working families, enabling them to move closer to economic opportunities.

- ✓ **Additional Funding for Empowerment Zones:** The budget provides \$70 million in funding for Rural and Urban Empowerment Zones. The President's budget requested \$165 million – \$150 million for urban EZs and \$15 million for rural EZs/ECs. The House and Senate bills included no funding. All of the Urban and Rural EZs (20 Zones) and rural enterprise communities (20 ECs) that were designated by the Vice President in January 1999 as Round II zones will receive funding.
- ✓ **Protecting Rent Subsidies for Low-Income Families:** The final budget includes \$10.8 billion for the renewal of all Section 8 contracts, an increase of \$1.2 billion from FY 1999. This will ensure continuation of HUD rental subsidies for low-income tenants in privately-owned housing.
- ✓ **Housing Assistance for Elderly and Disabled:** The final budget includes expansion of funding for affordable housing for the elderly and disabled by \$911 million, \$57 million above FY 1999, enabling about 30,000 people to have affordable housing. Also included were core elements of a *Housing Security Plan* for older Americans that recognizes the dramatic increase in our elderly population and the changing housing needs that accompany this demographic shift.
- ✓ **Increased Funding for Homeless Assistance:** The President and Vice President proposed a major expansion of HUD's continuum of care program, designed to help homeless persons obtain temporary and permanent housing. The final budget includes \$1.02 billion in funds for the homeless assistance grants – a \$45 million, or 5 percent, increase over last year.
- ✓ **Extending the Work Opportunity Tax Credit:** This tax credit encourages employers to hire individuals who have traditionally had a hard time securing employment. Targeted groups include disadvantaged youth, including those living in empowerment zones and enterprise communities, welfare recipients, and qualified veterans. The maximum credit paid to the employer is as much as 40 percent of an individual's first \$6,000 in wages. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Extending the Welfare-to-Work Tax Credit:** This tax credit encourages employers to hire and retain certain long-term assistance recipients. The maximum credit to an employer is as much as 50 percent of wages, with a maximum credit of \$8,500 per qualified employee over 2 years. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Access to Jobs Transportation Funds:** The final budget includes \$75 million to assist states and localities in developing flexible transportation alternatives, such as van services, to help former welfare recipients and other low income workers get to work.
- ✓ **Individual Development Accounts:** Since 1992, President Clinton and Vice President Gore have supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. Last year, Congress passed legislation authorizing IDAs, and the final budget includes \$10 million for a second round of demonstration grants.

- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes \$95 million for the Community Development Financial Institutions (CDFI) Fund that will expand the capacity of the network of community development financial institutions across the country, spurring the flow of capital to distressed neighborhoods and low-income residents. The President's budget requested \$125 million for the CDFI Fund – the House appropriated \$70 million and the Senate appropriated \$80 million. The added resources bring funding up to FY 1999 enacted levels.
- ✓ **More Home Delivered Meals:** President Clinton's budget included an additional \$35 million for home-delivered meals, a 31 percent increase over last year's funding level. Hundreds of thousands of seniors with disabilities depend on nutritious home-delivered meals to help them remain in their homes. The final bill includes this increase to support the delivery of 146 million meals in FY 2000.
- ✓ **HUD Fair Housing.** The final budget includes \$44 million for efforts to fight housing discrimination, a \$4 million increase from last year's enacted level, as part of President Clinton and Vice President Gore's "One America" initiative. This amount includes \$6 million to continue the audit-based fair housing enforcement initiative started last year.
- ✓ **Maintaining Community Service.** The VA/HUD bill includes \$438.5 million for AmeriCorps, funding that will support nearly 50,000 AmeriCorps members in community service projects across the country.

PROGRESS ON THE NEW MARKETS INITIATIVE

In his State of the Union, President Clinton proposed to bring more private investment to all areas of the United States. The President and Congressional Leaders have agreed to work together to enact bipartisan legislation to help spur economic development in urban and rural communities that have not shared fully in the benefits of the nation's strong economy. The New Markets initiative enjoys bipartisan support.

- ✓ **Funding America's Private Investment Companies (APICs):** Provides \$20 million of funding for APICs (subject to authorization), key elements of the President's New Markets Initiative to leverage \$800 million of new investment in underserved areas.
- ✓ **New Markets Venture Capital Program:** \$16.5 million in funding, subject to authorization, has been provided for the New Markets program at the Small Business Administration (SBA). This includes \$6 million in funding for the New Markets Venture Capital program, which provides capital to untapped rural and urban new market areas; \$1.5 million for BusinessLINC, which encourages large businesses to mentor small business owners; and \$9 million for technical assistance to enhance the borrower's probability of success. This program exploits investment opportunities that are not presently being met by private lenders.
- ✓ **Authorization of the PRIME Program:** Congress passed new legislation that included authorization of the PRIME Act, which will provide micro-enterprise technical assistance through competitive grants to micro-enterprise development organizations that focus on low-income entrepreneurs.

ADDRESSING HEALTH CARE

The President won a \$34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of \$2.3 billion.

- ✓ **Passing the Landmark Work Incentives Improvement Act for People with Disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a \$250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.
- ✓ **Increasing Access to Health Care for the Uninsured:** Fully funds the President's request of \$25 million, making a down payment on the President's \$1 billion investment in developing integrated systems of care for the uninsured. It also provides an additional \$15 million to identify the best way to deliver health care services to this population.
- ✓ **Supporting Graduate Medical Education at Children's Hospitals:** Fully funds the President's request of \$40 million to support graduate medical education at freestanding children's hospitals, which play an essential role in the education of the nation's pediatricians.
- ✓ **Caring for the Nation's Elderly.** Includes a \$43.5 million increase for the new Nursing Home Initiative, only \$1 million below the President's request, for more rigorous inspections of nursing facilities and improved federal oversight and enforcement of nursing home quality.
- ✓ **Improving States' Capacity to Deliver Health Care Services to the Mentally Ill:** Provides an additional \$67 million above the FY 1999 funding level, for the Mental Health Block Grant, a 23 percent increase over FY 1999 and the largest increase ever.
- ✓ **Preparing For and Preventing Bioterrorist Attacks:** Fully funds the President's request of \$52 million to stockpile vaccines, antibiotics, and other medical supplies to deploy in the event of a chemical or biological terrorist attack.
- ✓ **Reducing Racial Disparities in Health Status:** Provides an additional \$20 million, a 200 percent increase over the FY 1999 funding level for health education, prevention, and treatment services to address health disparities among minority populations.
- ✓ **Expanding AIDS Care, Prevention, and Research:** The Administration and Congress continue their strong partnership to address the AIDS epidemic with substantial increases in funding. Included in the bill are a \$73 million increase in funding for HIV prevention activities to help stop the spread of this disease; an increase of \$183 million in the Ryan White CARE Act, which helps provide primary care and support for those living with HIV/AIDS; and an estimated \$300 million in additional funds for AIDS-related research at the NIH. Congress and the Administration also worked closely together to add \$80 million in funding to the Minority AIDS Initiative, which

utilizes existing programs to reach African-Americans, Latinos, and other racial and ethnic minorities that are disproportionately impacted by HIV/AIDS. Consistent with the President's request, an additional \$100 million to fight AIDS internationally was funded. Finally, the Administration helped protect local authority over HIV prevention activities, successfully removing language from the District of Columbia appropriations bill that would have tied the hands of community health agencies in their ability to use needle exchange programs as part of their overall HIV prevention strategy.

- ✓ **Preventing Childhood Diseases:** Provides an additional \$62 million, a 4 percent increase over FY 1999 funding levels to provide childhood immunizations nationwide and fully funds the President's request to eradicate polio worldwide.
- ✓ **Providing Critical Organ Transplants to Those Most In Need:** Permits the development of a more equitable allocation system for the over 63,000 Americans awaiting organ transplants, saving hundreds of lives a year.
- ✓ **First Time Funding For the Ricky Ray Hemophilia Relief Fund Act:** Provides \$75 million for one-time payments of \$100,000 to hemophiliacs who were infected with HIV by blood solids during the 1980s.
- ✓ **Controlling the Spread of Infectious Disease:** Provides \$29 million to the Center for Disease Control (CDC), a 21 percent increase over the FY 1999 funding level, for programs dedicated to emerging infectious diseases and improving disease surveillance systems.

RESPONDING TO THE FARM CRISIS

The Agriculture Appropriations bill included \$8.6 billion in emergency funds to assist our Nation's farmers and ranchers who are suffering through the second year in a row of low commodity prices and, for many, crop and livestock losses from severe drought and flooding. The bill doubled annual payments to farmers of major grain crops to about \$11 billion. The emergency funds include \$400 million to help subsidize the cost of crop insurance premiums and \$325 million for livestock and dairy assistance. In addition, the Administration secured an additional \$2.5 billion in farm loans in final negotiations, as well as \$186 million more for nationwide crop losses – bringing total crop loss funds to nearly \$1.4 billion, as well as \$130 million to clear farm fields and streams of debris left by flooding. The President and Vice President remain concerned that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation and that more needs to be done.

A STRONG RESEARCH AND DEVELOPMENT AGENDA

For six years in a row, President Clinton and Vice President Gore have proposed substantial increases in the Federal government's research and development portfolio to build a healthier, more prosperous, and productive future. The final budget increases the President's "21st Century Research Fund" for civilian research programs by more than \$3 billion.

- ✓ **National Science Foundation:** A 6.6 percent increase in support for science and engineering research and education, including \$126 million for the Administration's "Information Technology for the 21st century" initiative. The NSF supports nearly half of the non-medical basic research conducted at universities.

- ✓ **National Institutes of Health:** Provides \$2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President's commitment to biomedical research as a foundation for combating disease and advancing medical technologies.
- ✓ **Information Technology:** The final budget includes more than \$80 million in funding for the Next Generation Internet, which is connecting more than 100 universities at speeds that are up to 1,000 times faster than today's Internet. It also includes \$235 million for the Administration's "Information Technology for the 21st Century" initiative, which will strengthen America's leadership in the high-tech industries of the future, and accelerate the pace of discovery in all science and engineering disciplines. Currently, IT industries account for 1/3 of U.S. economic growth.
- ✓ **Defense Research:** Department of Defense (DOD) support for basic and applied research is up almost 8 percent. DOD is a leading supporter of basic research in computer sciences, mathematics, oceanography, and most engineering disciplines.
- ✓ **Increases in Science at Department of Energy:** Science Programs increased \$117 million. DOE, the principal supporter of the Federal investment in the physical sciences, has supported research that has resulted in over 60 Nobel prizes. DOE's scientific user facilities are used by more than 15,000 scientists to conduct frontier scientific research, and provide the next generation of scientists and engineers.
- ✓ **Advanced Technology Program:** President Clinton's FY 2000 budget continues to fund ATP's research and development into cutting-edge high-technologies. While the House proposed eliminating the program, the final budget will allow ATP funding for an additional \$51 million in new awards. ATP supports the development of high-risk technologies that promise significant commercial payoffs and widespread economic benefits.
- ✓ **NASA - Investing in Our Future:** The budget includes \$13.65 billion for NASA, an additional \$100 million. The funding levels passed by the House would have cut the NASA budget by almost \$1 billion. These investments offer the potential of new scientific breakthroughs through an aggressive robotic series of exploration missions into the solar system, as well as enhancing our ability to monitor important changes in the earth's climate system, and strengthening aviation safety for the travelling public.
- ✓ **Extending the Research and Experimentation Tax Credit:** President Clinton proposed to extend the research tax credit because it provides incentives for private sector investment in research and innovation that can help increase America's economic competitiveness and enhance U.S. productivity. The final budget extends this research tax credit through 2004. This long-term extension will encourage companies to undertake new multi-year research activities, secure in the knowledge that the 20 percent tax credit will continue to be available.

OTHER HIGHLIGHTS

- ✓ **Nutrition for Women, Infants, and Children (WIC):** The final budget provides over \$4 billion for nutrition assistance to 7.4 million women, infants, and children through the WIC program, an increase of \$108 million over FY 1999. The additional funds will allow the program to provide a monthly package of nourishing supplemental foods, nutrition education, and health care referrals to

7.4 million low-income women, infants, and children who are at nutritional risk – a 25 percent increase in participation since 1993.

- ✓ **Boosting Funding for Natural Disasters Such as Hurricane Floyd:** The budget provides \$2.8 billion for the Federal Emergency Management Agency's (FEMA) disaster relief fund to assist victims with repairs and recovery from natural disasters. This includes \$215 million to address unmet housing needs resulting from Hurricane Floyd that could not otherwise be met by Federal disaster assistance programs.
- ✓ **Expanding Civil Rights Enforcement:** Funding for the Civil Rights Division of Justice was expanded from \$69 million in FY 1999 to \$82 million in FY 2000 – a 19 percent increase. Funding for HUD fair housing programs was increased by \$4 million – a 10 percent increase.
- ✓ **Largest Increase In Family Planning Services Since 1993:** The President won a nearly \$25 million increase for Title X family planning, the largest increase since 1993, bringing the program to almost \$240 million for FY 99. These grants fund family planning clinics providing reproductive health services and clinical care to over 5 million low-income women.
- ✓ **President's Food Safety Initiative:** The bill provides an increase of \$59 million for the President's Food Safety Initiative, which will fund enhanced domestic and imported food safety inspections; increased outbreak response and traceback work; and expanded research, risk assessment and education activities. In addition, this increase will fund enhanced Federal-State inspection partnerships, bioscience research, and Risk Assessment modeling and data collection to include the pre-harvest phase for all foods.
- ✓ **The Final Bill Strengthens Enforcement of Labor Protections.** The final bill provides key funding increases for worker protection programs including Occupational Safety and Health Administration (OSHA) oversight of employee pension and health plans, enforcement of wage and hour laws, and the National Labor Relations Board (NLRB). The final total of \$1.3 billion is \$105 million (9 percent) above the FY 1999 enacted level. As a result of these increases, OSHA will conduct approximately 3,000 more compliance inspections thereby increasing the safety and health of our Nation's workers, particularly those in high-hazard industries. In addition, the Department of Labor also will be able to implement new health care laws effectively and encourage equal pay practices that will benefit our workers.
- ✓ **Ensuring That American Families Continue to Benefit From Tax Credits:** The budget ensures that Americans take full advantage of their personal credits—including the child credit, the child and dependent care tax credit, and the Hope scholarship and Lifetime Learning credits—without restriction by the alternative minimum tax. The final budget extends these rules for the alternative minimum tax through 2001.
- ✓ **Encouraging First-Time Homeowners in the District of Columbia:** Extend through 2001 the \$5,000 tax credit for low- and moderate-income first-time homebuyers who purchase homes in the District of Columbia. This tax credit encourages homeownership and strengthens neighborhoods in the Capital City.

**DESPITE ALL THE PROGRESS IN THIS YEAR'S BUDGET, THERE IS STILL MORE
WORK THAT NEEDS TO BE DONE**

November 18, 1999

In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda, put more police on the streets, protect the environment, and strengthen America's leading role in the world. Much work remains for the future.

- × **Passing Common Sense Gun Legislation:** While the Administration's successful strategy of keeping guns out of the hands of fugitives, felons, and children has contributed to record declines in crime, recent tragic shootings reinforce the need to protect American families from gun violence. For months, Congress has failed to enact common-sense gun legislation. Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.
- × **Passing a Strong, Enforceable, Patients' Bill of Rights:** For over two years, the American people have been waiting for Congress to pass a strong, enforceable Patients Bill of Rights. During that time, the President has exercised his executive authority to extend critical patient protections to over 85 million Americans. The House passed such legislation earlier this year, but the Republican leadership is preventing an open debate on it in conference. The President continues to urge the Congress to recommit to passing this legislation and prevent another year from passing without action on this important issue.
- × **Strengthening Social Security:** The President has put forth a specific proposal to use the benefits of fiscal discipline and debt reduction to strengthen Social Security, extending its solvency from 2034 to 2050. This would be a down payment on truly saving Social Security. The Republican so-called "lockbox" legislation would not add a single day to the life of Social Security.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. With the number of beneficiaries expected to double over the next 30 years, Medicare needs adequate resources and the tools to be as efficient as possible. A long-overdue prescription drug benefit option is also essential for seniors and people with disabilities.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs. Congressional Republicans have acted as politicians instead of parents, and killed this year's effort to increase the excise tax on cigarettes by 55 cents a pack. Public health experts agree that the single most effective way to cut youth smoking is to raise the price of cigarettes.

- × **Expanding Federal Hate Crimes Laws:** At a time when our leaders should be doing all they can to bring Americans together, the Congress has refused to enact legislation to punish hate crimes. The President has called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability. Congress should take a strong stand against intolerance and hatred by enacting such legislation without further delay.
- × **Providing for Long-term Care Assistance for the Those Chronic Illnesses and Their Families:** At the beginning of this year, the President proposed a new, \$6 billion initiative to address complex long-term care needs, including an unprecedented \$1,000 tax credit that compensates Americans with long-term care needs of all ages or the family caregivers who support them for their formal or informal costs. The initiative also supports a new National Family Caregivers Support Program that provides a range of critical services such as respite, home care services, and information and referral. Many members of Congress, on a bipartisan basis, introduced similar proposals, but despite this, the Congress failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** In the FY 1999 and FY 2000 budgets, the President proposed an initiative to expand health options available for older Americans by: enabling Americans aged 62 to 65 to buy into Medicare by paying a full premium; providing vulnerable displaced workers ages 55 and older access to Medicare by offering those who have involuntarily lost their jobs and their health care coverage a similar Medicare buy-in option; and providing Americans ages 55 and older whose companies reneged on their commitment to provide retiree health benefits a new health option, by extending “COBRA” continuation coverage until age 65. Despite the fact that the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on this proposal.
- × **Encouraging Small Businesses to Offer Health Insurance:** In the FY 2000 budget, the President proposed an initiative to encourage small businesses to offer health insurance to their employees through: a new tax credit for small businesses who offer coverage by joining coalitions; encouraging private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; offering technical assistance to small business coalitions from the Office of Personnel Management. The President urges Congress to provide new health insurance options for these vulnerable Americans.
- × **Continuing to Help People Move From Welfare to Work:** In January, the President proposed to invest an additional \$1 billion in the Welfare-to-Work program and to reauthorize the program with several changes including helping more low-income fathers work and support their children. The Congress enacted eligibility changes similar to those proposed by the Administration to allow States, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, but failed to provide any new funding.
- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests. More than 11 million workers would benefit from a \$1 increase in the minimum wage. A full-time, year-round worker at the minimum wage would

get a \$2,000 raise – enough for a typical family of four to buy groceries for 7 months or pay rent for 5 months.

- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act and the Caribbean Basin legislation -- crucial to strengthening our economic ties with Sub-Saharan Africa and our Caribbean and Central American neighbors. This legislation would help increase trade, enhance opportunity, and boost growth in America and nations in Africa, the Caribbean, and Central America. The President called for the rapid passage of the Africa legislation in the State of the Union address and has pressed the case for these bills several times since. The House passed this legislation overwhelming earlier this summer, but the legislation is now awaiting Conference action.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years. This initiative is an important part of the Stability Pact launched by the President and other leaders last July, and is designed to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.
- × **Promoting Peacekeeping:** While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund the full requests. The shortage threatens to undermine fragile peace processes around the world or to incur additional UN arrears. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.
- × **School Construction:** Despite record student enrollment and a massive maintenance backlog in our nation's schools, Congressional Republicans again failed to enact school construction legislation. The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. We can not hold students to high academic standards if we do not provide them with adequate facilities within which to learn. Congress should pass the President's plan and invest in our nation's schoolchildren.
- × **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. Although the House passed a bipartisan reform plan, a minority of the Senate blocked further action and left unchecked the influence of moneyed special interests. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.
- × **Child Care Initiative.** In his State of the Union, the President proposed an historic child care initiative to make child care better, safer, and more affordable for America's working families. The President's proposal included \$7.5 billion over 5 years for child care subsidies for low-income working families, and tax credits to help millions of working families pay for child care. The Republican Majority has refused to support these critical investments.
- × **Farm Assistance.** The President and Vice President were pleased to get \$8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress did not address the underlying

issues that exist in the wake of Freedom to Farm legislation. For example, most of the assistance is not targeted to farmers who need it most, but is available to farmers, both large and small, whether they have suffered particular difficulty this year or not.

- × **Providing Fairness to Immigrant Families.** Congress has failed to take action to provide fairness to immigrant families by: restoring important disability, health, and nutrition benefits to additional categories of legal immigrants; restructuring the Immigration and Naturalization Service (INS); approving the Administration's proposal to support the process of democratization and stabilization now underway in Central America and Haiti and ensure equitable treatment for migrants from these countries; or changing the registry date to permit long-term migrants to adjust their status.
- × **Continuing to Empower Communities:** Urban and Rural Empowerment Zones were funded at \$70 million in 2000, \$55 million for Urban Zones and \$15 million for Rural Zones and Enterprise Communities. Empowerment Zones continue to be a priority for the President and Vice President and they are committed to supporting and obtaining funding for the Empowerment Zones' remaining eight years. Without the full 10 years of funding, the Round II Empowerment Zones and Enterprise Communities, designated in January 1999 by the Vice President, will have difficulty implementing their community and economic development strategies to revitalize their communities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME:19-NOV-1999 09:17:00.00

SUBJECT: Re: Meeting with AFL

TO: Malcolm R. Lee (CN=Malcolm R. Lee/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TEXT:

We will meet today in room 324 at 3 pm. Martin Baily will chair. Karen

Tramontano will attend. The agenda will cover

(a) import surges; (b) offsets; (c) environmental regulation and competitiveness; (d) the need for capital in manufacturing and (e) the impact of non-neutral taxes on international investment.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael M. Daum (CN=Michael M. Daum/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-NOV-1999 12:18:19.00

SUBJECT: re: Manufacturing Task Force

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TEXT:

As I mentioned at the meeting with NAM on Friday, I have been loaned from DoC to support Tom Kalil and Dorothy Robyn on the Manufacturing Task Force. Dorothy suggested that I try to get together with you at your convenience, so I can be brought up to speed on the CEA's series of meetings with union representatives.

Thanks
Michael

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Francine P. Obermiller (CN=Francine P. Obermiller/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME:22-NOV-1999 11:12:31.00

SUBJECT: Nov 23-Request for Documents relating to FALN

TO: Sarah Rosen Wartell (CN=Sarah Rosen Wartell/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Robin L. Lumsdaine (CN=Robin L. Lumsdaine/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: John L. Goldie (CN=John L. Goldie/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Sandra F. Daigle (CN=Sandra F. Daigle/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Michael J. Brien (CN=Michael J. Brien/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Noah Y. Weisberger (CN=Noah Y. Weisberger/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Rosalind V. Rasin (CN=Rosalind V. Rasin/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Leigh L. Linden (CN=Leigh L. Linden/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Victoria A. Greenfield (CN=Victoria A. Greenfield/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Catherine H. Furlong (CN=Catherine H. Furlong/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Yu-Chin Chen (CN=Yu-Chin Chen/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Lisa D. Branch (CN=Lisa D. Branch/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

CC: Audrey Choi (CN=Audrey Choi/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TEXT:

Please check your files and respond to me re the relationship between
Fuerzas Armada Liberacion Nacijonal Puertorriquena (FALN) and Cuba,

including, but not limited to, the Cuban Government, Cuban agents, Cuban diplomats, General Intelligence Directorate (DGI), other Cuban intelligence services, or the Cuban military.

Audrey must submit this to White House Counsel by tomorrow, November 23, and I haven't heard from you yet.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME:22-NOV-1999 12:25:05.00

SUBJECT: re: Manufacturing Task Force

TO: Michael M. Daum (CN=Michael M. Daum/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TEXT:

Absolutely. We are having a meeting tomorrow at 10 am in room 324 that you are more than welcome to attend. Call my secretary Lisa Branch at 55046 and set up a time we can meet.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-NOV-1999 14:55:13.00

SUBJECT: New development on hushkits

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Antony J. Blinken (CN=Antony J. Blinken/OU=NSC/O=EOP@EOP [NSC])

READ:UNKNOWN

TO: David W. Beier (CN=David W. Beier/O=OVP@OVP [UNKNOWN])

READ:UNKNOWN

TO: D Holly Hammonds (CN=D Holly Hammonds/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TO: Theodore G. Osius (CN=Theodore G. Osius/O=OVP@OVP [UNKNOWN])

READ:UNKNOWN

TO: falken_steve@ustr.gov@INET@VAXGTWY (falken_steve@ustr.gov@INET@VAXGTWY [UNKNOWN])

READ:UNKNOWN

TEXT:

David Aaron talked to de Palacio today, and she reported back on her efforts, following their October meeting, to look into the feasibility of indefinite suspension. She said that not only could she not sell indefinite suspension, but she couldn't even sell her offer of suspension until May 2002. So, David feels an Art. 84 case is now appropriate, but we would not want to file it until after Seattle. (State is probably not yet in agreement with that view, so we will need to have another dep's mtg. to discuss this.)

I am setting up a conference call w Aaron, al larson and david traynham for later today, so that we can rethink the meeting/conf call w manufacturing CEOs tomorrow. We're no longer trying to sell indefinite suspension.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-NOV-1999 10:21:11.00

SUBJECT: Hushkits

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: D Holly Hammonds (CN=D Holly Hammonds/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: David W. Beier (CN=David W. Beier/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Antony J. Blinken (CN=Antony J. Blinken/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Theodore G. Osius (CN=Theodore G. Osius/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: falken_steve@ustr.gov@INET@VAXGTWY (falken_steve@ustr.gov@INET@VAXGTWY [UNKNOWN])
READ:UNKNOWN

TEXT:

Attached is the memo i sent to gene requesting approval of the deputies'
recommendation on Friday to pursue indefinite suspension and delay
consideration of an Art. 84 case.

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D16]ARMS283003634.336 to ASCII,
The following is a HEX DUMP:

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

November 22, 1999

TO: GENE SPERLING

FROM: Dorothy Robyn

SUBJ: EU "Hushkit" Regulation

Action Needed: On Friday, at an NEC deputies meeting, agencies unanimously agreed on a proposed course of action, for approval by senior White House officials, in the hushkit dispute with the EU. You need to consider the deputies' proposal carefully both because the approach recommended has little support from US industry and because the President recently asked to be kept informed of the decision.

Summary: The EU adopted its "hushkit" regulation on April 29, 1999, but suspended it for a year to allow for accelerated talks on a next-generation (Chapter 4) noise standard within ICAO. The US has insisted that the EU repeal the regulation altogether before it is scheduled to take effect on May 4, 2000, because the mere pendency of the regulation has had a chilling effect on the market for hushkits and hushkitted aircraft, costing US industry about \$2 billion. The EU responds that, while continued suspension of the regulation (until May 2002) is feasible, outright repeal is out of the question until there is agreement on a Chapter 4 standard (late 2001 at the earliest), lest US industry pressure the USG to abandon or delay the Chapter 4 talks. To complicate the debate, although Chapter 4 talks are proceeding, US airlines are increasingly concerned that the hushkit regulation will give the EU leverage in those talks, resulting in a phaseout schedule for Chapter 3 aircraft that will systematically disadvantage US airlines.

The Administration has two options: The first is to try to get the EU to indefinitely suspend the hushkit regulation, which should serve to remove the cloud it has cast on the market for hushkits and hushkitted aircraft. All agencies prefer this approach, but it has little if any support from US industry. The second option is to challenge the regulation under Article 84 of the Chicago Convention. US industry favors this approach but agencies have major reservations about it, because they fear it would harden positions on both sides and could disrupt the Chapter 4 talks. (If the EU rejects indefinite suspension, most agencies would support an Art. 84 case.)

On Friday, at an NEC deputies meeting, the agencies reconfirmed their preference for indefinite suspension, subject to approval by senior White House officials. They also agreed on several complementary actions that may make indefinite suspension more attractive to industry. On Tuesday, Secretary Slater and other senior Administration officials will hold a conference call with CEOs of affected manufacturing firms, and that will provide a final opportunity to try to get industry support for indefinite suspension. Because of the European Parliament's schedule, the Administration needs to decide in the next few days whether to pursue indefinite suspension.

Background: On April 29, 1999, over strong US objections, the EU adopted a regulation limiting the operation of aircraft equipped with noise-quieting hushkits and certain replacement engines. The regulation is inconsistent with international standards developed by the UN-based International Civil Aviation Organization (ICAO) -- standards critical to the viability of the global aviation industry. In addition, the regulation discriminates against US manufacturers and airlines, largely through clever reliance on a design standard ("by-pass ratio") rather than a performance standard (decibels). US manufacturers developed hushkits and replacement engines -- and US airlines equipped many of their older planes with them -- to meet ICAO's Chapter 3 noise standard, which takes effect in the US next year, two years prior to the international deadline. Pound for pound, hushkitted planes are noisier than aircraft manufactured to be Chapter 3-compliant, but they meet ICAO standards, and they are less noisy than the larger planes with which older aircraft are often replaced.

As the result of high-level US intervention, the EU at the time of adoption agreed to suspend implementation of the regulation for one year. We agreed to work with the EU within ICAO on an accelerated basis to develop a next-generation (Chapter 4) standard for aircraft noise, including a phase-out schedule for the noisiest Chapter 3 aircraft. Because this approach promises genuine noise relief -- as opposed to the cosmetic effect of the hushkit regulation -- we felt it would give the EU the political cover necessary to withdraw the regulation altogether. And, in fact, the US and EU have made considerable progress within ICAO toward agreement on a Chapter 4 standard. Although US airlines have begun to register serious concerns, some of which may be legitimate (see below), we hope to complete the process by September 2001.

The US has consistently said that the EU must repeal the hushkit regulation by May 4, 2000, when it is scheduled to take effect. We maintain that the regulation never should have been adopted. Moreover, its mere pendency has had a chilling effect on sales of hushkits and replacement engines and reduced the (paper) value of hushkitted/re-engined aircraft because of possible limits on their use by non-EU buyers. Pratt & Whitney, a subsidiary of United Technologies Corp. (UTC), says it has lost \$500 million in sales of hushkits/engine parts, and we estimate the overall loss to US industry at \$2 billion. (\$1.5 billion of that represents losses to US manufacturers; \$500 million represents the decline in book value of US aircraft.) More broadly, as long as the hushkit regulation is on the books, industry believes it seriously undermines the credibility of the aircraft certification process, which is key to the health of the entire industry.

Although Ambassador David Aaron's negotiations with the European Commission (EC) and member states have made notable progress, the EU nevertheless insists it cannot repeal the regulation until there is agreement on a new standard, lest US industry pressure the USG to abandon or delay the Chapter 4 talks. (The EU claims that the hushkit regulation came about only because US industry earlier would not agree to negotiate seriously over Chapter 4.) As an alternative to withdrawal, the new EC commissioner in charge of transport, Loyola de Palacio, last month told Aaron she would propose that the European Parliament suspend the regulation until May 2002 (EC staff had previously talked about an additional one-year suspension, to May 2001). Aaron made clear that a two-year suspension would do little to remove the cloud that the regulation has cast over the market for hushkits and hushkitted aircraft.

Airlines' Growing Concern About Chapter 4 Talks: To further complicate the hushkit debate, some US airlines have become very concerned that the Chapter 4 talks within ICAO are moving too far, too fast, following recent release of some alternative proposed "scenarios" for the transition to a Chapter 4 noise standard. Specifically, the airlines are worried that the USG will agree to a phase-out schedule for the noisiest Stage 3 aircraft that would cut short the economic life of their older planes. (For example, Northwest has more than 100 DC-9 aircraft—all of them equipped with hushkits or replacement engines--that it plans to use on domestic flights for many more years. If ICAO agrees to a rapid phase-out of such aircraft, Northwest would have to spend \$6 billion replacing them.) Since US fleets are older than those of European airlines, our airlines are understandably concerned that a rapid transition to Chapter 4 would put them at a competitive disadvantage.

In a Nov. 1 meeting with Secretary Slater, several US airline CEOs said that the USG is negotiating on Chapter 4 "with a gun to our head," referring to the EU's ability to implement the hushkit regulation if we do not cooperate in the Chapter 4 talks. In fact, that portrayal is not accurate: the Administration is committed to the Chapter 4 talks for sound public policy reasons, and we do not intend to agree to a transition schedule that would seriously harm US airlines. Nevertheless, US airlines genuinely believe that the existence of the hushkit regulation will – in the future, if it has not already done so -- give the EU a significant negotiating advantage in the Chapter 4 talks.

USG Has Two Options: As a next step, the USG has two basic options. The first option -- to pursue indefinite suspension of the hushkit regulation – is preferred by all Administration agencies but has little if any industry support at this point. The second option is to challenge the regulation under Article 84 of the Chicago Convention; industry strongly prefers this approach but the agencies have significant reservations.

Indefinite Suspension: Under this option, the EU would agree to suspend the regulation indefinitely, as long as the US and EU continued to cooperate on Chapter 4 talks. In theory, such an agreement should remove the cloud cast by the hushkit regulation, because the market would recognize that the regulation is never going to take effect given the strong USG commitment to a Chapter 4 standard. When Ambassador Aaron floated this idea last month with Commissioner de Palacio, she expressed skepticism that Parliament would agree to it. However, UK Ambassador Meyer subsequently told US officials he believes Parliament *would* indefinitely suspend the regulation, if the US and EU at the same time issued a joint commitment to reach a Chapter 4 standard by a date certain.

However, there appears to be little support in US industry for pursuing indefinite suspension of the regulation as an alternative to repeal. UTC, the company most harmed by the hushkit regulation, has said it could not support indefinite suspension, although UTC stopped short of saying it would criticize the Administration and indicated a willingness to learn more about the specifics of any proposal. Manufacturers such as UTC appear to have, in effect, written off their losses on hushkits at this point. As a result, they are less focused on removing the commercial cloud cast by the regulation than on taking a formal, principled stand against it, which (correctly or not) they see as key to restoring credibility to ICAO standard-setting and, in turn, to the aircraft certification process. They do not believe indefinite suspension will have that effect.

Article 84: Instead of seeking indefinite suspension (or any other US-EU negotiated outcome), most US companies want the Administration to challenge the regulation under Art. 84 of the Chicago Convention, ICAO's rarely used dispute resolution mechanism. However, the State Department, which would have the lead on such a case, has serious reservations about following that course of action, and other agencies agree.

US industry views an Art. 84 challenge as having several advantages:

- By all accounts, there is enormous sympathy for the US position on this issue within ICAO. This would give the US a significant advantage in pursuing an Art. 84 case, which is as much a political process as a legal one.
- As an ICAO process, an Art. 84 case is the appropriate forum for the US to try to restore the integrity of ICAO standard-setting. Moreover, an Art. 84 case (unlike, say, a WTO case) could provide a hearing on the merits – i.e., on the substantive issue of whether the EU derogated from its ICAO obligations in adopting the hushkit regulation.
- Because of the sympathy we enjoy within ICAO, and the merits of our position, the EU would have to negotiate seriously with the US if we filed an Art. 84 case. Industry believes the EU might even repeal the hushkit regulation, although that seems very unlikely, in part because Art. 84 cases generally have a negotiated outcome.
- Even if the EU did not repeal the regulation, US willingness to pursue an Art. 84 challenge would reduce the chances of similar EU action in the future, which is industry's primary goal.

In sum, industry views an Art. 84 challenge as a tool whose utility comes from actually using it. UTC and other companies seem genuinely perplexed as to why the USG hasn't yet filed a case.

By contrast, State and other agencies see an Art. 84 challenge as a powerful tool that is useful primarily as a threat. They want to avoid actual pursuit of a case for several reasons:

- The EU would see such a case as an attack on its sovereignty: EC officials have said the EU would respond by ending negotiations and proceeding to implement the hushkit regulation on May 4, 2000. Thus, a case would not only not get the EU to repeal the regulation but it would likely result in a hardening of positions on both sides.
- In fact, some USG officials fear that an Art. 84 case might confirm the worst suspicions that the more extreme EU environmental groups have of ICAO, thus making it more, rather than less, likely that the EU would pursue regional standards in violation of ICAO in the future.
- Despite the EC's stated commitment to maintain Chapter 4 talks even if we file an Art. 84 case, such a case would be a significant distraction for ICAO, and it would likely delay the Chapter 4 talks if not derail them altogether.
- The USG does not have an airtight Art. 84 case, and we cannot control the outcome of the process. Moreover, the US at times enacts policies that, for good reason, may violate ICAO standards; pursuing an Art. 84 case would make it harder to do so in the future.

What is Motivating the Airlines?: The Air Transport Association (ATA) has been the major proponent of an Art. 84 case as the best way to restore the integrity of the aircraft certification

process, and individual airlines also support an Art. 84 case. In recent weeks, it's fair to say that the airlines have become far more concerned with the Chapter 4 process within ICAO than with the hushkit regulation itself (although airlines believe the two are related, as discussed above). That shift in focus, combined with the airlines continued strident call for an Art. 84 case, has led many USG officials to conclude that some of the airlines favor aggressive US action on hushkits largely because they think it will disrupt the Chapter 4 talks.

It is difficult to know what, in fact, is motivating individual airlines, but a lengthy conversation with Northwest's general counsel/head of government affairs shed some light. The bottom line is that Northwest wants to ensure that the hushkit regulation does not affect the outcome of the Chapter 4 talks. Although Northwest was one of the strongest opponents of the hushkit regulation, predictably the regulation has had little direct effect on the airline, because Northwest had no plans to fly its hushkitted aircraft to the EU nor to sell them to third countries that would do so. (The regulation may have reduced the book value of Northwest's hushkitted planes, however, reflecting the theoretical limits on potential resale.) Rather, what concerns Northwest is that the hushkit regulation will indirectly serve to give the EU leverage in the Chapter 4 talks, resulting in a transition schedule that will put Northwest and other US airlines with older fleets at a competitive disadvantage. Northwest is willing to let the Administration select the best option – indefinite suspension vs. Art. 84 – if we can ensure that, as a result, the EU will lose any leverage the regulation now gives it to distort the outcome of the Chapter 4 talks.

Deputies' Decision: On Friday, Nov. 19, at an NEC deputies meeting (the fourth on this topic in a month), the deputies reconfirmed their preference for pursuing indefinite suspension as a next step, subject to approval by senior White House officials. (I chaired the meeting, which included Ambassador David Aaron, Under Secretary Al Larson, and senior officials from DOT, FAA, USTR, and OVP.) In addition, the deputies agreed to several complementary steps that may make indefinite suspension more attractive to US industry:

- Although the Administration would need to give de Palacio a positive sign regarding indefinite suspension in the near future in order for her to explore its feasibility, we would withhold final approval of any specific EU proposal until we had an opportunity to review the details.
- At the same time, we would make clear to the EU that, if it ever implements the hushkit regulation, the views of our industry likely would make it impossible for us to continue to participate in the Chapter 4 talks.
- The FAA will agree to the ATA's request for a "noise summit," in an effort to improve the dialogue between the Administration and US airlines on the Chapter 4 process.

Upcoming Conference Call with Manufacturing CEOs: On Tuesday, Nov. 23, Secretary Slater, Ambassador Aaron and Under Secretary Larson will hold a conference call on hushkits with the CEOs of Pratt & Whitney and other affected manufacturing firms. This call will provide a last opportunity to try to persuade key companies that there are serious downside risks to an Art. 84 case and that indefinite suspension, on balance, offers a better approach.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Nancy A. George (CN=Nancy A. George/OU=OSTP/O=EOP [OSTP])

CREATION DATE/TIME:23-NOV-1999 09:10:10.00

SUBJECT: OSTP survey

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Randolph J. Steer (CN=Randolph J. Steer/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Kathleen Peroff (CN=Kathleen Peroff/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Joseph P. Lockhart (CN=Joseph P. Lockhart/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Linda Lance (CN=Linda Lance/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Thomas A. Kalil (CN=Thomas A. Kalil/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Elwood Holstein (CN=Elwood Holstein/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Leon S. Fuerth (CN=Leon S. Fuerth/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Beth A. Viola (CN=Beth A. Viola/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: James B. Steinberg (CN=James B. Steinberg/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: David B Sandalow (CN=David B Sandalow/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: John Podesta (CN=John Podesta/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Bruce W. McConnell (CN=Bruce W. McConnell/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Ellen M. Lovell (CN=Ellen M. Lovell/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Sally Katzen (CN=Sally Katzen/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Steven J. Isakowitz (CN=Steven J. Isakowitz/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: George T. Frampton (CN=George T. Frampton/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Veronica DeLaGarza (CN=Veronica DeLaGarza/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

Nancy A. George (CN=Nancy A. George/OU=OSTP/O=EOP [OSTP])
READ:UNKNOWN

TEXT:

Recently, John Young sent you a survey which asks you to assess the performance of the Office of Science and Technology Policy. If you haven't already done so, can you please return your completed survey?

Please let me know (x66030) if you need a blank copy of the survey.

Many thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Francine P. Obermiller (CN=Francine P. Obermiller/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME:29-NOV-1999 11:23:13.00

SUBJECT: Due Dec 1-Another Reminder-Your Personal Y2K Preparations for CEA

TO: John C. Williams (CN=John C. Williams/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Charles F. Stone (CN=Charles F. Stone/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Rosalind V. Rasin (CN=Rosalind V. Rasin/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Leigh L. Linden (CN=Leigh L. Linden/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: John L. Goldie (CN=John L. Goldie/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Mary Fibich (CN=Mary Fibich/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Yu-Chin Chen (CN=Yu-Chin Chen/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Steven N. Braun (CN=Steven N. Braun/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Jason A. Bernstein (CN=Jason A. Bernstein/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Brian A. Amorosi (CN=Brian A. Amorosi/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Noah Y. Weisberger (CN=Noah Y. Weisberger/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Sarah Rosen Wartell (CN=Sarah Rosen Wartell/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Robin L. Lumsdaine (CN=Robin L. Lumsdaine/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Stephen F. Lin (CN=Stephen F. Lin/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Mary E. Jones (CN=Mary E. Jones/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Catherine H. Furlong (CN=Catherine H. Furlong/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Susan P. Clements (CN=Susan P. Clements/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Michael J. Brien (CN=Michael J. Brien/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Lisa D. Branch (CN=Lisa D. Branch/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Martin N. Baily (CN=Martin N. Baily/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TEXT:

----- Forwarded by Francine P. Obermiller/CEA/EOP on
11/29/99 11:19 AM -----

Francine P. Obermiller
11/18/99 10:03:35 AM

cc:

Please respond to me no later than December 1, as Audrey must submit our
answer to White House Counsel then (see below).

----- Forwarded by Francine P. Obermiller/CEA/EOP on
11/18/99 10:00 AM -----

Francine P. Obermiller
11/18/99 10:00:30 AM

cc:

bcc:

Subject:

Francine P. Obermiller
11/12/99 10:50:19 AM

Audrey Choi
11/10/99 08:12:15 PM
Record Type: Record

To: All CEA Users
cc:
Subject: Your Personal Y2K Preparations for CEA

Earlier this week each of you received a copy of CEA's Business Continuity and Contingency Plan for Y2K issue.

As you'll see, there are a few things that each employee will need to do before certain deadlines to ensure the least possible disruption to our abilities to keep CEA humming through the turn of the millennium. .

Here's the first one.

In case the Internet and e-mail communication outside of the WH Complex is not available, our Plan calls for each employee to ask their regular e-mail correspondents to supply current telephone and fax numbers. Each user will be responsible for collecting and organizing this information, printing out copies, and having them available by December 1, 1999.

Please e-mail Francine Obermiller when you have completed the task, so that we can be assured that we are adhering to our Plan and will be as prepared as we can be in the event of any interruptions after January 1, 2000.

Thanks for your cooperation,

Message Sent

To: _____
Joseph E. Aldy/CEA/EOP@EOP
Douglas V. Almond/CEA/EOP@EOP

Brian A. Amorosi/CEA/EOP@EOP
Martin N. Baily/CEA/EOP@EOP
Jason A. Bernstein/CEA/EOP@EOP
Lisa D. Branch/CEA/EOP@EOP
Steven N. Braun/CEA/EOP@EOP
Michael J. Brien/CEA/EOP@EOP
Yu-Chin Chen/CEA/EOP@EOP
Audrey Choi/CEA/EOP@EOP
Susan P. Clements/CEA/EOP@EOP
John G. Fernald/CEA/EOP@EOP
Mary Fibich/CEA/EOP@EOP
Catherine H. Furlong/CEA/EOP@EOP
William H. Gillespie/CEA/EOP@EOP
John L. Goldie/CEA/EOP@EOP
Victoria A. Greenfield/CEA/EOP@EOP
Mary E. Jones/CEA/EOP@EOP
Robert Z. Lawrence/CEA/EOP@EOP
Stephen F. Lin/CEA/EOP@EOP
Leigh L. Linden/CEA/EOP@EOP
Robin L. Lumsdaine/CEA/EOP@EOP
Rosalind V. Rasin/CEA/EOP@EOP
Linda A. Reilly/CEA/EOP@EOP
Sarah Rosen Wartell/OPD/EOP@EOP
Charles F. Stone/CEA/EOP@EOP
Mary A. Thomas/CEA/EOP@EOP
Noah Y. Weisberger/CEA/EOP@EOP
Alice H. Williams/CEA/EOP@EOP
John C. Williams/CEA/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Roger S. Ballentine (CN=Roger S. Ballentine/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-NOV-1999 09:58:25.00

SUBJECT: early credit

TO: Ronald Minsk (CN=Ronald Minsk/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

CC: David Gardiner (CN=David Gardiner/OU=CEQ/O=EOP@EOP [CEQ])

READ:UNKNOWN

TEXT:

I promise that, unlike last week, we will discuss early credit at today's 4:30 as soon as Cumby arrives. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Rosina M. Bierbaum (CN=Rosina M. Bierbaum/OU=OSTP/O=EOP [OSTP])

CREATION DATE/TIME:30-NOV-1999 19:49:25.00

SUBJECT: NAS briefing on Energy & China report Wed 11 am-noon, 472 OEOB

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: David Gardiner (CN=David Gardiner/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Ronald Minsk (CN=Ronald Minsk/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Jefferson B. Seabright (CN=Jefferson B. Seabright/OU=WHCCTF/O=EOP@EOP [WHCCTF])
READ:UNKNOWN

TO: Roger S. Ballentine (CN=Roger S. Ballentine/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

CC: Henry C. Kelly (CN=Henry C. Kelly/OU=OSTP/O=EOP@EOP [OSTP])
READ:UNKNOWN

CC: Samuel F. Baldwin (CN=Samuel F. Baldwin/OU=OSTP/O=EOP@EOP [OSTP])
READ:UNKNOWN

holdren (holdren [UNKNOWN])
READ:UNKNOWN

TEXT:

This report "Cooperation in the Energy Futures of China and the US" will be released 12/8 and we asked for an early briefing for senior WH staff. You are cordially invited if your schedules permit. Jack Siegel (President, Technology and Markets Group of Energy International) and Bob Fri (currently the Director of the Natural History Museum of the Smithsonian) will do the briefing. The National Academies of both countries produced this consensus report. I believe their analysis of the problems and opportunities will be in sync both with the PCAST report (there are several members in common) and our current internal papers for SOU. Thanks, Rosina

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Laitner.Skip@epamail.epa.gov (Laitner.Skip@epamail.epa.gov [UNKNOWN])

CREATION DATE/TIME: 5-DEC-1999 08:50:35.00

SUBJECT: Important Changes in the Nation's Energy Trends

TO: Leigh L. Linden (CN=Leigh L. Linden/OU=CEA/O=EOP [CEA])
READ:UNKNOWN

TO: LGDoone@aol.com (LGDoone@aol.com [UNKNOWN])
READ:UNKNOWN

TO: Samuel F. Baldwin (CN=Samuel F. Baldwin/OU=OSTP/O=EOP [OSTP])
READ:UNKNOWN

TO: duncan@wri.org (duncan@wri.org [OSTP])
READ:UNKNOWN

TO: ahoerner@wam.umd.edu (ahoerner@wam.umd.edu [UNKNOWN])
READ:UNKNOWN

TO: newell@rff.org (newell@rff.org [UNKNOWN])
READ:UNKNOWN

TO: weyant@leland.stanford.edu (weyant@leland.stanford.edu [UNKNOWN])
READ:UNKNOWN

TO: toman@rff.org (toman@rff.org [UNKNOWN])
READ:UNKNOWN

TO: robert_stavins@harvard.edu (robert_stavins@harvard.edu [UNKNOWN])
READ:UNKNOWN

TO: fsissine@crs.loc.gov (fsissine@crs.loc.gov [UNKNOWN])
READ:UNKNOWN

TO: rresch@mindspring.com (rresch@mindspring.com [UNKNOWN])
READ:UNKNOWN

TO: portney@rff.org (portney@rff.org [UNKNOWN])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP [CEA])
READ:UNKNOWN

TO: dave.leiter@ee.doe.gov (dave.leiter@ee.doe.gov [UNKNOWN])
READ:UNKNOWN

TO: mark.mazur@hq.doe.gov (mark.mazur@hq.doe.gov [UNKNOWN])
READ:UNKNOWN

TO: ipsep@igc.apc.org (ipsep@igc.apc.org [UNKNOWN])
READ:UNKNOWN

TO: kotasg@tcplink.nrel.gov (kotasg@tcplink.nrel.gov [UNKNOWN])
READ:UNKNOWN

TO: dham@ase.org (dham@ase.org [OMB])
READ:UNKNOWN

TO: Howard.GRUENSPECHT@hq.doe.gov (Howard.GRUENSPECHT@hq.doe.gov [UNKNOWN])
READ:UNKNOWN

TO: paul@wri.org (paul@wri.org [OPD])
READ:UNKNOWN

TO: Doniger.David@epamail.epa.gov (Doniger.David@epamail.epa.gov [UNKNOWN])
READ:UNKNOWN

TO: brunello@pewclimate.org (brunello@pewclimate.org [UNKNOWN])
READ:UNKNOWN

TO: Rosina M. Bierbaum (CN=Rosina M. Bierbaum/OU=OSTP/O=EOP [OSTP])
READ:UNKNOWN

TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP [CEA])
READ:UNKNOWN

TO: twathen@environet.org (twathen@environet.org [UNKNOWN])
READ:UNKNOWN

TO: mellott@aceee.org (mellott@aceee.org [UNKNOWN])
READ:UNKNOWN

TO: mdlevine@lbl.gov (mdlevine@lbl.gov [UNKNOWN])
READ:UNKNOWN

TO: Julie M. Anderson (CN=Julie M. Anderson/OU=WHCCTF/O=EOP [WHCCTF])
READ:UNKNOWN

TO: jromm007@aol.com (jromm007@aol.com [UNKNOWN])
READ:UNKNOWN

TO: Jefferson B. Seabright (CN=Jefferson B. Seabright/OU=WHCCTF/O=EOP [WHCCTF])
READ:UNKNOWN

TO: jdecicco@aceee.org (jdecicco@aceee.org [UNKNOWN])
READ:UNKNOWN

TO: eosann@aceee.org (eosann@aceee.org [UNKNOWN])
READ:UNKNOWN

TO: David Gardiner (CN=David Gardiner/OU=CEQ/O=EOP [CEQ])
READ:UNKNOWN

TO: dan.becker@sierraclub.org (dan.becker@sierraclub.org [UNKNOWN])
READ:UNKNOWN

TO: brownma@ornl.gov (brownma@ornl.gov [UNKNOWN])
READ:UNKNOWN

TO: ameyer@ucsusa.org (ameyer@ucsusa.org [UNKNOWN])
READ:UNKNOWN

TO: gnakarado@unfoundation.org (gnakarado@unfoundation.org [UNKNOWN])
READ:UNKNOWN

TO: dhawkins@nrdc.org (dhawkins@nrdc.org [UNKNOWN])
READ:UNKNOWN

TO: Carmen.DIFIGLIO@iea.org (Carmen.DIFIGLIO@iea.org [UNKNOWN])
READ:UNKNOWN

TO: larris@mcbridebc.com (larris@mcbridebc.com [UNKNOWN])
READ:UNKNOWN

TO: dhenry@mail.doc.gov (dhenry@mail.doc.gov [WHO])
READ:UNKNOWN

TO: rearley@eia.doe.gov (rearley@eia.doe.gov [UNKNOWN])
READ:UNKNOWN

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

TO: adt@sustainableeconomy.org (adt@sustainableeconomy.org [UNKNOWN])
READ:UNKNOWN

TO: southworthf@ornl.gov (southworthf@ornl.gov [UNKNOWN])
READ:UNKNOWN

TO: shortw@tcplink.nrel.gov (shortw@tcplink.nrel.gov [UNKNOWN])
READ:UNKNOWN

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

TO: dickmunson@nemw.org (dickmunson@nemw.org [UNKNOWN])
READ:UNKNOWN

TO: mmiller@crm.org (mmiller@crm.org [OMB])
READ:UNKNOWN

TO: akydes@eia.doe.gov (akydes@eia.doe.gov [UNKNOWN])
READ:UNKNOWN

TO: kkraemer@uci.edu (kkraemer@uci.edu [UNKNOWN])
READ:UNKNOWN

TO: mhutzler@eia.doe.gov (mhutzler@eia.doe.gov [UNKNOWN])
READ:UNKNOWN

TO: JHakes@eia.doe.gov (JHakes@eia.doe.gov [UNKNOWN])
READ:UNKNOWN

TO: wfulk@utk.edu (wfulk@utk.edu [UNKNOWN])
READ:UNKNOWN

TO: EvEhr@aol.com (EvEhr@aol.com [UNKNOWN])
READ:UNKNOWN

TO: Jerry.Dion@hq.doe.gov (Jerry.Dion@hq.doe.gov [UNKNOWN])
READ:UNKNOWN

TO: david.boomsma@hq.doe.gov (david.boomsma@hq.doe.gov [UNKNOWN])
READ:UNKNOWN

TO: steven_nadel@aceee.org (steven_nadel@aceee.org [UNKNOWN])
READ:UNKNOWN

TO: nemtzow@ase.org (nemtzow@ase.org [UNKNOWN])
READ:UNKNOWN

TO: kkreider@environet.org (kkreider@environet.org [UNKNOWN])
READ:UNKNOWN

TO: jennifer.morgan@wwfus.org (jennifer.morgan@wwfus.org [UNKNOWN])
READ:UNKNOWN

TO: jcoifman@ems.org (jcoifman@ems.org [UNKNOWN])
READ:UNKNOWN

TO: dlashof@nrdc.org (dlashof@nrdc.org [UNKNOWN])
READ:UNKNOWN

TO: dan.reicher@hq.doe.gov (dan.reicher@hq.doe.gov [UNKNOWN])
READ:UNKNOWN

TO: cwerner@eesi.org (cwerner@eesi.org [UNKNOWN])
READ:UNKNOWN

TO: ARosenfeld@getf.org (ARosenfeld@getf.org [UNKNOWN])
READ:UNKNOWN

TO: hgeller@aceee.org (hgeller@aceee.org [UNKNOWN])
READ:UNKNOWN

TEXT:

The Energy Information Administration (EIA) has just released its December 1999

Short-Term Energy Outlook (STEO). Without comment, EIA significantly increased

both the historical and forecasted estimates of U.S. fixed investment and

GDP

compared to those reported in the November release. The adjustments presumably were made to reflect the same changes that the Bureau of Economic Analysis announced in late October.

U.S. Energy demand in the December STEO is largely unchanged. This would imply a significant change in the nation's reported energy intensity (E/GDP). In fact, the November report indicates that the nation's energy intensity declined by an average of 1.12 percent per year from the period 1990 to 1998. According to the December release, however, the nation's energy intensity declined by an average of 1.54 percent in that same period.

Perhaps more interesting, the average rate of decline in the period 1996 to 1998 is now an astonishing 3.86 percent. Because this is still less than the average 4.40 percent economic growth rate in that two-year period, energy use continued to increase ? but only by an average 0.37 percent annually. STEO now expects the E/GDP estimate for 1999 to drop another 2.30 percent. On the other hand, STEO also reports a decline for the year 2000 of only 1.12 percent (compared to 1999) which is significantly less than the revised average decline of 1.54 percent for the years 1990 through 1998.

In the absence of significant price or other policy signals, these changes seem to indicate that the economy may be changing in a rather fundamental way. Reports by Joe Romm and Skip Laitner, as well as others, drawing on studies by the Department of Commerce and the OECD among various resources, suggest that at least part (and perhaps most) of the change is attributable to the growth in the internet economy. Since the internet economy continues to grow, we expect the trend to continue. If this holds, it appears that conventional forecasts may be overestimating future energy demand and, therefore, growth in energy-related carbon emissions. Clearly more investigation of these trends is warranted.

John A. "Skip" Laitner
Senior Economist for Technology Policy
EPA Office of Atmospheric Programs
501 3rd Street NW, 4th Floor, MS-6201J
Washington, DC 20001
o: (202) 564-9833
f: (202) 565-2147

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Roger S. Ballentine (CN=Roger S. Ballentine/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-DEC-1999 15:45:52.00

SUBJECT: Clean Energy 2001

TO: Ian Bowles (CN=Ian Bowles/OU=CEQ/O=EOP@EOP [CEQ])

READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Samuel F. Baldwin (CN=Samuel F. Baldwin/OU=OSTP/O=EOP@EOP [OSTP])

READ:UNKNOWN

TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP@EOP [CEA])

READ:UNKNOWN

TO: Ronald Minsk (CN=Ronald Minsk/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TO: Rosina M. Bierbaum (CN=Rosina M. Bierbaum/OU=OSTP/O=EOP@EOP [OSTP])

READ:UNKNOWN

CC: David A. Bernell (CN=David A. Bernell/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TEXT:

Attached is the Memo I submitted to Jack Lew et al. today.===== ATTACHMENT 1

=====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D97]ARMS20670715S.336 to ASCII,
The following is a HEX DUMP:

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

December 6, 1999

MEMORANDUM FOR JACK LEW
GENE SPERLING
SYLVIA MATTHEWS

CC: JOHN PODESTA
GEORGE FRAMPTON
NEAL LANE
MARTIN BAILY
ELGIE HOLSTEIN
BOB KYLE

FROM: ROGER BALLENTINE

SUBJECT: "Clean Energy for the 21st Century" -- FY2001 Budget

During the past several months, the President has repeatedly stressed the need to move beyond the "big idea" of the 20th Century -- that economic growth must necessarily be accompanied by increased pollution, including greenhouse gases. Both at home and abroad, there are urgent environmental needs and significant economic opportunities in accelerating the shift to clean and efficient energy technologies and practices. The two priorities of economic growth and a clean environment can and must be achieved together. To fulfill the President's commitment to that vision, we propose for the FY2001 budget this Administration's final major climate change-related initiative -- the "Clean Energy for the 21st Century Initiative".

For this initiative, we are requesting a total over-base amount of \$332 million (across eight agencies: DOE, AID, USDA, Treasury, DOC, ExIm, OPIC and TDA) in FY2001 in two components:

- Domestic: promote clean power through implementation of the President's 1999 Bioenergy Executive Order and through cleaner and more efficient power production (\$149 million);
- International: focus on cleaner energy markets in developing countries, drawing on the recommendations of the President's Committee of Advisers on Science and Technology (PCAST) in their June 1999 report to the President (\$183 million).

SUMMARY: PROPOSED FY2001 BUDGET

	2001 Request (over target)	2001 Base
Bioenergy	\$128	\$215.3
Clean Air	\$ 21	N/A
Global Energy	\$183	\$266 (<i>not</i> including DOC, ExIm, OPIC)
Total	\$332	

I. GLOBAL CLEAN ENERGY IN THE 21ST CENTURY

"I have an obsession... The world is still largely in the grip of a "big idea" that isn't true anymore. And that big idea is that in order for any country that's not rich to get rich, they have to burn more fossil fuels and put more greenhouse gases in the atmosphere, because that's the way we got rich and that's the way the British got rich. And that's not true anymore. The whole economics of energy and the economy have changed. And we could have a revolution in the environment with more trade and investment available for environmental technologies and alternative energy sources... But it won't necessarily happen automatically."

-- President Clinton. October 14, 1999.

"We should act expeditiously on PCAST's recommendations ... assess the portfolio of programs underway in the Federal agencies and develop a strategic vision, including budget recommendations that can be considered in agency requests for FY2001".

-- President Clinton in a letter to Neal Lane, September 15, 1999.

This proposed international trade and environment initiative will accelerate the development and deployment of clean energy technologies for electric power in developing countries. The initiative is built on the PCAST "Powerful Partnerships" report and the work of the National Science and Technology Council working group. The goal is to increase and "green" U.S. private capital flows and exports to the developing world in electric power production and consumption infrastructure and products.

Electric power alone is now responsible for one third of global greenhouse gas emissions, with the fastest growth coming from developing nations. "Business as usual" expansion of electric power supply in developing countries is estimated to triple their emissions of CO2 over 1995 levels by 2020 – and lead to significant increases in local air pollution from sulfur oxides, nitrogen oxides and particulate matter.

At the same time, the trade and investment opportunities for U.S. companies in this growing market offer important advantages to U.S. workers and technology innovators. Between 1995 and 2020, \$1.7 trillion will be invested in electric power capacity in developing countries. American companies are highly competitive in the global power market and are well positioned to lead the way to a cleaner energy future. As the PCAST report pointed out, however, we stand to lose market share to our trade competitors unless we fashion a more effective and robust USG-private sector partnership to address the challenge of global clean energy markets.

The international component of the Clean Energy for the 21st Century Initiative has three related pieces:

A. Coordination of Existing Programs.

Drawing on the recommendations of the PCAST report, the Clean Energy Initiative will enhance coordination of relevant agency programs at DOE, USAID, TDA, EXIM, OPIC, Commerce. Greater coordination of these programs and budgets will be achieved through an Executive Order directing the Secretaries of Commerce, Energy and the USAID Administrator, working through the Environmental Trade Working Group, to establish a focussed coordination mechanism and senior responsible personnel in each key agency. This coordination will assure that the full spectrum of USG support for clean energy technology – from DOE’s technology programs, to USAID’s policy and capacity building work in the field, to trade promotion programs at TDA, OPIC and EXIM – is harnessed to the goals of this initiative (*No FY2001 budgetary impact*).

B. Additional Funding and New Export Promotion Programs.

The recommendations for additional funding of existing and new programs included in this Initiative fall into three categories:

1. Clean electric power generation and use technology demonstration and R&D. The new R&D and demonstration funding will focus on large grid power systems (advanced coal, nuclear, natural gas and wind/biomass), as well as distributed generation technologies, including renewable energy. Included also are demonstration projects that prove the reliability, feasibility and desirability of cleaner power production technologies, as well as design and production techniques that save energy. (*Requested FY2001 funding: \$93 million*).
2. Policy reform and capacity building. Policy reform and capacity building includes existing programs by DOE and USAID in key developing countries to “open markets” for cleaner energy infrastructure and create greater demand for low-carbon options. Examples of policy reform include efforts involving electric industry restructuring, specification reform in proposal requests, and elimination of fossil fuel subsidies. (*Requested FY2001 funding: \$33 million*).

3. Clean energy trade promotion and finance. For export promotion and finance, the goal is to target existing and propose new USG trade promotion programs to make greater levels of investment possible. For example, we propose cost-shared clean power feasibility studies at TDA, new bid-cost insurance at TDA (small U.S. exporters often decline to bid on projects due to the costs of the bid process), expanded utilization of ExIm's "Environmental Export Program", similar dedicated funds at OPIC, and a new EXIM pilot program to provide limited currency exchange risk insurance for exporters of clean energy technologies. *(Requested FY2001 funding: \$57 million).*

C. Multilateral Clean Energy Trade Diplomacy.

"Greening" global capital flows to provide cleaner energy infrastructure will require the United States to play an active international leadership role. The U.S. led the successful effort to put export credit agency environmental guidelines on the Cologne G8 agenda and has been the most vocal proponent of changes in World Bank policies on energy and environment lending practices. The success of our bilateral efforts will require continued leadership within the OECD, G8 and WTO venues to establish common principles and favorable terms for clean energy technologies in ECA guidelines and through WTO policies. (e.g. longer/more favorable OECD lending terms for clean energy projects; liberalization of trade in environment and energy services; removal of fossil fuel subsidies). *(No FY2001 budgetary impact).*

[A summary table of the request for the Global Clean Energy Initiative is attached]

II. **CLEAN ENERGY AT HOME IN THE 21ST CENTURY**

The domestic piece of the initiative contains two components – 1) fulfillment of the President's new Executive Order establishing a national goal of tripling U.S. use of bio-based products and bioenergy; and 2) a new effort to accelerate the conversion of dirtier, older power plants to cleaner, more efficient technologies.

A. Bioenergy – Clean Fuel For The 21st Century

In August of this year, the President signed an Executive Order and Memorandum committing to triple use of bioenergy and bio-based products in the US by 2010. Meeting the goal will spur rural economies, seize world leadership in new biological technologies, reduce our dependence on foreign oil supplies, improve our environment, and enhance forest and agricultural productivity. To meet the President's goal, we must reduce the costs of converting sustainable raw materials – crops, trees, and biological wastes – into fuels, electric power, chemicals, and building materials and consumer goods.

As directed by the President, the Secretaries of Energy and Agriculture have developed a coordinated research and development plan to accomplish that goal. The plan accelerates and coordinates existing government and industry research and development efforts at the two Departments. *The two departments currently spend \$215.3 million, and we propose a 60% increase in funding of \$123.5 million.*

The fundamental obstacle to meeting the President's goal is to lower the cost of bioenergy to allow it to compete and win in the marketplace with fossil-based fuels. The plan would meet specific cost-lowering goals by 2010 rather than 2015 or 2020 as called for under current spending. The bioenergy plan tackles three fundamental cost-lowering opportunities and technical challenges to meet the President's goal. It reduces the cost of: 1) biomass feedstock itself; 2) converting feedstock to electricity, chemicals, ethanol, and building products; and 3) developing biobased products and energy. In each of these three areas – feedstocks, conversion, and products -- DOE and USDA will develop the science and technology base to support the President's goal, facilitate commercial deployment of the biotechnologies, analyze the results, and conduct education and outreach.

	DOE Base	USDA Base	DOE New	USDA New
Feedstocks	34.1	61.7	5.0	31.9
Conversion	112.7	14.3	48.0	19.7
Products	3.5	16.1	0	23.4
Totals	150.3	92.1	53.0	75.0

B. Clean Power Plants For The 21st Century

Electricity generation is the largest source of air pollution in the U.S., releasing more than two thirds of the nation's sulfur dioxide, and approximately one third of carbon dioxide, nitrogen oxides, and mercury. These pollutants contribute to disease and premature death from smog, soot, and toxic air pollution, worsened visibility in national parks, acid rain and water pollution. Power plants are also the largest contributor to greenhouse gas concentrations and global warming. Many of these emissions come from the 70% of U.S. power plants that are more than 30 years old, and which are specifically exempted from clean air rules requiring the cleanest technology. These plants can emit air pollution at four to ten times the rate of new, clean facilities.

The electric utility industry is going through a period of dramatic change as more than twenty states have adopted legislation to restructure the industry, and Congress is considering legislation as well. Many industry leaders have been seeking certainty for clean air requirements while they enter the uncertain world of a deregulated marketplace.

Any steps with respect to environmental requirements should be viewed against the backdrop of a changing marketplace, and in conjunction with the Administration's own strong support for utility restructuring and the \$20 billion in consumer savings that would result.

The President would propose a significant additional effort to clean up and modernize these power plants. The plan should include two key elements:

1. Clean Air Act Reinvention.

In the State of the Union, the President should announce his intention to submit a bold, new legislative proposal to mandate pollutant reductions over the next 15 years through market-based emissions trading. It should also eliminate counter-productive regulatory barriers. The proposal would give industry regulatory certainty over the next 15 years, and deliver cleaner air for Americans to breathe (*No budgetary impact for FY2001*).

2. The Clean Air Bond.

While legislative changes would lay out a new landscape for power production in the U.S., we can help bring about important improvements in the short term. The budget should include a new financial incentive for the utility industry to accelerate the conversion of today's older, dirtier power plants to clean, more efficient power production: the Clean Air Bond.

We propose to amend the tax code to create a special class of tax exempt "private activity bonds" to finance qualified clean energy technology investments (similar to pre-1986 state and municipal "pollution control bonds"). This version of the Clean Air Bond would require competitive bids from qualifying entities, with the tax-exempt capital going to those demonstrating the greatest environmental benefit at least cost. Based on Joint Tax Committee scoring in 1998 of private activity bonds, it is estimated that \$523 million in lost revenues to the Treasury over five years would leverage \$15 billion in bond issues (\$3 billion per year over the years 2001-2006). Treasury has not reviewed this proposal in detail.

Millions in Dollars

Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
20.88	63.36	107.64	147.60	183.06	523.44

GLOBAL CLEAN ENERGY – SUMMARY TABLE

	PRINCIPAL ACTIVITIES*	PCAST Target	Over- target Request FY2001
Clean Power: Fossil	Powerplant improvements Combined Heat and Power Fuel Cells Advanced Coal/Hydrogen production and use Methane Leakage Reduction/Recovery Sequestration Policy support for gas grid development; data/analysis	35	32
: Nuclear	International NERI Reactor Safety	10	8
: Renewables	Resource Assessment Grid-Systems with biomass, PV, wind Off Grid/Mini-Grid systems with biomass, PV, wind	40	32
: Building Efficiency	Energy Efficient Buildings. Appliances, Stoves	20	19
: Industry Efficiency	Energy Efficient Industry Best Practices	10	6
Energy Sector Reform and Capacity Building	Power Sector Restructuring/Policy Reform: Regional Energy Innovation Networks: Institution Building	35	33
Trade Promotion and Finance	Technical Assessments: Feasibility Studies Partial Grant Loan Guarantee Mechanism MDB Technical/Financial Assistance International Market Development ExIm Exchange Risk Assistance Fund Revolving Fund: small business project development	80	53
Other		20	0
TOTAL		250	\$183

AGENCY	Domestic FY2000 Base	International FY2000 Base	International In-Guidance Request FY2001	International Over-Target Request FY2001
DOE	~800+	~25	~32	72
USAID	NA	~225	~225**	67.5
DOC				8
Ex-Im	NA	NA	NA	15
OPIC	NA	NA	NA	3.5
TDA	NA	15.7***	19.25	17

*NA—Not Applicable

**FY2000

***FY1999

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-DEC-1999 16:14:06.00

SUBJECT: Hushkits

TO: Theodore G. Osius (CN=Theodore G. Osius/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: David W. Beier (CN=David W. Beier/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TEXT:

We've got interagency consensus to go forward w an Art 84 challenge,
unless the EU changes its view that indefinite suspension is impossible.
The attached is what i've sent to NSC for POTUS-Prodi meeting. State will
make a few minor edits but nothing major.

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D85]ARMS26950210C.046 to ASCII,
The following is a HEX DUMP:

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

EU Hushkit Regulation

Background

We have reached an impasse in negotiations over the EU's "hushkit" regulation, which violates international aircraft noise standards and discriminates against US manufacturers and airlines. Last April, following high-level US intervention, the EU suspended the regulation until May 2000 to allow for accelerated talks on a next-generation (Chapter 4) noise standard within the International Civil Aviation Organization (ICAO). Nevertheless, the mere pendency of the regulation has chilled the market for hushkits and hushkitted aircraft, costing US industry \$2 billion a year. Although the USG has for months insisted that the regulation must be repealed altogether, in an effort to be flexible (and with only grudging industry support), we recently told the EU that we could accept indefinite suspension of the regulation. However, senior EU officials maintain that their Parliament will not approve indefinite suspension, and that the most Parliament will agree to is to suspend the regulation until September 2001, the target date for a Chapter 4 agreement. But anything short of indefinite suspension would be unacceptable to US industry, because it would not undo the chilling effect of the regulation nor signal the EU's intention to return to adherence to ICAO standards.

To further complicate the debate, the EU has recently signaled that if it does not get an acceptable agreement on a Chapter 4 noise standard in ICAO by 2001, it may impose its own regional standard. US airlines are already concerned that the Chapter 4 talks are moving too fast (because US fleets are older than those of European airlines, a rapid transition to Chapter 4 could put them at a competitive disadvantage). The continued threat of the hushkit regulation, and the recent EU threat to go outside of ICAO yet again, have heightened US airlines' concerns.

USG agencies are in agreement that if the EU cannot agree to indefinitely suspend the hushkit regulation, we should challenge the regulation under Article 84 of the Chicago Convention. Such a case would trigger the dispute resolution mechanism of ICAO. Article 84 cases typically result in a negotiated outcome, although, if ICAO ruled against the EU, ICAO's 15 European member states could lose their voting rights.

For POTUS:

The EU has said it cannot indefinitely suspend its “hushkit” regulation, which is the only thing short of outright repeal that US industry will accept. All USG agencies think we have no choice but to file an Article 84 (of the Chicago Convention) challenge, thus triggering the dispute resolution mechanism of the International Civil Aviation Organization (ICAO), whose standard the regulation violates.

- If—as we have been told—the EU cannot indefinitely suspend its hushkit regulation, we have no choice but to file an Article 84 challenge. However, we are committed to continuing to work with you in ICAO to reach speedy agreement on a next-generation noise standard.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-DEC-1999 17:31:10.00

SUBJECT: Boeing/Airbus: Update on Strategy

TO: Theodore G. Osius (CN=Theodore G. Osius/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: David W. Beier (CN=David W. Beier/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: falken_steve@ustr.gov@INET@VAXGTWY (falken_steve@ustr.gov@INET@VAXGTWY [UNKNOWN])
READ:UNKNOWN

TEXT:

This is obviously close hold.

----- Forwarded by Dorothy Robyn/OPD/EOP on 12/18/99

05:27 PM -----

Dorothy Robyn
12/18/99 05:27:32 PM
Record Type: Record

To: John Podesta/WHO/EOP@EOP, Melissa G. Green/OPD/EOP@EOP
cc: Michele Ballantyne/WHO/EOP@EOP
Subject: Boeing/Airbus: Update on Strategy

Summary: USTR is preparing a WTO subsidies case against the Airbus partner governments. We believe trade action is necessary to get them to reduce/eliminate direct support for developing new aircraft, including Airbus's planned super-jumbo A3XX. USTR will circulate a memo on its case in early January, and we will hold an NEC deputies meeting soon thereafter to decide whether to file the case.

Goals: 1) Our first goal is to discourage Airbus partner governments from providing launch aid for the super-jumbo (600-800 seat) A3XX aircraft, which Airbus hopes will supplant Boeing's 747. Boeing believes the A3XX is not economically viable without significant subsidies, because the market for it is small relative to the development cost. The A3XX defies the trend toward more frequent, point-to-point service on smaller planes. Although there is a small market for the A3XX, most airline analysts say

that no company that had to bet all of its own money would develop the A3XX. 2) Goal two is to prevent Airbus partner governments (primarily, France, Germany and the UK) from forgiving Airbus's debts when the existing partners form a "single corporate entity"--probably in the next 12 months.

Strategy: USTR is preparing to file a case against Airbus partner governments under the WTO subsidies code, pending approval by the Administration. We believe the threat of losing such a case will get the EU to renegotiate the 1992 US-EU agreement on large civil aircraft, which limits direct government support to 33% of the development cost of a new aircraft. (Indeed, it was only the threat of a broad GATT case against EU subsidies to Airbus in 1991 that got the EU to negotiate the 1992 agreement.) Our aim is to eliminate any provision for direct government support. Airbus is a mature company with a market share of half or more (it will get 60-75% of all orders this year); subsidies are no longer necessary or justified.

Airbus maintains that direct government support is still justified to counter indirect support to the US commercial aerospace industry in the form of DoD and NASA R&D. But Airbus/EU claims about the level of USG indirect support are grossly exaggerated. In fact, indirect support from EU governments, which tends to be more applied, with an eye toward near-term development projects such as the A3XX, probably provides a more significant benefit to Airbus.

The re-negotiation of the 1992 agreement is also the place to deal with related issues, including the potential for debt forgiveness and Airbus's use of export financing terms that violate the spirit if not the letter of the relevant OECD agreement.

Next Steps: 1) USTR lawyers are working intensively with Boeing and its outside counsel (Stephens & Johnson) to answer critical questions (e.g., causation link between subsidies and Boeing's loss of market share) and identify company documents that the USG will need to release. 2) USTR is preparing a memo on the case and its strengths and weaknesses. It will circulate that memo in very early January. 3) We will hold an NEC deputies meeting soon after that to make a formal decision on whether to file the case.

We need to act quickly, because Airbus is moving aggressively to line up \$4 billion in state aid for the A3XX (\$4 billion is 33% of the \$12 billion Airbus says it will cost to develop the A3XX; Boeing claims the real cost will be \$18-20 billion). The only thing standing in the way of Airbus launching its super-jumbo seems to be the lack of a critical mass of launch customers due largely to the Asian financial crisis.

Other: Two recent WTO judgments give us hope with respect to a case against Airbus subsidies. In cases concerning regional jet manufacturers Bombardier of Canada and Embraer of Brazil, the WTO ruled that state aid is incompatible with global trade rules.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ronald Minsk (CN=Ronald Minsk/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:20-DEC-1999 14:20:55.00

SUBJECT: Re: clean air remarks -- comments by 3pm please

TO: Eric M. Haxthausen (CN=Eric M. Haxthausen/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Leigh L. Linden (CN=Leigh L. Linden/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Arthur G. Fraas (CN=Arthur G. Fraas/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TO: Richard P. Theroux (CN=Richard P. Theroux/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

TEXT:

----- Forwarded by Ronald Minsk/OPD/EOP on 12/20/99 02:20
PM -----

Elliot J. Diringier
12/20/99 02:12:25 PM
Record Type: Record

To: Ronald Minsk/OPD/EOP@EOP
cc:
bcc:
Subject: Re: clean air remarks -- comments by 3pm please

source was two reports to congress on benefits and costs of CAA, one covering 1970-90, the other 1990-2010. first calculated net, direct, monetized benefits of \$21.7 trillion (central estimate). pro-rating the projects costs and benefits from second report gets you about another \$1 trillion in benefits through 1999, but EPA wasn't comfortable with doing that. i think the nearly \$22 trillion is safe.

i don't know whether either report went through interagency clearance.

Ronald Minsk
12/20/99 12:57:48 PM
Record Type: Record

To: Elliot J. Diringer/CEQ/EOP@EOP
cc:
Subject: Re: clean air remarks -- comments by 3pm please

Elliot, I am not sure about that \$22 trillion number. As i understand, that was from a retrospective on the CAA that EPA published as an agency report because it could not get interagency clearance.

Was that report the source, or was there another one?

Ron