Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	P. Sauve to R. Lawrence, re personal message (2 pages)	11/17/1999	P6/b(6)
002. email	R. Lawrence to V. Greenfield, re personal message (2 pages)	11/17/1999	P6/b(6)
003. email	R. Lawrence to P. Sauve, re personal message (2 pages)	11/18/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System
CEA (Robert Z. Lawrence)
OA/Box Number: 950000

FOLDER TITLE:

[11/17/1999 - 11/18/1999]

2014-0316-F
wr10763

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1999 15:09:27.00

SUBJECT: oh yeah, just when you thought the maddness was over, FINAL 2-pager

TO: astilwell@ustr.gov (astilwell@ustr.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: jorszag@doc.gov (jorszag@doc.gov @ inet [UNKNOWN])
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: Timothy E. Punke (CN=Timothy E. Punke/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Brian V. Kennedy (CN=Brian V. Kennedy/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

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

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

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

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

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

TO: Sharon H. Yuan (CN=Sharon H. Yuan/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

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

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

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

TO: ijones@ustr.gov (ijones@ustr.gov @ inet [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: 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: 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

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

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

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

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

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

TO: Gay L. Joshlyn (CN=Gay L. Joshlyn/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TEXT:
and just in case you hadn't heard, please do not put this on the internet

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D27]ARMS28929513A.336 to ASCII,
The following is a HEX DUMP:

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

U. S. –CHINA BILATERAL WTO AGREEMENT
November 15, 1999

I. AGREEMENT HIGHLIGHTS

The U.S.-China WTO agreement covers all agricultural products, all industrial goods, and all service areas.

Industrial Tariffs

☐China's industrial tariffs will fall from an overall average of 24.6% in 1997 to an overall average of 9.4% by 2005.

☐On U.S. priority industrial products, tariffs will fall to 7.1% with the majority of tariff cuts fully implemented by 2003. Tariffs will fall on a range of products including: wood, paper, chemicals, capital and medical equipment.

☐In information technology, tariffs on products such as computers, semiconductors, and all internet-related equipment, will fall from an average of 13.3% to 0% by 2005.

Agriculture

☐On U.S. priority agriculture products, tariffs will be reduced from an overall average of 31.5% to 14.5% by January 2004, at the latest.

PRIORITY PRODUCTS	TARIFFS PRE-AGREEMENT	TARIFFS POST-AGREEMENT
Beef	45%	12%
Grapes	40%	13%
Wine	65%	20%
Cheese	50%	12%
Poultry	20%	10%
Pork	20%	12%
OVERALL AVERAGE	**31.5%**	**14.5 %**

☐China will expand access for of bulk agriculture commodities, on products including corn, cotton, wheat, rice, barely, soybean oil.

☐China will eliminate export subsidies – this is especially critical for U. S. cotton and rice producers.

☐China will for the first time ever permit private trade (trade between private parties) in agriculture.

Services

☐On industrial goods, China will for the first time permit the right to import and export without middle-men -- so-called trading rights – as well as full rights of distribution including wholesale and retail and aftersale service, repair, maintenance, and transport.

□The telecommunications, insurance, banking, securities, audio visual, and professional service sectors, to name a few, will all have expanded market access under the agreement.

II. RESOLUTION OF KEY UNRESOLVED ISSUES

- **Import Surge Mechanism.** China has agreed to a special safeguard mechanism that will remain in place for 12 years following accession and that can be used to address rapid increases in imports from China that cause or threaten market disruption.

- **Anti-Dumping.** The agreement ensures that the United States can continue to apply our current non-market economy methodology in antidumping cases involving imports from China for 15 years. China can, of course, request review under U.S. law of specific sectors or the economy as a whole to determine if it is market oriented and no longer subject to the special methodology.

- **Motion Pictures.** A previously unresolved issue had been the degree to which China restricted imports of films. Prior to the agreement, China permitted a maximum of 10 foreign films. Under the agreement, China will quadruple imports to 40 films after accession, growing to 50 films in three years, of which 20 will be on a revenue-sharing basis, in each of the 3 years.

- **Internet Access.** Because of the enormous projected growth in internet access in China over the coming decade, a key priority of the U.S. was to ensure that China's telecom service commitment clearly included all aspects of internet service. The agreement ensures that Internet services will be liberalized at the same rate as other key telecommunications services.

- **Satellites.** China has clarified that it will permit provision of telecommunications services via satellite.

- **Auto Financing.** China has now made commitments for non-bank foreign financial institutions to be able to provide auto financing upon China's accession. This in combination with commitments regarding importation, distribution, sale, financing, and maintenance and repair of automobiles will help open up this key sector for U.S. industry.

- **Accelerated Auto Tariff Reduction.** As part of the efforts to find "win-win" solutions to sensitive areas, China agreed to accelerated tariff reduction in exchange for a slightly longer phase-in period. This provides earlier market access with auto tariffs still being reduced from the current 100-80 percent to 25 percent by July 1, 2006.

- **Telecommunications.** While the United States agreed to China's request to limit foreign equity participation in value-added and paging services to 50 percent, China agreed to both accelerate significantly the percentage of equity participation in the first two years and eliminate geographic restrictions on an accelerated basis. China had indicated it would allow 35% foreign ownership for value-added and paging services two years after accession and 51% four years after accession. China will now allow 49% foreign ownership in the first year of accession and 50% foreign ownership in the second year.

- **Life Insurance.** While the United States agreed to China's request to limit foreign equity participation in life insurance to 50%, China agreed to significantly accelerate the elimination of geographic restrictions the percentage of equity participation in the first few years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Steven N. Braun (CN=Steven N. Braun/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME:17-NOV-1999 11:39:54.00

SUBJECT: Morning Meeting for 11/17/99

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

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

TEXT:
---------------------- Forwarded by Steven N. Braun/CEA/EOP on 11/17/99
11:39 AM ---------------------------

Medley_Global_Advisors@medleyadvisors.com
11/17/99 10:34:10 AM
Record Type: Record

To:
cc:
Subject: Morning Meeting for 11/17/99

Medley Global Advisors 212-219-9096

(See attached file: mmnovem17.PDF)

- mmnovem17.PDF

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D67]ARMS25557113C.336 to ASCII,
The following is a HEX DUMP:

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

Medley Global Advisors

Morning Meeting

November 17, 1999

G-7:
United States: Haunting hawkishness

Emerging Markets:
Hong Kong: HKAB likely to follow the Fed

The Ultimate "As We Told You"
Long-standing MGA prediction comes true

G-7

UNITED STATES

FED COMMUNIQUE WILL COME TO HAUNT MARKETS

Fed Chairman Greenspan's most recent "conversion" to the New Paradigm religion is certainly temporary and not millennial (see our "Split Re-Emerges at Fed from October 28). **Yesterday's very skillfully crafted communique -- which, by the way, shows they are getting this new medium down quite well -- was more hawkish than the market initially realizes. In fact, the second paragraph of communique is likely to become a kind of ticking bomb inside the market place which could be tripped by strong data hitting the tapes.** Only then, when that strong data whacks the market, can you safely expect market yakkers to recall suddenly the explicit warning of the Fed communique that growth "must" slow, and labor stripping "must" not continue if price stability is to be maintained. It is certain that the Fed drafters of the communique intended to leave just such a time bomb ticking away for markets to fret over through the turn.

The prospect of a February move is explicitly held out as an option, if the data do not confirm the much-forecasted slowdown in economic growth. And the new records set every day by NASDAQ, and yesterday by the S&P 500, are not the stuff of which slowdowns are created. Clearly inflation is low enough to let Greenspan periodically flirt with New Paradigm thinking, but **the Chairman has been consistent in saying since May that demand has to slow toward sustainable levels, or interest rates need to keep rising.** Just as in 1994, his pattern is to talk softly -- but to steadily ratchet up the cost of money, and to keep doing so until he gets the cooling he wants. That 1994 model is the reality that any new strong data will quickly bring into sharp focus for the market. And that in turn means **the risk is clearly on the side of falling fixed income prices unless the economy is really beginning to slow,** as economic forecasters have been valiantly but incorrectly predicting for most of the spring, summer and fall this year ... and last, and the year before that.

EMERGING MARKETS

HONG KONG

THE MARKETS WILL LIKELY IGNORE HKAB'S DECISION

The HK Association of Banks will meet this Friday to ponder whether or not to follow the Fed's move yesterday. While concerns of capital flight have receded recently, members of the HKAB are on balance still inclined to raise rates by 25 bp this or next week. But **the most important thing to remember is that improving investment sentiment and banks' willingness to lend below official prime rates will make it a rather low-impact decision for HK's economy.**

An intensifying mortgage war has gotten HK's quasi-central bank (the HKMA), worried, but in many other sectors too, HK banks continue to lend very aggressively as they try to unload themselves of money. Therefore **a rate hike is unlikely to have a major effect on the real cost of funding.** HK banks are still smarting from credit problems in the wake of the GITIC debacle and have sharply reduced lending to mainland companies, which leave them little choice but to pamper local borrowers.

Officials also feel that even though HK's confidence is improving with the economy, **it is not the time yet to signal HK's rate independence from the US.** On the contrary, they want to reinforce the impression that they continue to be committed to the HK dollar's peg to the US dollar. This apparently gives them another incentive to go with the Fed.

The improving economic outlook will also make a hike's downside minimal, giving the HKAB a free option. The overall turnaround in the regional economies has helped HK tremendously. **HK's GDP number for Q3, which will be released next week, will likely be higher than the government's current estimate.** Officials continue to hint to us of an optimistic picture. They have learned not to raise expectations unless it is on the basis of solid evidence -- HK officials' premature optimism in late 1997 misled Beijing and was said to have influenced China's own economic planning for 1998.

THE ULTIMATE "AS WE TOLD YOU"

<u>18-MONTH OLD MGA PREDICTION FINALLY COMES TRUE</u>

Reading about Sakakibara joining Bob Rubin at Citibank reminded us of a fantasy piece we wrote on April 20, 1998 about exactly this circumstance. Little did we know we'd be reading this for real one day. Here's what we wrote in that Morning Meeting:

Morning Meeting, 4/20/98

> **G-7**
> **WHAT WE'RE HEARING...**
>
> **Persistent rumors in both Tokyo and Washington turn out to be true. We have uncovered, in a pumpkin field, conclusive microfilm evidence that Treasury Secretary Rubin and MOF Vice-Minister Sakakibara will both resign this summer and form a powerful new hedge fund that specializes in dollar-yen trading.** There were conflicting reports this morning about whether they had agreed to their first joint purchase in currency markets. Sakakibara said talks last week led to possible yen buying together, but Rubin insisted they have not even discussed it. Part of the problem may be a disagreement about the direction of the currencies. Rubin says he thinks the "dollar should be strong for some time now," while Sakakibara warns that "we must avoid excessive yen weakness."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1999 20:00:49.00

SUBJECT: Another dep's mtg on hushkits: friday at 1 pm

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

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

TO: david_ross@ustr.gov (david_ross@ustr.gov @ inet [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

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

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

TEXT:
Here's draft background paper. Wld love comments, thoughts. We have a dilemma, b/c the approach most agencies are comfortable with (indefinite suspension) has NO industry support. That makes me extremely uncomfortable. I'm continuing to search for alternatives to the 2 options we've discussed: indefinite suspension and Art. 84.

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D9]ARMS28013123G.336 to ASCII,
The following is a HEX DUMP:

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

DRAFT
November 17, 1999

To: **GENE SPERLING AND LAEL BRAINARD**

From: **Dorothy Robyn, NEC**

Subj: **EU "Hushkit" Regulation**

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. The EU maintains that, while continued suspension is feasible, repeal is out of the question until we have reached agreement on a Chapter 4 standard (late 2001 at the earliest). Recently, the US and EU discussed indefinite suspension as a possible alternative to repeal. But, even if the EU could agree to indefinite suspension (and that is uncertain), US industry probably would not support it. Rather, industry wants the US to challenge the regulation under Article 84 of the Chicago Convention – an approach key USG agencies oppose. Because of the EU's parliamentary schedule, the Administration needs to decide in the next week or so whether to pursue indefinite suspension, an Art. 84 case, or some other option. Finally, US airlines have begun to worry that the talks on a Chapter 4 standard are moving too fast, and that may complicate US-EU negotiations over the hushkit regulation.

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 concerns (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 maintains that it has lost $500 million in sales, and we estimate the overall loss to US industry at about $2 billion. 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 can not 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, recently 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.

Indefinite Suspension as an Option: De Palacio and Aaron also discussed indefinite suspension of the regulation as a possible alternative to repeal. Specifically, 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. Although de Palacio expressed skepticism that Parliament would agree to indefinite suspension, 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 if any support in US industry for pursuing indefinite suspension of the regulation as an alternative to repeal. (United Technologies Corp., the company most harmed by the hushkit regulation, has said it could not support indefinite suspension, but UTC stopped short of saying it would criticize the Administration, and indicated a willingness to learn more about the specifics of any proposal.) UTC (Pratt & Whitney) and other affected firms 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.

Art. 84 of the Chicago Convention as Another Option: Instead of seeking indefinite suspension (or any other US-EU negotiated outcome), US industry wants the Administration to challenge the regulation under Article 84 of the Chicago Convention, ICAO's rarely used dispute mechanism. However, the State Department, which would have the lead on such a case, has serious reservations about following that course of action, and most USG agencies agree. Industry and key USG agencies have different views of both the utility of an Art. 84 case and the EU response such a case would elicit.

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. The EU might even repeal the regulation, although that is unlikely.
- Even if the EU did not repeal the hushkit 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. Pratt and other companies seem genuinely perplexed as to why the USG hasn't yet filed a case.

By contrast, the State Department 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 an Art. 84 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 might delay the Chapter 4 talks if not derail them altogether. In fact, some companies may want the USG to file an Art. 84 case precisely because they think it will slow or derail the talks.
- The USG does not have an airtight Art. 84 case, and we can not 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.

Variation on Art. 84: "Initiate and Suspend": A variation on an Art. 84 case might reduce the downside risks of that approach. Under this approach, the US would file an Art. 84 case but suspend it as soon as the ICAO Council invited the parties to hold further direct negotiations, which is the automatic first step in the Art. 84 process. This suspension (which we would explain to the EU in advance) could remain in effect for as long as the EU made sufficient progress toward withdrawing the hushkit regulation. This linkage would be parallel to, and serve to counterbalance, the EU's linkage of continued suspension of the hushkit regulation to the continuation of progress toward a Chapter 4 noise standard. Ideally, we would suspend our Art. 84 case indefinitely and never have to argue the merits of our case. However, if the EU did move to implement the regulation, the US could declare the negotiations a failure and ask the ICAO Council to render a decision on the merits.

Airlines' Concern About Chapter 4 Talks: Some US airlines have become concerned that the Chapter 4 talks are moving too far, too fast, following recent release of some very preliminary proposed "scenarios" for making the transition to Chapter 4. Specifically, airlines are worried that we will agree to a phase-out schedule for Stage 3 aircraft that would cut short the economic life of older fleets. (A Slater/Daley letter to de Palacio reiterating our commitment to Chapter 4 talks heightened the airlines' concerns.) Secretary Slater met with airline CEOs on Nov. 1 and assured them that the Chapter 4 process is at a very early stage and that we are sensitive to the need to preserve the economic value of their fleets. Nevertheless, we can expect continued pressure from the airlines. And although this tension is manageable within the ICAO process, it may in some ways complicate US-EU negotiations over the hushkit regulation. Of most concern is that some airlines may encourage us to fall on our sword over the regulation largely in the hopes that such action would disrupt the Chapter 4 talks.

Next Steps: The Administration needs to decide in the next week or so whether to pursue indefinite suspension, an Art. 84 case, or some other option (and I am scheduling a deputies meeting for that purpose). The EC's deadline for submitting legislation to the Parliament concerning the future status of the hushkit regulation is December 15. But if we want to pursue indefinite suspension, we need to let de Palacio know that as soon as possible so that she can determine well in advance of Dec. 15 whether the Parliament would be at all receptive.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME:17-NOV-1999 22:39:38.00

SUBJECT: a variant of some of our thoughts on compliance from an NGO

TO: morgenst@hotmail.com (morgenst@hotmail.com [UNKNOWN])
READ:UNKNOWN

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

TEXT:
FYI, this is an excerpt from a Business Council for Sustainable Energy intervention in Bonn.

The compliance system should be complemented by a non-compliance safety net that imposes a fee for approved offset projects. Such a system would allow non-complying Parties to meet emission control targets by using an additional flexibility mechanism in the unusual event that neither certified emissions reductions (CERs) nor emissions reduction units (ERUs) are available. The fee for the greenhouse gas offsets could be based on the cost to create pre-approved greenhouse gas offset investment projects from any country plus any administrative costs.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1999 23:00:04.00

SUBJECT: Re: WTO paper

TO: astilwell@ustr.gov (astilwell@ustr.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: ijones@ustr.gov (ijones@ustr.gov @ inet [UNKNOWN])
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: jorsazg@doc.gov (jorsazg@doc.gov @ inet [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:
more stuff, good stuff, please distribute widely. (i am not even going to mention the i_____net.
---------------------- Forwarded by Melissa G. Green/OPD/EOP on 11/17/99 10:56 PM ---------------------------

Rebecca J. Salay 11/17/99 06:14:06 PM

Record Type: Record

To: factsheet
cc:
Subject: Re: WTO paper

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D72]ARMS24178123H.336 to ASCII,
The following is a HEX DUMP:

================= END ATTACHMENT 3 =================

Support For The Historic US-China WTO Agreement

BUSINESS ORGANIZATIONS

U.S. Chamber of Commerce President and CEO Thomas Donohue: *"This is really a landmark opportunity to open up China's vast market to American companies of all sizes, while ensuring that China abides by international rules and regulations. We're pleased that U.S. and Chinese negotiators have at long last concluded an agreement and look forward to reviewing its provisions to be sure it's a winner for U.S. business."* [Chamber Press Release, 11/15/99]

U.S. Chamber of Commerce-China Chairman Richard Latham: *"Having worked hard for years to convey to the two governments how China's WTO accession could help both countries, the American business community here is delighted it is now at hand and we pledge our full support for the implementation process in coming years."* [Agence France Presse, 11/15/99]

Chairman of the Business Roundtable's Task Force on International Trade and Investment, and Boeing Corp. Chairman and CEO, Philip Condit: *"The agreement to bring China into the World Trade Organization creates an enormous opportunity for American workers and farmers to build a better future for themselves and their families. It opens up vast new markets for U.S. goods and services, and I have supreme confidence that America's highly skilled and productive workforce will win substantial new business in those markets in the years to come. Ambassador Barshefsky and her team deserve high praise for negotiating a tough agreement that gives Americans such a great opportunity to keep our economy growing into the next century."* [Boeing Press Release, 11/15/99]

U.S.-China Business Council Chairman, and Honeywell Inc. CEO, Michael R. Bonsignore: *"China's entry into the WTO will serve to solidify and further its recent economic reforms, as well as to increase the openness and transparency of the Chinese commercial environment. Not only do we see this agreement as highly significant in terms of its commercial impact, but we also view it as an important signal of China's commitment and desire to engage in the global community and one of its most important institutions."* [Council Press Release, 11/15/99]

U.S.-China Business Council President Robert Kapp: *"China's accession to the WTO is a very, very important guarantee to the rest of the world that they can expect certain things from China's economic and commercial behavior."* [Los Angeles Times, 11/16/99]

National Association of Manufacturers President Jerry Jasinowski: *"This is a major breakthrough for American companies and their workers, offering hundreds of millions of potential new customers."* [Agence France Presse, 11/16/99]

Pacific Basin Economic Council Chairman Gary Benanav: *"This agreement is the foundation for China's integration into the global trading system, and will open the world's largest emerging market to new and unprecedented opportunities for U.S. companies."* [Agence France Presse, 11/16/99]

National Retail Federation President Tracy Mullin: *"Conclusion of this agreement is a critical step in the path to Chinese membership in the WTO... U.S. consumers will continue to enjoy access to high-quality, value-priced goods produced in China and American made- products will have better access to the largely untapped Chinese marketplace."* [NRF Press Release, 11/15/99]

Emergency Committee on American Trade President Calman Cohen: *"This will be the number one trade priority for the members of the business and agricultural communities in the second session of the 106th Congress."* [National Journal's Congress Daily, 11/16/99]

FINANCIAL INDUSTRY

Citibank Corporation Country Risk Manager Thomas Schick: *"It's a positive development for both China and the United States... in the long term, it can only benefit...There's no way this cannot be a good thing."* [Agence France Presse, 11/15/99]

Morgan Stanley Dean Witter & Co. Chief Economist Stephen Roach: *"China is the only place in the world where you can go and see economic development right in front of your eyes. If China comes alive, they are going to really need advice and insight from global financial service companies like ours."* [New York Times, 11/16/99]

Merrill Lynch & Co. International Unit Chairman Win Smith: The accord is *"clearly positive.... The big hope of many Wall Street firms including ourselves has been that the market will open up eventually."* [Wall Street Journal, 11/16/99]

Goldman Sachs Group Inc. International Unit Vice Chairman Robert Hormats: China's membership in the WTO *"will strengthen development prospects and investment prospects in China."* [Wall Street Journal, 11/16/99]

Chase Manhattan Corp.'s Head of Asia Pacific Operations Robert E. Fallon: *"This is a good deal for U.S. banks and a good deal for the United States. This will give us full market access within five years after China joins the World Trade Organization."* [The American Banker, 11/17/99]

American International Group Chief Executive Maurice Greenberg: *"The agreement is clearly a win-win situation for the U.S., China and the global trading system. AIG has long supported Chinese membership in the WTO and has been active for many years in efforts to improve the climate for U.S.-China trade relations."* [Reuters, 11/15/99]

Gruntal & Company Stock Market Strategist Joe Battipaglia: *"Across the board, whether it's consumer products or telecom, China is the next great frontier. So, to get a pact in place that will allow business to move forward, [is] very exciting."* [CNN's Ahead of the Curve, 11/15/99]

HIGH-TECH COMPANIES

Semiconductor Industry Association President George Scalise: *"Our industry is encouraged that the U.S. and China have reached this agreement and we are hopeful that this pact will serve as a first step to increase U.S. exports and help expand China's market for American semiconductor companies.... We highly commend the Administration's efforts and progress and strongly support China's WTO accession on commercially viable terms."* [SIA Press Release, 11/15/99]

Yahoo Senior Vice President for International Business Heather Killen: *"We regard this latest agreement as an overwhelmingly positive development."* [Associated Press, 11/15/99]

Business Software Alliance's Diane Smiroldo: *"It's important that any kind of trade barriers be eliminated so that there is a broader expansion for the legitimate market for software."* [USA Today, 11/17/99]

Motorola Director of Strategic Issues Norman Sandler: *"Any expansion in investment opportunities in China translates into opportunities for Motorola. Motorola itself might invest in new wireless ventures, foreign or Chinese, and sell equipment to them."* [New York Times, 11/16/99]

Global Telecommunication Corporation Inc. President Terry Wong: *"China's imminent entry into WTO will transform its economy into a much more dynamic and transparent one. It will create very exciting opportunities for companies such as GTCI."* [Business Wire, 11/17/99]

MANUFACTURING COMPANIES

World Steel Dynamics Inc. Analyst Peter Marcus: *"This is a dream come true. It is going to be a very long time before China is going to be a continuous sizable exporter. At least 50% of the steel in China is not cost or quality effective."* [Wall Street Journal, 11/16/99]

Caterpillar Inc. Director for Government Affairs Bill Lane: China's participation in the WTO *"is going to make it a lot easier to sell American products in China."* [Wall Street Journal, 11/16/99]

John Ford of the U.S.-China Business Council: *"There are a wide variety of American firms, in both hardware manufacturers or service providers, that will be able to benefit."* [Agence France Presse, 11/16/99]

Chemical Manufacturers Association President and CEO Fred Webber: *"China's proposed participation in the World Trade Organization represents a significant achievement that will benefit American consumers and Americans businesses. Bringing China into the World Trade Organization will expand choices for American consumers and ensure that China will conform to international trade rules that benefit the American economy."* [CMA Press Release, 11/15/99]

Proctor & Gamble Chairman John Pepper: *"It seems terribly dysfunctional to have the world's largest country, one growing so fast, outside the WTO."* [USA Today, 11/16/99]

AUTOMOBILE MANUFACTURERS

General Motors Corporation Chairman John Smith: *"Given the size of China's economy and its impact on the world trading system, bringing China into the multilateral trade order and the mainstream of the trading community is in everybody's best interest."* [Agence France Presse, 11/15/99]

Ford Motor Company: *"This represents achievement of commercially viable terms for the development of the auto industry in China and Ford Motor Company's participation.... We encourage the administration and Congress to move forward quickly with all steps necessary to support China's entry."* [AFX News, 11/16/99]

AGRICULTURAL INDUSTRY

American Farm Bureau President Dean Kleckner: *"With China agreeing to lower tariffs on imports and not subsidize exports, we could see increased sales of virtually all farm products....I'd be disappointed if we didn't hit $5 billion [in exports] within five years."* [USA Today, 11/17/99]

Farmland Industries Inc. Vice President of Administration Drue Sander: *"China is the biggest single growth market for U.S. agriculture in the 21st century."* [Wall Street Journal, 11/16/99]

California Association of Wheat Growers Executive Director Anne Chadwick: *"We see great potential in the Chinese market. We've been trying to get into their market for years."* [The Fresno Bee, 11/16/99]

Port of Oakland's Manager of Strategic Marketing Dan Westerlin: *"The deal is a very positive development for Northern California. Fruits, vegetables, and other agricultural products from California are among the primary exports to China from the West Coast. Oakland is a natural gateway for anything that moves by water."* [Contra Costa Times, 11/16/99]

Sunkist Vice President Bill Quarles: *"We have very conservatively estimated that California and Arizona citrus exports to China will total $ 500 million over the next five years."* [The Fresno Bee, 11/16/99]

INSURANCE INDUSTRY

New York Life Insurance Company Chairman Sy Sternberg: *"This is probably the most important economic development for China in the last 50 years."* [Washington Post, 11/16/99]

Chubb Corporation Chairman and CEO Dean O'Hare: *"I think the degree to which we can play will be greatly expanded."* Mr. O'Hare said China's growth and its moves toward capitalism will spur demand *"in all the basics"* of insurance coverage. *"Moving to capitalism, they are owning cars now, owning houses now; businesses are needing to have directors' and officers' liability insurance."* [Wall Street Journal, 11/16/99]

MOTION PICTURE INDUSTRY

Metro-Goldwyn-Mayer President of Worldwide Distribution Larry Gleason: *"We all see China as a wonderfully expansive market that's going to really explode one of these days. What China doesn't have yet is the modern cinema."* [Associated Press, 11/15/99]

Support For The Historic US-China WTO Agreement

Business Organizations
- US Chamber of Commerce
- Business Roundtable
- US-China Business Council
- National Association of Manufacturers
- Pacific Basin Economic Council
- National Retail Federation
- Emergency Committee on American Trade

Financial Industry
- Citibank Corporation
- Morgan Stanley Dean Witter & Co.
- Merrill Lynch & Co.
- Goldman Sachs Group Inc.
- Chase Manhattan Corporation
- American International Group
- Gruntal & Company

High-Tech Companies
- Semiconductor Industry Association
- Yahoo
- Business Software Alliance
- Motorola
- Global Telecommunications Corporation Inc.

Manufacturing Companies
- Chemical Manufacturers Association
- World Steel Dynamics Inc.
- Caterpillar Inc.
- Proctor & Gamble

Automobile Manufacturers
- General Motors Corporation
- Ford Motor Company

Agricultural Industry
- American Farm Bureau
- Farmland Industries Inc.
- California Association of Wheat Growers
- Port of Oakland
- Sunkist

Insurance Industry
- New York Life Insurance Company
- Chubb Corporation

Motion Picture Industry
- Metro-Goldwyn-Mayer

Editorial Support For The Historic US-China WTO Agreement

The New York Times: A "Bold" Agreement
"The new terms appear about as bold as the old ones. China promises to cut tariffs below those of many of America's other trade partners. It agrees to end export subsidies, give American exporters the right to distribute goods and open up Chinese markets to American farmers, banks, insurance, telecommunications and internet companies." [11/16/99]

The Chicago Tribune: A "Watershed Agreement"
"The historic pact signed in Beijing Monday by the U.S. and China is basically about tariffs, markets, goods and services. But it signals far more. It marks a coming of age for China and a maturing in how the U.S. relates to China.... The trade pact opens up Chinese markets to U.S. goods and services in unprecedented ways, cutting agricultural and industrial tariffs, allowing foreign investment in financial services and telecommunications--including Internet providers, a provision the U.S. insisted on.... President Clinton vows he will fight hard for this. He should. It is a watershed agreement." [11/17/99]

The Boston Globe: "Opens China's Markets" To U.S. Business
"Yesterday's agreement between US and Chinese negotiators for China's accession to the World Trade Organization should lead to reforms in the Chinese economy, an amelioration of troubled US-China relations, and a fulfillment of the WTO's aspirations to be a world-class trading club. It should be self-evident that a WTO without China as a member cannot truly be a world trade organization....[the agreement] reduces Chinese tariffs on US goods by 23 percent, but it also opens China's markets to American banks, telecommunications and insurance companies, and Hollywood films." [11/16/99]

The San Diego Union-Tribune: "Welcome And Overdue"
"The trade agreement signed yesterday in Beijing between the United States and China marks a significant advance in the liberalization of China's economy. For U.S. businesses, it is welcome and overdue.... The new accord moves China further along the path toward economic modernization bgun with President Nixon's meeting with Mao Zedong in 1972. Both free trade and China's modernization serve U.S. interests." [[11/16/99]

The Los Angeles Times: China Is "Welcome Addition To The WTO"
"Although details of the [US-China] deal are not yet publicly known, U.S. business leaders say it contains broad market-opening meausres and binds Beijing to significant reforms. On those terms, China would be a welcome addition to the WTO. China, with 1.3 billion potential customers, has been the land of promise for businesses across the globe. But, despite big strides in domestic reforms, China has not delivered on that promise....All of that will change once a trade agreement takes effect....by signing the deal...China has demonstrated its commitment to the world trading system and should be admitted as a full-fledged member." [11/16/99]

The Pittsburgh Post-Gazette: "A Major Achievement"
"The trade deal reached in Beijing Monday between the United States and China is a major achievement for the Clinton administration. The deal, 13 years in the making, will pry open the vast Chinese market to U.S. business in a number of meaningful ways. And by paving the road for China to

join the World Trade Organization, this trade agreement also should solidify China's market reforms as a structural reality, rooted in the global economy and in international law. [11/17/99]

The Atlanta Journal and Constitution: "Good News For American Business"
"There's also copious good news in the agreement for American business. Tariffs on U.S. goods and services are to be cut by an average of 23 percent, which bodes well for U.S. agriculture and manufacturing concerns. Markets once essentially off-limits will be open to U.S. banks, insurance companies, Internet and telecommunications firms. U.S. automakers will be able to sell their cars on credit, a big step forward considering that an imported auto's full purchase price is far out of reach for all but a fraction of Chinese.... Of course, it's a gamble to allow a brash and bumptious outsider, and a big one at that, into the company of upstanding, practical-minded nations and hope the experience will be a civilizing one. Surely, though, that's a smarter bet than putting up barriers against China and reinforcing the destructive self-isolation that has prevailed there for far too long." [11/17/99]

The Detroit News: "Victory for U.S. Economy and Consumers"
"After more than a decade of negotiating, the United States and China Monday finalized a historic trade deal to pave the way for China's entry into the World Trade Organization (WTO). By all accounts, China appears to have made significant strides to open its markets to the world.... Congress should not hesitate to normalize ties with China when the issue comes up for a vote early next year. It will be a big victory for the U.S. economy and consumers." [11/16/99]

The Kansas City Star: A "Breakthrough Agreement"
"The broad terms made public in Monday's breakthrough trade agreement with China are encouraging....As our lawmakers begin the process of examining the fine print, they should keep in mind that a China integrated into the global economy and resigned to the concept of rule of law is in the nation's long-term strategic interest." [11/16/99]

The Ft. Lauderdale Sun-Sentinel: "Wise To Engage Rather Than Isolate"
"China won't become a free society if it's shut off from the democratic world. Chinese leaders want to transform their nation into an economic power. This won't happen unless China learns to abide by the same rules that guide its major trading partners, including the United States. In other words, the United States is wise to engage rather than isolate China. The trade agreement announced by the Clinton administration will give U.S. companies greater access to the world's largest market, with 1.3 billion consumers." [11/17/99]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1999 09:47:39.00

SUBJECT: 2nd AFL-CIO Mtg on Tues, 11/23

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

TEXT:
What was the final decision on holding this meeting at 2pm as requested by Tom Palley. Both you and Martin are scheduled to attend a WTO Prins meeting from 1:15-2:45 on the 23rd. We need to inform Palley ASAP that 2pm on the 23rd is not good.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	P. Sauve to R. Lawrence, re personal message (2 pages)	11/17/1999	P6/b(6)

COLLECTION:
Clinton Presidential Records
Automated Records Management System
CEA (Robert Z. Lawrence)
OA/Box Number: 950000

FOLDER TITLE:
[11/17/1999 - 11/18/1999]

2014-0316-F
wr10763

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	R. Lawrence to V. Greenfield, re personal message (2 pages)	11/17/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System
CEA (Robert Z. Lawrence)
OA/Box Number: 950000

FOLDER TITLE:

[11/17/1999 - 11/18/1999]

2014-0316-F
wr10763

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1999 09:15:46.00

SUBJECT: Re: IRUPs

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

TEXT:
John L. Goldie
11/16/99 06:27:03 PM
Record Type: Record

To: Robert Z. Lawrence/CEA/EOP@EOP, Victoria A. Greenfield/CEA/EOP@EOP, John G. Fernald/CEA/EOP@EOP, Charles F. Stone/CEA/EOP@EOP
cc: Yu-Chin Chen/CEA/EOP@EOP
Subject: IRUPs

Here are some IRUP ideas for this week. I may try to send some more out early tomorrow if there are not enough decent ideas here. But if there are any that should be done, we can at least get started.

1) 7. Joint Center Adviser (Roger Noll) working paper on telecommunications reform in developing countries. He concludes that some attempts at reforming telecommunications have focused excessively on the gains from selling state-owned enterprises and not enough on the long-germ ecomomic benefits of reform for consumers. Argues that policy reformers may be understating the importance of creating regulatory bodies truly independent of the former monopolies. He suggests that these countries should adopt simple "benchmark" systems or, even better, form multinational agencies to regulate prices and service standards.

2)7. (Sharpen this) OECD report on trends in tax burdens and tax structures in OECD countries over the last 3 decades. Data for 1998 for 26 industrialized countries show a stabilization in overall tax levels, with a greater number showing lower taxation levels than increases. The overall tax level is 36.6 % of GDP, with Belgium, Denmark, Finland, France, Luxembourg, and Sweden having taxes above 45% of GDP; while Australia, Japan, Korea, Turkey, and the U.S. have levels in the 20-30% range. Overall, taxes on profits are the largest source of revenue at 35% of taxes, with consumption taxes at 32% and social security contributions at 25%. In the U.S., income taxes (coporate and personal) account for over 45% of total revenue.

3)7. ILO report recently released on child labor. Surveys the extent of the problem and reviews the progress that has been made by the International Programme on the Elimination of Child labor (IPEC). Finds that although most (70%) of working children are found in agriculture, the highest injury rates occur in construction, mining, and transport sectors. Achievements of IPEC include the introduction of an innovative process of workplace monitoring and social protection for affected children and their families; the progress made in mainstreaming child labor into the policies, programs and budgets of partner organizations; and the intensification of efforts to target the worst forms of child labor through the development of programs aimed at removing children from most abhorrent forms of child labor in Asia and Latin America. An estimated 130,000 working children have directly benefited from the program during 1998-99.

4) Be careful. US is against putting this item on the agenda -- still may be worth doing. 7.5 IMF staff paper (Lehmann) titled "Country Risks and the Investment Activity of U.S. Multinationals in Developing Countries." Seeks to explain the uneven distribution of FDI across developing countries. Finds that country-specific risk, emanating from political and macroeconomic uncertainty, plays a significant role in explaining the distribution of foreign investment activity. It thereby sheds some light on the potential role of a multilateral investment agreement, an agenda item in the November trade round. Locking in a set of investment policies could overcome the instability of national governments to credibly signal a commitment to such policies. Uses panel data on industry-level capital expenditures of majority-owned U.S> foreign affiliates in 29 developing countries from 1984-95.

5)6. China announced a fresh round of bankruptcies and mergers in its steel industry in an effort to cut production and alleviate a price war. The government indicated that efficiencies could be created through equipment upgrades enabling the production of a higher grade of steel. The average price of steel fell by Rmb220 per ton in the first half of this year.

6)6. European banks have embarked on a formal complaint to the EC about government financial guarantees which the German government gives its public sector banks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Yu-Chin Chen (CN=Yu-Chin Chen/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME:17-NOV-1999 14:42:38.00

SUBJECT: tariff peaks draft

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

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

TEXT:
Robert;

I updated the numbers and made some small changes. Can you finalize it?
The first and last sections need the most work, I think.

Please note that we are quoting bound tariff rates in the first section
vs. applied MFN rates (for 1998) in the second. (I tried to make the
distinction in the paper.)

Also, although I have all the GSP rates as well, it might be too much info
for one WEB article. Perhaps there can be another article on tariff
rates and developing countries.

Let me know if you need anything,

Yu-chin

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D73]ARMS25513513J.336 to ASCII,
The following is a HEX DUMP:

================= END ATTACHMENT 2 =================

FOIA Number: 2014-0316-F

Clinton Presidential Records Automated Records Management System [EMAIL]

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

Hex Dump file is not in a recognizable format, has been incorrectly decoded or is damaged.

File Name: p_m2653530_cea_html_2.msoff

Attachment Number: [ATTACH.D79]ARMS23353562O.336

Who is the most open of them all?

Despite the tariff liberalization agreements achieved in the Uruguay Round, one reason motivating U. S. participation in negotiating lower tariffs at the WTO is that average tariffs still exhibit wide-ranging variations, both across countries and across sectors within a country. Tariff rates in the European Union, Japan, and the United States are among the world's lowest, though progress can still be made to spread the benefits of free trade further.

Uruguay Round commitments. WTO commitments have bound U.S. average tariffs to 4.1 percent. This compares with 5.1 percent for Japan and 7.4 percent for the EU. These differences are mainly due to the high protection accorded to agriculture. EU and Japanese have bound their average rates to 19.5 and 11.7 respectively for agricultural products, contrasting with the much lower 5.5 percent in the United States. For manufacturing products, the bound rates in the three countries are comparable: 3.8 percent in the United States, 4.1 average rate in the EU, and 3.6 percent in Japan. Figure 1 compares the average bound tariff rates for several product groups. The most protected U.S. sector is footwear (grouped with headgear), with average rate amounting to 13 percent. This exceeds the EU rate of 8 percent, but is much lower than the Japanese average of 26 percent. Textiles and articles is another highly protected product group in the United States, with an average rate of 8.0 percent, similar to the averages for the EU (7.9 percent) and above that for Japan (6.6 percent).

Applied MFN rates. In addition to variations in WTO bound rates, actual applied MNF rates differ across countries as well. Since averages may conceal as well as reveal, economists also like to consider the dispersion of tariff rates. As Figure 2 shows, out of roughly10,000 tariff rates recorded for each country, 66 percent of the U.S. tariffs are below 5 percent, a rate comparable to its WTO binding commitment. By contrast, 54 percent of EU tariffs and 59 percent of Japanese tariffs are under 5 percent. While both the EU and the United States have 98 percent of their rates at or below 20 percent, only 94 percent of Japanese rates lie in this range. The United States does have a few products with very high tariffs; rates on certain tobacco products (above 300 percent) and nut products (above 100 percent) are noteworthy. By contrast the EU seems to have no rates above 90 percent and no Japanese tariff exceeds 60 percent.

How should tariff dispersion be evaluated? As a benchmark approximation, the economic distortion and inefficiency caused by tariffs rise roughly with the square of tariff rate. This puts a premium on ironing out tariff peaks. For example, to achieve a 5 percent average tariff rate, simple economic rationale would favor having a 5 percent across the board rate over a mix of 0 and 10 percent rates. A 10 percent tariff is four times as "costly" as a 5 percent tariff, and still twice as costly as two 5 percent tariffs combined. Furthermore, as businesses and firms make production decisions based on price signals, an across the board 5 percent would thus preserve the free market pattern of efficient resource allocation, where as putting 10 percent tariffs on some products but not all, would make those products look artificially more profitable. Of course, all this depends on the tariff patterns set by our trading partners. As our rates are currently lower than those of our trading partners, even a proportional reduction in rates would benefit all parties involved.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1999 09:15:33.00

SUBJECT: WedDeps

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

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

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

TEXT:
Due to your talk this afternoon, I presume you will want Audrey to attend
the Deputies mtg at 5:30?
---------------------- Forwarded by Lisa D. Branch/CEA/EOP on 11/17/99
09:14 AM ---------------------------

LESLIE
BERNSTEIN
11/16/99 07:43:12 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: WedDeps

We have received orders from Management that Wednesday has been canceled
this week.
We'll now be going directly from Tuesday to Thursday. You are still
required to work Friday,
which will now be held on Saturday, only we're calling it Thursday.

Oh nevermind. Just checking to see if you were paying attention.

There will be a Deputies Meeting on Wednesday (yes, tomorrow) at 5:30pm
in the Roosevelt Room.

Thanks

Message Sent
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Foreign Policy Research Institute <fpri@fpri.org> (Foreign Policy Research Institute <fpri@fpri.org> [UNKNOWN])

CREATION DATE/TIME:17-NOV-1999 18:25:25.00

SUBJECT: America & The World At The Dawn Of A New Century by Walter A. McDougall

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

TEXT:
Foreign Policy Research Institute WIRE
A Catalyst for Ideas

AMERICA AND THE WORLD
AT THE DAWN OF A NEW CENTURY
by Walter A. McDougall

Volume 7, Number 12
December 1999

Walter A. McDougall is the Alloy-Ansin Professor of International Relations at the University of Pennsylvania, Editor of Orbis, and Co-Director of FPRI's History Academy. His most recent book is Promised Land, Crusader State: The American Encounter with the World Since 1776 (Houghton Mifflin, 1997).

AMERICA AND THE WORLD AT THE DAWN OF A NEW CENTURY

Keynote Address -- FPRI 1999 Annual Dinner

by Walter A. McDougall

Several people, including our host Ron Naples, whose burden it was to introduce this lecture, have asked me what exactly I meant to discuss this evening inasmuch as my title was hopelessly vague. That, I confess, was by design, so as to leave me free to say pretty much whatever was on my mind, come November 10, about U.S. foreign relations at the turn of the century. And it seemed to me that I could take any of three approaches. I might, for instance, choose to look backward, reviewing the evolution of American diplomacy and suggesting what lessons to draw from it. That approach would have put me on safe ground, but I rejected it because to talk history would just give you all an excuse not to read my latest book.

Alternatively, I could have chosen to look ahead and prophesy regarding the dire global trends that may shape world politics in the future. But that, I realized, would only send you home gloomy, your heads filled with nightmarish visions of failed states, famines, ethnic violence, financial meltdowns, rogue states with nuclear weapons, terrorism on American soil, an angry Russia, a threatening China, and a unified Europe becoming a competitor, rather than partner, of the United States. It is even possible that the United States will cease to exist as we know it over the next century, either because Mexican immigrants reconquer the Southwest, or because American society fragments into hostile ethnic and special interest groups, or because of some unforeseen breakdown in our constitutional government. Conversely, the U.S. may cease to exist as we know it by merging into some larger entity, for instance a Trans-Atlantic Free Trade Association uniting the European Union and North America. In that case, Ambassador Strausz-Hupe's vision of America's destiny as transcending itself in the cause of global federalism would be realized, although I leave it to you to decide whether or not that would be a dream or nightmare come true.

Thirdly, I could have taken this centennial as an occasion to mix history and futurology by recalling the many predictions made around the year 1900. Pessimists, such as H.G. Wells, Jules Verne, and German socialist August Bebel, foresaw a 20th century tortured by world wars made all the more hellish by modern technology. At the same time optimists, such as Andrew Carnegie and Norman Angell, foresaw a 20th century in which war would become progressively obsolete through the workings of free trade and democracy. Call it ironic or in the logic of things, but when the century was done, both camps were right! Now, with the year 2000 approaching, we have again been teased by contradictory prognostications about the world of the 21st century. Francis Fukuyama has pronounced an end to ideological conflict and predicted the gradual but nonetheless certain triumph of democracy and free markets. But Robert Kaplan has warned of two 21st century worlds--a zone of peace and wealth and a zone of chaos and despair--that cannot coexist for long. Samuel Huntington, the realist, believes that the bipolar Cold War world is being replaced by a clash among civilizations, with the Islamic and Chinese those most likely to cross swords with the West. The U.S. Commission on National Security in the 21st Century, which just last month published the first installment of its New World Coming project, outlined four possible futures for the world: first, the Democratic Peace, in which national sovereignty survives, but the major powers cooperate to secure peace and free trade, and eventually bring Russia and China into the club; second, Globalization Triumphant, in which national sovereignty erodes, and multilateral institutions and above all multinational corporations lead the world to greater and more equal prosperity, but also to a more uniform and commercial McDonald's/Disney/Microsoft culture; third, Protectionist Nationalism, in which cooperation and free trade break down and the Great Powers compete for military and commercial power in a poorer and more dangerous world; and finally, Mayhem triggered by a global depression, environmental disaster, or ethnic violence, a world characterized by wars, refugee floods, and terrorism.

Such speculations are fun, but what good are they? Our leaders cannot craft policy on the basis that the future will pretty much resemble the past, because then any new challenge will come as a shock for which we are ill-prepared. But to assume that the future is bound to be wild and unpredictable is also no use, because even the sole superpower cannot prepare for every conceivable disaster.

And that is why I rejected all three of the above approaches, and decided instead to speak of mundane things: not mundane in the sense of boring or trivial, but in its true sense of worldly, hear-and-now, real. Henry Kissinger's precept holds that the most any statesman can aim for is to build the foundation for a generation of peace, anticipating the most likely challenges that world affairs may present over the next 20 or 25 years, and what America can do to meet them. That task may suggest some laundry list of problems and goals, and indeed, Joseph Nye of the Kennedy School recently prepared A, B, and C lists of national interests and goals for the future. But with compliments to Nye, whom I esteem, I think the best way to prepare for a mysterious future is to stress, not our ends or even our means, but our assets. That is because the strength and flexibility of our foreign policy assets will determine America's ability to employ various means in pursuit of multiple goals, adjust to unanticipated threats and challenges, and -- not least -- lead other nations to adjust to them, too.

Today, at the end of America's second century in foreign affairs, it may appear that little agreement exists about the nature of the post-Cold War international system and what America's role in it ought to be. We see Republicans, who were bold interventionists so long as the Soviet Union existed, criticizing President Clinton's diplomacy as opportunistic, unrealistic, inconsistent, or simply incompetent. The Administration, in turn, accuses anyone who resists its foreign initiatives of that wickedest of heresies: isolationism. In truth, however, the leaders of both parties and most foreign policy experts display a surprising consensus in favor of continued American leadership in pursuit of similar goals. To be sure, there is much disagreement over priorities and tactics in a given case such as Kosovo or the Test Ban Treaty. But I think almost everyone, even Patrick Buchanan and Madeleine

Albright, would agree on the following four basic goals of American foreign policy: (1) security for the territory, citizens, and property of the United States, and security for those other nations whose welfare directly affects our own; (2) stability in as much of the world as possible, because the more stable our environment, the more we can anticipate possible breakdowns and the less we will be called upon to fix; (3) an open, transparent, and fair system of trade, both to increase our prosperity and to increase the stake that all nations have in security and stability; and (4) the promotion of respect for those inalienable rights with which, Americans believe, all human beings have been endowed by their Creator, not only because it is just, but because the more governments respect their own people's rights, the more likely they are to respect those of others.

Rather, the debates we hear are less over goals than over the best means to pursue them and the priority to be given to each whenever two or more goals seem to clash. Should we rank human rights in China above or below commercial interests--and should we define the word should in moral or practical terms? Should we occupy the Balkans, police the Persian Gulf, and support Taiwan because of the moral and commercial stakes involved there, or are those gratuitous entanglements that spread our military too thin, manufacture enemies, and thus harm our security? Should the U.S. take the lead in trying to abolish nuclear weapons through treaties, sanctions, and controls, or is preserving our nuclear arsenal the best way to deter implacable adversaries who covet weapons of mass destruction?

Those are serious questions and I do not mean to discount them. Indeed, I say in my book that the contradictions and tensions in 20th-century American statecraft are the product of the many strategies we have adopted, sometimes simultaneously, in hopes of influencing the world, from Teddy Roosevelt's Progressive imperialism and Wilson's international law and organization, to containment, foreign aid, and human rights. But just as most Americans agree on our basic goals, so, too, I believe, they can reach rough accords on priorities and means so long as they are effectively led by the President and Congress, and so long as the policies in place appear to work. Philosophical hand-wringing does not occur except in the absence of leadership, success, or most likely both. That is why I believe the real sources of contention today arise from a profound uneasiness with a foreign policy agenda that reduces our military power even as it expands our commitments and diverts our power into such hopeless (or at least perpetual) exercises as the creation ex nihilo of tolerant multicultural democracies in the Balkans. What is more, the outbreak of partisan ill-will, centered on the President himself, has aggravated the situation because the politicians, whether in attack or defense, have taken to invoking false historical analogies. These historical myths must be cleared away before a constructive debate can commence over how the United States should conduct itself abroad in an unprecedented era--an era which, by definition, has no past analogs.

The first myth is based on a reading of history that posits America's diplomatic default mode (if you will) to be isolationism. To be sure, Woodrow Wilson tried to reinvent U.S. diplomacy as liberal internationalism, but his rejection only proved how stubborn our isolation was. It took Pearl Harbor to shock Americans out of their illusions, permitting FDR during the war, and Truman in the late 1940s, to invoke the lessons of Versailles, Munich, and Pearl Harbor, and persuade Americans to take up global leadership and global responsibilities. According to this reading what would risk World War III was not getting involved in the world, but trying to avoid getting involved. And this simple history served well throughout the Cold War. But it has a worrisome corollary today, because if totalitarian threats were what pushed America into a leadership role, then it follows that the disappearance of such threats might induce America to fall back into an isolationist mood. But those who see every vote in the Senate on U.N. dues or African trade pacts as proof of creeping isolationism are just spinning the straw in a straw man. As Fareed Zakaria of the journal Foreign Affairs, H. W. Brands in the Wall Street Journal, and I myself in Orbis have written, American internationalism long predates World War II, isolationism of the 1930s head-in-the-sand variety was the exception, not the rule, and in any case Americans today know that they have never had it so good as during the past fifty years, so why rock the boat by resigning their membership in international clubs? Polls show that the public is keenly aware of the stake it has in global stability and prosperity, and that so-called isolationism is just not an option.

The other prevalent myth, by contrast, teaches that the deepest wellspring of U.S. foreign policy was not isolationism, but militant idealism as proclaimed in the Declaration of Independence, the Monroe Doctrine, and the Open Door policy. According to this liberal myth Wilsonianism is best understood, not as a repudiation of past isolationism, but as the culmination of American congenital idealism. Jumping ahead to the Cold War, the Soviet threat thus appears not as the main motive for American leadership of the Western alliance, but as the main barrier to American leadership of the whole world! Hence, the ebullient corollary of this reading of history is that today, with the Soviets gone, America is finally free to enlarge without limits the spheres of democracy, markets, and human rights.

Accordingly, Secretaries of State Christopher and Albright have urged that the Atlantic Alliance go out of area, devote itself to ethnic conflicts, peacekeeping and state-building, and pursue a worldwide political, economic, and humanitarian agenda. In 1999, President Clinton promised a Marshall Plan for the Balkans, to help its people build multiethnic democracies, uphold human rights, open borders to people and trade, and make war unthinkable. The Secretary General of NATO now names Macedonia and Albania pivotal for European security -- something that wasn't even true during the Cold War, and which echoes the domino theory that inspired the Vietnam War. Prime Minister Tony Blair celebrates Kosovo as the first battle of the humanitarian war, and Clinton proclaimed a doctrine as universal as Truman's when he promised, "if somebody comes after innocent civilians and tries to kill them en masse because of their race, ethnic background, or religion, and it's within our power to stop it, we will stop it."

But turning the Balkans into a NATO laboratory formulticultural experiments is only the tip of the iceberg. In its 1999 report on The Future of Transatlantic Relations, the Council on Foreign Relations called for "a global U.S.-European partnership" to:

manage the Asian economic crisis and overhaul the world's financial architecture.

dismantle Russia's nuclear weapons and promote Russian democracy.

suppress all Balkan conflicts and keep it that way.

forge a single transatlantic market with open investment and trade.

preserve Turkey's pro-Western orientation.

broaden NATO strategy to include the whole Middle East, and present a united front toward Iran, Iraq, and the Arab-Israeli peace process.

make Europe abandon its purely commercial orientation toward Asia and help the U.S. manage conflicts among China, Japan, Korea, India, and Pakistan.

make a larger American, and much larger European, defense effort in order to modernize and project military force worldwide.

and, finally, forge common stances toward weapons of mass destruction, terrorism, the environment, drugs, health, crime, and human rights.

Those are all laudable goals, to be sure, but together they verge on utopianism. First, any effort to arrogate to the Western alliance the roles of world policeman, nanny, and civics instructor will be denounced by other countries as neo-imperialism. Second, such a rapid expansion of missions will multiply points of discord within the alliance, and thus weaken cooperation even on matters the allies do agree on. Third, such a global agenda in the absence of genuine burden-sharing by Europe and Japan may erode the American will to sacrifice for the commonweal. And fourth, it risks causing collateral damage -- from the destruction of Serbia's civilian economy to relations with Beijing and Moscow -- that far outweighs whatever ephemeral good it may do. Let's see now: a domino theory that makes almost anything into a vital interest of national security; reliance on massive firepower that destroys the village in order to save it, but is still too little, too late to topple the enemy leaders much less save their victims; erosion of the foreign policy consensus in Congress; alienation of our allies, and strained relations with Russia and China. No wonder that some critics have charged that our post-Cold War policy-makers, many of whom were opponents of the Vietnam War, seem bent on repeating its errors.

Well ... if talk of a new isolationism is paranoid, but the hyper-Wilsonian agenda is self-defeating, where do we look for answers to our original question: how should Americans prepare for the most likely challenges facing them in the next generation?

First, by getting their history right, which in my judgment shows that Americans are by nature neither ostriches nor angels: they are control freaks. And that is not meant pejoratively. What nation would not want to control its own destiny and environment if it had the power to do so? And thanks to fundamental facts of geography and demography Americans have from the start possessed the potential, as Alexander Hamilton wrote in the Federalist Papers, to dictate the terms of their relationship with the Old World. Thus, during the first American century in foreign affairs, say from Washington's Farewell Address in 1796 to the election of McKinley in 1896, U.S. foreign policy was designed to prevent the outside world from perturbing the unique experiment that was America. The country was not isolationist -- it had constant and intense dealings with the outside world, and could never have grown so rapidly without the immigrants, trade, capital, and technology it absorbed from abroad. But the U.S. did remain wisely aloof from Europe's alliances, wars, and imperialism, thereby leaving itself free to control events in the Americas and the Pacific.

But starting in 1898, U.S. diplomacy changed in response to the growing stake America had in foreign markets, in response to the surge of revolution, first in Cuba and

Mexico, then in China, Russia, and around the world, in response to World War I, which threatened to rend the fabric of civilization itself, and finally in response to America's own power, which had increased to the point that the U.S. might hope to control events, not only over here, but over there. So Republicans and Democrats, from TR and Wilson to Charles Evans Hughes, Herbert Hoover and FDR, Truman, Eisenhower, and Kennedy presided over an ongoing search for ways to employ American power to control events overseas. Why? Because Americans were imperialistic? Altruistic? Realistic? Idealistic? No, although we have been all of those things at one time or another during the 20th century. The root cause was our need to manage seemingly out-of-control events that were happening far away, but could have damaging consequences at home and undermine that most basic of American rights: the right to control our own fate, the right to build America as we see fit without interference from any damned furriners. In that sense, Lyndon Johnson was right about one thing at least, when he said American foreign policy is always rooted in domestic policy.

Throughout the 19th century, the best way to control our own fate was to keep America off-limits to the games played by the Great Powers elsewhere. But in the 20th century it seemed that the best way to control our own fate was to go overseas, end wars, crush or support revolutions, lower trade barriers, promote our own values, and fashion institutions under our leadership. American tactics differed radically as we lurched from Progressive imperialism to Wilsonianism, to the business-oriented approach of the Republicans in the '20s, to the United Nations and dollar-backed financial system established by FDR, to Truman's and Eisenhower's containment, nuclear deterrence, and CIA, to Kennedy's foreign aid, counter-insurgency, and state-building in the Third World. But all were driven by an urge to control.

And that is why the British upper classes resent us, French Gaullists have contempt for us, Germans and Japanese are sullen toward us, Muslim fundamentalists call us Satan, Chinese accuse us of seeking hegemony, Indians call us hypocrites, and the Russians wish they knew our secret. We have exercised control, more or less, over them and played a big role in shaping their histories. They have had far less control over us, and when they succeed for a time in disturbing us, they generally pay a terrible price.

What is the lesson of this? That we should stop trying to control our environment because other nations resent our intrusions? Of course not. They would resent the U.S. just as much if we turned inward and did not intervene when crises occurred. Our power exists, and we affect events elsewhere by refusing to use it as much as if we assert it.

What is more, the U.S. has every right to throw its weight and influence around when its clearly defined and enunciated national interests are being threatened or trampled upon. But nothing is so damaging to a great nation as overbearance, overextension, and overkill, especially in the pursuit of alleged interests that are not clearly defined and enunciated, or are not really being threatened or trampled upon. For by attempting to control everything you eventually lose the power to control anything, because you will squander the capital, the assets that endow you with power in the first place.

And that is what leads me to conclude that the best way to prescribe an approach to U.S. foreign policy in the unpredictable era to come is not to draft A, B, and C lists of our various goals and interests -- we all pretty much agree on what a perfect world would look like -- but to concentrate instead on the assets that make any sound foreign policy possible. Here, then, is an A list of conditions that make everything else possible.

(1) A strong U.S. economy subject only to mild recessions and modest inflation.

(2) A robust military boasting technological superiority, a full complement of well-trained and well-rested personnel enjoying high morale, able to project force worldwide, and sufficient to fight and win at least one regional war while supporting (but not dominating) U.N. peacekeeping: in short, a military designed to deter or defeat major threats to the U.S. and its allies, but only to assist in operations other than war.

(3) Presidential leadership, which is to say a commander-in-chief with an ambitious, consistent, and prudent vision of America's role in the world, skilled at communicating that vision to the public and foreign leaders, and self-confident and patriotic enough not to mortgage U.S. foreign policy to a political, much less personal, agenda.

(4) A bipartisan internationalist consensus in Congress, which should not be difficult for a strong president to revive, but which is easily dissipated by an executive that is too arrogant, insecure, or distracted to give Congress the attention and consultation it needs.

(5) Sturdy regional alliances, because not even the United States can do everything that needs to be done by itself -- but alliances, like Congress, require care and feeding, and nothing harms alliances more than taking them for granted, invoking them only when crisis erupts, asking them to do too little (as if their members really had few interests in common), or insisting they do too much (as if their members shared everything in common).

(6) Engagement to promote balances of power in Europe, the Middle East, and Asia, which means American efforts to help manage relations among Russia, China, Japan, India, Iran, Iraq and their neighbors, because the prevention of war among the big powers is the most moral task the U.S. can undertake, and because we can scarcely hope for peaceful solutions to future crises over Korea, Taiwan, Central Asia, the Caucasus, or Eastern Europe if Washington is not even on speaking terms with Beijing, Moscow, Delhi, or Tehran.

(7) Finally -- and this may surprise you -- the U.S. must wield the asset of strong Pan-American institutions including a broader and deeper NAFTA and Organization of American States, because the most predictable and direct challenges are liable to stem from the invasion of the U.S. by illegal immigrants and drugs on our southern tier, or by the prospect of civil strife tearing Colombia, Mexico, and the lands in between, to shreds.

Note that nowhere on that A list does human rights appear, or free trade, or public opinion. As to public opinion, it is clay, made to be shaped by presidential leadership backed by Congress. As to human rights and free trade, they are goals that cannot be advanced in the absence of the seven assets on the A list.

Just remove any of them -- one by one -- and try to imagine progress toward our four goals of security, stability, free trade, and human rights. You can't do it. A U.S. economy in reverse, a weak or demoralized military, a floundering president, a divided, partisan Congress, a crack-up of our alliances, a Europe or Asia gripped by wars cold or hot, with China or Russia checking U.S. diplomacy at every turn, or an America fixated on its own ethnic tensions and relations with the Hispanic world: if only one or two of these conditions exist, then America's sermons and sanctions will suffice to control very little abroad.

It is on this questions of assets, therefore, that the realist and idealist positions ought to converge, and a new bipartisanship ought to emerge. Without ideals the United States of America would be just another selfish empire, standing for nothing and bound to decay. But without leadership, power, and unity America would become a ridiculous caricature of itself.

Mark Twain, ever the cynic, said statesmanship was a matter of getting the formalities right, and never mind the moralities. Edmund Burke expressed a similar principle when he defined statesmanship as "a disposition to preserve and ability to improve." But the most telling observation, perhaps, is that of historian Arnold Toynbee: great empires, he wrote, do not die by murder, but suicide. And the moment of greatest danger is their moment of greatest strength, for it is then that complacency and hubris infect the body politic, squander its strength, and mock its virtues.

To be sure, we cannot know just what challenges will arise. But no nation in history has possessed more foreknowledge of how it needs to prepare, or more resources with which to prepare. We need only exercise the wisdom and will to prepare. And if, this time, we do it, then we may finally put to rest Winston Churchill's dictum to the effect that Americans always do the right thing, but not until they have tried all the alternatives!

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1999 14:05:48.00

SUBJECT: China, FDI, and Rule of Law

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

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

CC: Yu-Chin Chen (CN=Yu-Chin Chen/OU=CEA/O=EOP@EOP [CEA])
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CC: John L. Goldie (CN=John L. Goldie/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:
China has received inflows of FDI of around 45 billion a year for the past several years--roughly 5 percent of GDP. This year, FDI is likely to be down somewhat from that figure (I haven't seen the most recent numbers, but I would forecast 35-40 billion).

Roughly 80 percent of FDI comes from Asia. Hong Kong is the major source of FDI, accounting for roughly half of all foreign investment (until the mid-1990s, it was closer to 60 percent). U.S. investment inflows are comparable in magnitude to inflows to Japan and Taiwan, at roughly 3 to 4 billion a year (I don't have 1998 detailed figures available).

The majority of this FDI has gone into manufacturing, especially export-oriented manufacturing. China has been loath to allow FDI that aims to serve the 1.2 billion person market. China has an investment review process that bans investment in some sector.

However, China has gradually opened up services, including distribution. (E.g., Wall-Mart now has stores in China, I believe. A WSJ article a few years ago talked about the difficulty of finding a Chinese-brand soft drink in the stores--Pepsi, Coke, etc are so much better at distribution and marketing that many locals assumed the Chinese company was out of business, even though it wasn't). Foreign companies are generally eager to have a wider range of access to the Chinese market in services. The WTO deal allows foreign companies to have much larger access to insurance and banking markets--e.g., in banking, China has promised national treatment within five years.

As you noted this morning, it is striking how much investment has taken place in the absence of a reliable rule of law. One quote from an investor in China: "A contract? A contract is an excuse to have dinner."

Nevertheless, China has made progress at developing a rule of law. Until 1977, China had NO legal system or law in the Western sense. The communists had explicitly abrogated all existing laws in the early 1950s; but they never got around to replacing them all. What they had instead was decrees, bureaucratic regulations, and personal orders of officials. There is now a fairly comprehensive system of laws, spurred in part by the needs of foreign firms. But it is very much a system in transition. Training judges is very slow and difficult, and resolving contract disputes is always an uncertain process.

What has taken its place? Connections or guanxi play a key role. Overseas Chinese investors (e.g., from Hong Kong and Taiwan) have done business with relatives and friends, who will do what they say. This is a big part of why overseas Chinese account for so much foreign investment. But for foreign as well as domestic investors, it is always useful to cultivate local authorities. (Small domestic enterprises have played an important role in growth since 1978; the ownership has always been ambiguous, since an entrepreneur had an incentive to get cover by claiming to be a township-owned enterprise--this was known as "wearing the red cap".)

Corruption plays a big role, in that one has to pay people off one way or another to get things done.

A few big high-profile investors can use publicity to win disputes. When Beijing abrogated a contract with McDonalds several years ago by giving their site to a (prominant Hong Kong) developer, McDonalds raised a huge fuss. In the end, the Beijing government in essence paid them off, including allowing them to open something like 17 new locations in Beijing.

Let me know if you want more details.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1999 12:30:26.00

SUBJECT: Phone Message from Charan Devereaux

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

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

TEXT:
Contact: Charan DevereauxCompany: Harvard Research AssociatePhone: 781-396-2393FAX: Message:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1999 19:17:10.00

SUBJECT: comments on micro chapter

TO: Charles F. Stone (CN=Charles F. Stone/OU=CEA/O=EOP@EOP [CEA])
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TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
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TO: Kathryn L. Shaw (CN=Kathryn L. Shaw/OU=CEA/O=EOP@EOP [CEA])
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TO: Martin N. Baily (CN=Martin N. Baily/OU=CEA/O=EOP@EOP [CEA])
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will gillespie (will gillespie [UNKNOWN])
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TEXT:
here's a cut at synthesizing our comments to will re the micro chapter. if you have anything additional/different to add, please send me your comments. i'll get a finalized integrated memo back to will as early tomorrow morning as possible. th anks, ac

Comments

(1) Lead with introduction about motivations/goals of chapter. Innovation and change have characterized the economy throughout the century, even as economy has undergone dramatic changes. Chapter will review how industry has evolved and the challenges this has created, with particular emphasis on information and communications technology. These dramatic technological changes have lead to economic adaptation by firms, opened new avenues of competition as new firms compete with established incumbents. Getting the right policy mix) particularly with flexible policies that promote competition -- is key issue for the next millenium.

(2) Develop a bit more texture and detail in the historical section of the economy in the beginning of the century. Try to develop common themes from historical section to current discussion of telecom and internet challenges.
A chart or two or a table or two to illustrate the evolution of the economy over the century.

(3) Develop telecom section a bit more fully to stand on its own as subject of interest.

(4) Make stronger transition/connection between telecom and internet sections to make flow of story more explicit

(5) When you talk about how IT is changing the economy need to say it is making existing industries/companies more efficient--give example(s). And it is spawning new industries or new segments of existing industries.

(6) Some discussion of competition would be nice. We see that companies like Freemarkets are increasing competition and may be contributing to the fact that inflation remains low. On the other hand. First mover advantages/increasing returns/standard setting mean that there is a concern about monopoly power. Dont mention MS specifically.

(7) Talk about how IT may be linked to increases in business efficiency through factors such as declines in inventory/sales ratio, and keeping inflation low. Also note increase in IT capital in recent years as possible factor in productivity growth.

(8) Government support for technology is vital as providing the catalyst for private sector developments.

(9) In conclusion, talk more about challenges going forward in these industries and generally in economy.

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CREATION DATE/TIME:17-NOV-1999 17:27:35.00

SUBJECT: CFR lunch invitation

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CC: Kimberly Knox <kknox@cfr.org> (Kimberly Knox <kknox@cfr.org> [UNKNOWN])
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TEXT:
Dear Colleague,

Attached is an invitation to our forthcoming McCollough lunch series presentation,

IS THE NEW ECONOMY A TRUE INDUSTRIAL REVOLUTION?

with guest speaker Professor Robert Gordon of Northwestern University
to be held on November 29, from 12:15-2:00 PM
here at the Council on Foreign Relations

If you would like to attend, please rsvp to corporate@cfr.org.

Best regards,
Benn Steil

- Gordon, Robert, invitation - 29 November 1999.doc=================== ATTACHMENT 1
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ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D16]ARMS27983813V.336 to ASCII,
The following is a HEX DUMP:

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

COUNCIL ON FOREIGN RELATIONS

58 EAST 68TH STREET • NEW YORK • NEW YORK 10021
Tel 212 434 9684 Fax 212 861 5562

THE C. PETER MCCOLOUGH SERIES ON INTERNATIONAL ECONOMICS

You are cordially invited to attend a luncheon meeting with

ROBERT J. GORDON
Stanley G. Harris Professor of Social Sciences & Professor of Economics,
Northwestern University

IS THE NEW ECONOMY A TRUE INDUSTRIAL REVOLUTION?

Monday, November 29, 1999
12:15 - 2:00 p.m.
at the Council on Foreign Relations
58 East 68th Street, New York

Paul A. Allaire
Chairman, Xerox Corporation
will preside

Explosive growth in the stock market and the continuing non-inflationary growth in the U.S. economy seem to leave no doubt that we live in a new era, a new economy, and the greatest of all Industrial Revolutions. Yet there is one major fly in the ointment -- the new economy is not producing productivity gains as everyone seems to assume.

According to Robert Gordon, the entire acceleration of productivity growth since 1995 can be explained entirely on the basis of three factors that do not allow any contribution of computers or hi-tech industry to efficiency in the rest of the economy, outside of growing efficiency in creating more computers. At the McColough Roundtable luncheon on November 29, he will address the reasons why computers have been so disappointing as a creator of productivity gains, either by themselves or in comparison with past major inventions.

Dr. Robert Gordon is one of the nation's leading experts on the causes and consequences of inflation and unemployment, as well as on the measurement errors in official government data on prices, productivity, and output. His research focuses on differences in economic behavior among Europe, Japan, and the U. S., and on changes in U. S. economic performance over the past century.

R. S. V. P. Please respond no later than ***12:00 noon on Wednesday, November 24, 1999***. We cannot guarantee a place for later responses. You may **fax** your response to **(212) 861-5562**, call the Corporate Program Office at (212) 434-9684, or e-mail us at **corporate@cfr.org**

Name: ____________________

Title: ____________________

Company/Affiliation: ____________________

Telephone Number: ____________________ Fax: ____________________ 11/29 Gordon # 5907

This meeting is sponsored by the Council's Corporate Program and Economic Studies Department.

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

CREATION DATE/TIME:17-NOV-1999 14:35:08.00

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TO: Larry R. Matlack (CN=Larry R. Matlack/OU=OMB/O=EOP@EOP [OMB])
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TO: Capricia P. Marshall (CN=Capricia P. Marshall/OU=WHO/O=EOP@EOP [WHO])
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TO: Sean P. Maloney (CN=Sean P. Maloney/OU=WHO/O=EOP@EOP [WHO])
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TO: Katherine D. Kincaid (CN=Katherine D. Kincaid/OU=WHO/O=EOP@EOP [WHO])
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TO: Janis F. Kearney (CN=Janis F. Kearney/OU=WHO/O=EOP@EOP [WHO])
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TO: Phyllis Kaiser-Dark (CN=Phyllis Kaiser-Dark/OU=WHO/O=EOP@EOP [WHO])
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TO: Broderick Johnson (CN=Broderick Johnson/OU=WHO/O=EOP@EOP [WHO])
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TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP@EOP [WHO])
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TO: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP@EOP [WHO])
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TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP@EOP [WHO])
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TO: Roger S. Ballentine (CN=Roger S. Ballentine/OU=WHO/O=EOP@EOP [WHO])
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TEXT:
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=================== ATTACHMENT 1 ==================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

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The following is a HEX DUMP:

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

SUMMARY OF U.S. – CHINA BILATERAL WTO AGREEMENT

AGRICULTURE

The Agreement provides increased access for U.S. exports across a broad range of commodities and elimination of barriers. Commitments include:

- Significant cuts in tariffs that will be completed by January 2004. Overall average for agricultural products will be 17 percent and for U.S. priority products 14.5 percent.
- Establishment of a tariff-rate quota system for imports of bulk commodities, e.g., wheat, corn, cotton, barley, and rice, that provides a share of the TRQ for private traders. Specific rules on how the TRQ will operate and increased transparency in the process will help ensure that imports occur. Significant and growing quota quantities subject to tariffs that average between 1-3 percent.
- The right to import and distribute products without going through state-trading enterprise or middle-man.
- China has also agreed to the elimination of SPS barriers that are not based on scientific evidence and no export subsidies on agricultural products.

INDUSTRIAL PRODUCTS

China's commitments will eliminate broad systemic barriers to U.S. exports, such as limits on who can import goods and distribute them in China as well as barriers such as quotas and licenses that restrict imports of U.S. products.

TARIFFS

- Tariffs cut to an average of 9.4 percent overall and 7.1 percent on U.S. priority products.
- China will participate in the Information Technology Agreement (ITA) eliminating all tariffs on products such as computers, telecommunications equipment, semiconductors, computer equipment and other high technology products.
- In the auto sector, China will cut tariffs from the current 100% or 80% level to 25% by 2006, with the largest cuts in the first years after accession.
- Auto parts tariffs will be cut to an average of 10% by 2006.
- Significant cuts will also be made in the wood and paper sectors, going from present levels of 12-18% on wood and 15-25% on paper down to levels generally between 5 and 7.5%.
- China will also be implementing the vast majority of the chemical harmonization initiative. Under that initiative, tariffs will be at 0, 5.5 and 6.5 percent for products in each category.

ELIMINATION OF QUOTAS AND LICENSES

WTO rules bar quotas and other quantitative restrictions. China has agreed to eliminate these restrictions with phase-ins limited to five years.

- Quotas: China will eliminate existing quotas upon accession for the top U.S. priorities (e.g. optic fiber cable). It will phase-out remaining quotas, generally by 2002, but no later than 2005.

- Quotas will grow from current trade level at a 15% annual rate in order to ensure that market access increases progressively, and reduces the effect of quantitative restrictions.

- Auto quotas will be phased out by 2005. In the interim, the base level quota will be $6 billion (the level prior to China's industrial auto policy) and this will grow by 15% annually until elimination.

RIGHT TO IMPORT AND DISTRIBUTE

Trading rights and distribution are the major priority of the manufacturing sector. At present, China severely restricts trading rights (the right to import and export) and distribution (wholesaling, retailing, maintenance and repair, transportation, etc.). Under the Agreement, China will provide, for the first time, trading rights and distribution rights to U.S. firms. Trading rights will be progressively phased in over three years. Distribution rights will be provided even for China's most restricted distribution sectors such as wholesale, transportation, maintenance and repair. China will provide for trading rights and distribution.

SERVICES

China has made commitments in all major service categories with reasonable transitions to eliminate most foreign equity restrictions (especially in sectors where the U.S. has a strong commercial interest), agreeing to accede to the Basic Telecommunications and Financial Services Agreements, and "grandfathering" of current market access for U.S. service providers.

GRANDFATHERING

China will grandfather all existing current market access and activities in all services sectors. This will protect existing American distribution services, financial services, professional and other service providers in China, including those operating under contractual or shareholder agreements or a license, from restrictions as Chinese commitments phase in.

DISTRIBUTION

In China today, foreign firms have no right to distribute products other than those they make in China, or to own or manage distribution networks, wholesaling outlets or warehouses. China also now frequently issues businesses licenses which limit the ability of American firms to conduct marketing, after-sales service, maintenance and repair and customer support. As the section on industrial goods noted, this is a severe barrier to goods exports as well as to service exports.

China's commitments address all these issues. They reflect a comprehensive commitment on distribution - including wholesaling, sales away from a fixed location, retailing, maintenance and repair, and transportation. Thus, Americans will be able to distribute imported products as well as those made in China, offering significant opportunity to expand U.S. exports of goods. As noted above, China will phase out all restrictions on distribution services for most products within three years.

SERVICES AUXILIARY TO DISTRIBUTION

Chinese commitments in services auxiliary to distribution include rental and leasing, air courier, freight forwarding, storage and warehousing, advertising, technical testing and analysis, and packaging services. All restrictions will be phased-out in 3 to 4 years, at which time U.S. service suppliers will be able to establish 100% wholly-owned subsidiaries.

TELECOMMUNICATIONS

China now severely restricts sales of telecommunications services and bars foreign investment. China's commitments mark its first agreement to open its telecommunications sector, both to the scope of services and to direct investment in telecommunications businesses. Through these commitments, China will become a member of the Basic Telecommunications Agreement. Specific commitments include:

- Regulatory Principles – China has agreed to implement the pro-competitive regulatory principles embodied in the Basic Telecommunications Agreement (including cost-based pricing, interconnection rights and independent regulatory authority), and agreed to technology-neutral scheduling, which means foreign suppliers can use any technology they choose to provide telecommunications services.

- Scope of services – China will phase out all geographic restrictions for paging and value-added services in 2 years, mobile/cellular in 5 years and domestic wireline services in 6 years. China's key telecommunications services corridor in Beijing, Shanghai, and Guangzhou, which represents approximately 75% of all domestic traffic, will open immediately on accession in all telecommunications services.

- Investment – Under present circumstances, China allows no foreign investment in telecommunications services. With this agreement, China will allow 49 percent foreign investment in all services, and will allow 50 percent foreign ownership for value added paging services in 2 years; for mobile services, 49 percent in 5 years; and for international and domestic services, 49 percent in 6 years.

INSURANCE

For insurance, China now restricts foreign companies to operating in Shanghai and Guangzhou. Under the agreement:

- Geographic Limitations – China will permit foreign property and casualty firms to insure large-scale risks nationwide immediately upon accession, and will eliminate all geographic limitations in 3 years.

- Scope – China will expand the scope of activities for foreign insurers to include group, health and pension lines of insurance, which represent about 85 percent of total premiums, phased in over 5 years.

- Prudential Criteria – China agrees to award licenses solely on the basis of prudential criteria, with no economic needs test or quantitative limits on the number of licenses issued.

- Investment – China agreed to allow 50 percent ownership for life insurance. Life insurers may now choose their own joint venture partners. For non-life, China will allow branching or 51% ownership on accession and form wholly owned subsidiaries in 2 years. Reinsurance is completely open upon accession (100 percent, no restrictions).

BANKING

Currently foreign banks are not permitted to do local currency business with Chinese clients (a few can engage in local currency business with their foreign clients). China imposes severe geographic restrictions on the establishment of foreign banks.

- China has committed to full market access in five years for U.S. banks.
- Foreign banks will be able to conduct local currency business with Chinese enterprises starting 2 years after accession.
- Foreign banks will be able to conduct local currency business with Chinese individuals from 5 years after accession.
- Foreign banks will have the same rights (national treatment) as Chinese banks within designated geographic areas.
- Both geographic and customer restrictions will be removed in five years
- Non-bank financial companies can offer auto financing upon accession.

SECURITIES

China will permit minority foreign owned joint ventures to engage in fund management on the same terms as Chinese firms. As the scope of business expands for Chinese firms, foreign joint venture securities companies will enjoy the same expansion in scope of business. Minority joint ventures will be allowed to underwrite domestic securities issues and underwrite and trade in foreign currency denominated securities (debt and equity).

PROFESSIONAL SERVICES

In the professional services, China currently tightly restricts operation of foreign law firms and accounting firms. In the Agreement, China has provided a broad range of commitments, including on legal, accountancy, taxation, management consultancy, architecture, engineering, urban planning, medical and dental, and computer and related services. China will permit foreign majority control except for practicing Chinese law (an exception common to many WTO members.) For accountancy, China has agreed to eliminate a mandatory localization requirement and will now allow unrestricted access to its market to professionals licensed and follow transparent procedures.

AUDIOVISUAL

China's commitments cover the right to distribute video and sound recordings and cinema ownership and operation. For video and sound recordings, China will allow 49% foreign participation in joint ventures engaged in the distribution of these products. China has also agreed to import 40 films after accession growing to 50 films in three years, of which 20 films will be revenue sharing in each of the 3 years.

TRAVEL AND TOURISM

Hotels – China will allow unrestricted access to the Chinese market for hotel operators with the ability to set up 100% foreign owned hotels in 3 years, with majority ownership allowed upon accession.

PROTOCOL PROVISIONS

Commitments in China's WTO Protocol and Working Party Report establish rights and obligations enforceable through WTO dispute settlement procedures. We have agreed on key provisions relating to antidumping and subsidies, protection against import surges, technology transfer requirements and offsets as well as practices of state-owned and state-invested enterprises. These rules are of special importance to U.S. workers and business.

China has agreed to implement the TRIMs Agreement upon accession, eliminate and cease enforcing trade and foreign exchange balancing requirements, eliminate and cease enforcing local content requirements, refuse to enforce contracts imposing these requirements; and only impose or enforce laws or other provisions relating to the transfer of technology or other know-how, if they are in accordance with the WTO agreements on protection of intellectual property rights and trade-related investment measures.

These provisions will also help protect American firms against forced technology transfers, as China has also agreed that, upon accession, it will not condition investment approvals, import licenses, or any other import approval process on performance requirements of any kind, including: local content requirements, offsets, transfer of technology, or requirements to conduct research and development in China.

ANTIDUMPING AND SUBSIDIES METHODOLOGY

The agreed protocol provisions ensure that American firms and workers will have strong protection against unfair trade practices including dumping and subsidies. The U.S. and China have agreed that we will be able to maintain our current antidumping methodology (treating China as a non-market economy) in future anti-dumping cases. This provision will remain in force for 15 years after China's accession to the WTO. Moreover, when we apply our countervailing duty law to China we will be able to take the special characteristics of China's economy into account when we identify and measure any subsidy benefit that may exist.

PRODUCT SPECIFIC SAFEGUARD

The agreed provisions for the protocol package also ensure that American domestic firms and workers will have strong protection against rapid increases of imports.

To do this, the Product-Specific Safeguard provision sets up a special mechanism to address increased imports that cause or threaten to cause market disruption to a U.S. industry. China is a major exporting country that enjoys open access to U.S. markets. This mechanism, which is in addition to other WTO Safeguards provisions, differs from traditional safeguard measures. It permits United States to address imports solely from China, rather than from the whole world, that are a significant cause of material injury through measures such as import restrictions. Moreover, the United States will be able to apply restraints unilaterally based on legal standards that differ from those in the WTO Safeguards Agreement and could permit action in more cases. This provision will remain in force for 12 years after China accedes to the WTO.

STATE-OWNED AND STATE-INVESTED ENTERPRISES

The Protocol addresses important issues related to the Chinese government's involvement in the economy. China has agreed that it will ensure that state-owned and state-invested enterprises will make purchases and sales based solely on commercial considerations, such as price, quality, availability and marketability, provide U.S. firms with the opportunity to compete for sales and purchases on non-discriminatory terms and conditions.

China has also agreed that it will not influence these commercial decisions (either directly or indirectly) except in a WTO consistent manner. With respect to applying WTO rules to state-owned and state-invested enterprises, we have clarified in several ways that these firms are subject to WTO disciplines.

-Purchases of goods or services by these state-owned and state-invested enterprises do not constitute "government procurement" and thus are subject to WTO rules.

-We have clarified the status of state-owned and state-invested enterprises under the WTO Agreement on Subsidies and Countervailing Measures. This will help ensure that we can effectively apply our trade law to these enterprises when it is appropriate to do so.

TEXTILES

China's protocol package will include a provision drawn from our 1997 bilateral textiles agreement, which permits U.S. companies and workers to respond to increased imports of textile and apparel products. This textile safeguard will remain in the effect until December 31, 2008 which is after the WTO agreement on Textile and Clothing expires.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1999 11:50:29.00

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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: 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: 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: 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: 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:
see note below, other versions are NOT wrong, just use this from now
on.   Thanks

---------------------- Forwarded by Melissa G. Green/OPD/EOP on 11/18/99 11:49 AM ---------------------------

Jason Furman
11/18/99 11:27:20 AM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: Mary L. Smith/OPD/EOP@EOP, Thomas L. Freedman/OPD/EOP@EOP, Irene Bueno/OPD/EOP@EOP, Michael Deich/OMB/EOP@EOP
Subject: Revised White House Wins: Use this version for further distribution and White House website

OMB, DPC, and I worked out an agreement on a revised paragraph that has been added to the "Work that Needs to be Done" section. For any future documents, please send it out with this paragraph. Previously distributed copies are fine and do not need to be corrected.

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
Brooke B. Livingston/WHO/EOP@EOP
Christine L. Anderson/WHO/EOP@EOP
Anna Richter/OPD/EOP@EOP
Joel Johnson/WHO/EOP@EOP

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D63]ARMS27014723T.336 to ASCII,
The following is a HEX DUMP:

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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

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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.

<u>INVESTING IN A CLEANER ENVIRONMENT</u>. 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.

<u>MAINTAINING AMERICA'S GLOBAL LEADERSHIP</u>. 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.

<u>EMPOWERING FAMILIES AND COMMUNITIES</u>. 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.

<u>PROGRESS ON THE NEW MARKETS INITIATIVE</u>: 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.

<u>ADDRESSING HEALTH CARE</u>. 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.

- ✓ **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.

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

CREATION DATE/TIME:18-NOV-1999 16:27:44.00

SUBJECT: Tariffs

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

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D28]ARMS28634433D.336 to ASCII,
The following is a HEX DUMP:

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

SPECIAL ANALYSIS

Who Is the Most Open of Them All?

Through successive GATT/WTO rounds, world tariffs have been reduced from an average of 40 percent in 1947 to roughly 4 percent today. However, average tariffs still exhibit wide-ranging variations, both across countries and across sectors within a country. One reason motivating U.S. participation in negotiating lower tariffs at the WTO is that on average our rates are lower than those of our major trading partners. It also turns out that although we have a few products with very high tariff rates, we have fewer high tariffs than Japan or the European Union.

Uruguay Round commitments. At the WTO, the United States has committed to capping ("binding") its MNF tariff rates to 4.1 percent. This compares with 5.1 percent for Japan and 7.4 percent for the EU. These differences are mainly due to the higher protection accorded to agricultural products. EU and Japanese have average rates of 19.5 and 11.7 respectively in agriculture, contrasting with the much lower 5.5 percent in the United States. For manufacturing products, the rates in the three countries are comparable: 3.8 percent in the United States, 4.1 average rate in the EU, and 3.6 percent in Japan.

Highly protected sectors. Figure 1 compares the average tariff rates for several product groups, ranked by the degree of protection received in the United States. Footwear industry is the most protected sector in the United States, with an average rate amounting to 13 percent for the combined footwear/headgear product group. While this exceeds the EU rate of 8 percent, it is much lower than the Japanese average of 26 percent. The textile and apparel industry, another highly protected sector in the United States, has an average tariff of 8.0 percent, similar to the average for the EU (7.9 percent) and above that for Japan (6.6 percent).

Distribution of tariff rates. As averages may conceal as well as reveal, economists also like to consider the dispersion of tariff rates. Out of roughly 10,000 tariff rates recorded for each country, 66 percent of the U.S. tariffs are below 5 percent. By contrast, 54 percent of EU tariffs and 59 percent of Japanese tariffs are under 5 percent. While both the EU and the United States have 98 percent of their rates at or below 20 percent, only 94 percent of Japanese rates lie in this range.

Who has the highest of them all? The United States actually has a few products whose rates exceed any in Japan and the EU. Seven tobacco products have rates above 300 percent, and 5 peanut products have rates over 100 percent. The highest European rate is also for Tobacco 89 percent while the highest rate for Japan is 60 percent. However, the US has fewer of these high rate categories than either the EU or Japan. While the US has only 170 categories which have rates between twenty and sixty percent, the Europeans have 242 such categories and the Japanese 514.

How should tariff peaks be evaluated? The economics and politics of high tariffs may differ. From a pure economic perspective, as a rule of thumb, the tariff-induced economic costs rise roughly with the square of tariff rates. Thus a two percent tariff is four times as inefficient as a one percent tariff while a three percent tariff is nine times as inefficient as a one percent. This puts a premium on ironing out tariff peaks. As businesses and firms make production decisions based on price signals, an across-the-board 5 percent would preserve the free market pattern of efficient resource allocation, whereas putting 10 percent tariffs on some, but not all products would make those products look artificially more profitable.

While economic rationale points to evening out tariff peaks, there may nonetheless be important political reasons for preserving them. By granting high protections to a few politically sensitive sectors, we may be able to achieve more tariff reductions in other sectors, resulting not only in lower overall protection, but also in its associated economic benefits.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Steven N. Braun (CN=Steven N. Braun/OU=CEA/O=EOP [CEA])

CREATION DATE/TIME:18-NOV-1999 18:02:35.00

SUBJECT: Next Week's GDP revision

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

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

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

TEXT:
Third-quarter GDP growth--at 4.8% in the advance estimate--is likely to be revised up to 5.3%. The upward revision is accounted for higher inventories (0.3 pp) and lower imports (0.2 pp).

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. email	R. Lawrence to P. Sauve, re personal message (2 pages)	11/18/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System
CEA (Robert Z. Lawrence)
OA/Box Number: 950000

FOLDER TITLE:

[11/17/1999 - 11/18/1999]

2014-0316-F
wr10763

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1999 13:20:19.00

SUBJECT: IRUPs

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

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

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

TEXT:
Robert:

Attached are drafts of this week's IRUPs. Let us know as soon as you can if you want to make any changes -- I believe Chad was hoping to have them by 2 pm.

John

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D28]ARMS27707033S.336 to ASCII,
The following is a HEX DUMP:

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

INTERNATIONAL ROUNDUP

ILO Concludes That Child Labor Can Be Eliminated. In its recent report on the achievements of the International Program for the Elimination of Child Labor (IPEC), the International Labor Organization suggests that the objective of eliminating child labor is feasible. Major successes of the IPEC include introducing an innovative process of workplace monitoring along with social protection for affected children and families, intensifying efforts to target the worst forms of child labor, and expanding IPEC in Africa. The report estimates that 130,000 working children directly benefited from the program during 1998-99, of whom 16 percent were withdrawn from work or trafficking, 11 percent removed from hazardous working conditions, and 20 percent mainstreamed into the formal education system One notable success was a workplace monitoring system introduced in the Bangladesh garment industry in 1995, at a time when 43 percent of factories employed children. By 1998, this percentage had fallen to 5 percent. An estimated 250 million children aged 5 to 14 are engaged in economic activities worldwide. Seventy percent are in the agricultural sector, but the worst injury and illness rates are found in construction, mining, and transport.

Assessing Developing Countries' Telecom Reform. Liberalization of telecommunications policies in developing countries since the late 1980s has substantially improved industry performance, and the more radical has been the reform, the greater has been the improvement, according to a recent study. The paper notes that a monopoly is likely to exist, at least temporarily, in the early stages of liberalization, and it advises countries to control monopolistic behavior in order to benefit consumers and the national economy. However, good regulation may be too expensive for some countries. Hence, the study recommends that developing nations create joint regional authorities to regulate telephone companies. This approach would allow the regulator to develop specialized expertise at a scale that a lone developing country cannot afford; it would also allow the regulator to use information about technology, costs, and demand in one country to detect inefficiencies in another country.

U.S. Tax Burden is Low Among OECD Countries. New estimates released by the Organization for Economic Cooperation and Development show that in 1997 the United States continued to have one of the lowest tax burdens among OECD countries. Revenues collected at all levels of government were 29.7 percent in the United States, compared with rates in excess of 45 percent in Sweden, Denmark, Finland, Luxembourg, Belgium, and France. Sweden (51.9 percent) was the lone country whose general government revenue exceeded 50 percent of GDP. Only Mexico, Korea, Turkey, and Japan had tax shares lower than the United States', with Mexico's 16.9 percent the lowest of all. Between 1965 and 1997, revenues as a share of GDP increased from 25 to 40 percent in the European OECD countries, compared with a rise from 25 to 28 percent in the North American countries (the United States, Canada, and Mexico).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1999 17:53:42.00

SUBJECT: Phone Message from Ian Bowles

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

TEXT:
Contact: Ian BowlesCompany: Phone: 66530FAX: Message:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1999 15:12:07.00

SUBJECT: Support for WTO

TO: Michael.phillips@wsj.com (Michael.phillips@wsj.com @ inet [UNKNOWN])
READ:UNKNOWN

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D41]ARMS22518233S.336 to ASCII,
The following is a HEX DUMP:

================== END ATTACHMENT 3 ==================

Support For The Historic US-China WTO Agreement

BUSINESS ORGANIZATIONS

U.S. Chamber of Commerce President and CEO Thomas Donohue: *"This is really a landmark opportunity to open up China's vast market to American companies of all sizes, while ensuring that China abides by international rules and regulations. We're pleased that U.S. and Chinese negotiators have at long last concluded an agreement and look forward to reviewing its provisions to be sure it's a winner for U.S. business."* [Chamber Press Release, 11/15/99]

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Financial Industry
- Citibank Corporation
- Morgan Stanley Dean Witter & Co.
- Merrill Lynch & Co.
- Goldman Sachs Group Inc.
- Chase Manhattan Corporation
- American International Group
- Gruntal & Company

High-Tech Companies
- Semiconductor Industry Association
- Yahoo
- Business Software Alliance
- Motorola
- Global Telecommunications Corporation Inc.

Manufacturing Companies
- Chemical Manufacturers Association
- World Steel Dynamics Inc.
- Caterpillar Inc.
- Proctor & Gamble

Automobile Manufacturers
- General Motors Corporation
- Ford Motor Company

Agricultural Industry
- American Farm Bureau
- Farmland Industries Inc.
- California Association of Wheat Growers
- Port of Oakland
- Sunkist

Insurance Industry
- New York Life Insurance Company
- Chubb Corporation

Motion Picture Industry
- Metro-Goldwyn-Mayer

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1999 16:24:15.00

SUBJECT: Latest version

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

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D70]ARMS21983433Z.336 to ASCII,
The following is a HEX DUMP:

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

SPECIAL ANALYSIS

Who Is the Most Open of Them All?

Through successive GATT/WTO rounds, world tariffs have been reduced from an average of 40 percent in 1947 to roughly 4 percent today. However, average tariffs still exhibit wide-ranging variations, both across countries and across sectors within a country. One reason motivating U.S. participation in negotiating lower tariffs at the WTO is that on average our rates are lower than those of our major trading partners. It also turns out that although we have a few products with very high tariff rates, we have fewer high tariffs than Japan or the European Union.

Uruguay Round commitments. At the WTO, the United States has committed to capping ("binding") its MNF tariff rates to 4.1 percent. This compares with 5.1 percent for Japan and 7.4 percent for the EU. These differences are mainly due to the higher protection accorded to agricultural products. EU and Japanese have average rates of 19.5 and 11.7 respectively in agriculture, contrasting with the much lower 5.5 percent in the United States. For manufacturing products, the rates in the three countries are comparable: 3.8 percent in the United States, 4.1 average rate in the EU, and 3.6 percent in Japan.

Highly protected sectors. Figure 1 compares the average tariff rates for several product groups, ranked by the degree of protection received in the United States. Footwear industry is the most protected sector in the United States, with an average rate amounting to 13 percent for the combined footwear/headgear product group. While this exceeds the EU rate of 8 percent, it is much lower than the Japanese average of 26 percent. The textile and apparel industry, another highly protected sector in the United States, has an average tariff of 8.0 percent, similar to the average for the EU (7.9 percent) and above that for Japan (6.6 percent).

Distribution of tariff rates. As averages may conceal as well as reveal, economists also like to consider the dispersion of tariff rates. Out of roughly 10,000 tariff rates recorded for each country, 66 percent of the U.S. tariffs are below 5 percent. By contrast, 54 percent of EU tariffs and 59 percent of Japanese tariffs are under 5 percent. While both the EU and the United States have 98 percent of their rates at or below 20 percent, only 94 percent of Japanese rates lie in this range.

Who has the highest of them all? The United States actually has a few products whose rates exceed any in Japan and the EU. Seven tobacco products have rates above 300 percent, and 5 peanut products have rates over 100 percent. The highest European rate is also for Tobacco 89 percent while the highest rate for Japan is 60 percent. However, the US has fewer of these high rate categories than either the EU or Japan. While the US has only 170 categories which have rates between twenty and sixty percent, the Europeans have 242 such categories and the Japanese 514.

How should tariff peaks be evaluated? The economics and politics of high tariffs may differ. From a pure economic perspective, as a rule of thumb, the tariff-induced economic costs rise roughly with the square of tariff rates. Thus a two percent tariff is four times as inefficient as a one percent tariff while a three percent tariff is nine times as inefficient as a one percent. This puts a premium on ironing out tariff peaks. As businesses and firms make production decisions based on price signals, an across-the-board 5 percent would preserve the free market pattern of efficient resource allocation, whereas putting 10 percent tariffs on some, but not all products would make those products look artificially more profitable.

While economic rationale points to evening out tariff peaks, there may nonetheless be important political reasons for preserving them. By granting high protections to a few politically sensitive sectors, we may be able to achieve more tariff reductions in other sectors, resulting not only in lower overall protection, but also in its associated economic benefits.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1999 15:55:02.00

SUBJECT: Second memo to Aaron for your comments

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

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

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

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

TEXT:
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================== END ATTACHMENT 1 ==================

While the draft is much improved by no longer using the overall size of the trade surplus as a measure, I fear that as the basis for setting out a new broader notion of nullification the proposal remains very flawed.

Firstly, as in other nullification cases an important issue is timing. If ex ante there is a well known problem with a particular nation's market penetration, how can it be said that a concession by other countries was nullified and impaired. Surely for nullification, the action needs to either be hidden ex ante or to be taken after the concession was made.

Second, how would we square our emphasis on private practices with a refusal to contemplate discussions on WTO codes for competition policy? It seems to me this proposal puts the United States in a competely hypocritical position. On the one hand, we refuse to come up with defined rules for dealing with private restrictive practices because (correctly in my view) we argue many WTO members are not yet ready. On the other hand, we would be advocating measures against such countries.

Thirdly, the indicators of problems relating to market access can only be viewed as suggestive, not definitive, this means there still is no way of conclusively finding the smoking gun. This is difficult enough to do in specific cases, but how many examples are required to prove generic nullification and impairment?

(1) How do you distinguish between a failure of import penetration because foreign products are inferior to domestic products and a failure because there are hidden barriers? (Our perennial problem with the Japanese: We say the market is closed, they say, please try harder)

(2) Domestic prices typically reflect both the wholesale price of the product and the costs of distribution. Distribution margins in turn can be high because of inefficient and/or uncompetitive distribution sectors. This may lead to higher domestic prices without covert trade barriers.

(3) Indications of a "a protected profit sanctuary that can affect the global economic balance". What exactly is "the global economic balance?" It;s not a concept I recognize.

Finally, how would you measure the cost? How would you decide on the compensation? IF its pervasive, what would the country be expected to do?

I fear that there is no golden bullet in opening foreign markets. Unfortunately we have to go through the painstaking process of indentifying barriers and removing them.

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])
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TO: Stephen F. Lin (CN=Stephen F. Lin/OU=CEA/O=EOP@EOP [CEA])
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TO: Mary E. Jones (CN=Mary E. Jones/OU=CEA/O=EOP@EOP [CEA])
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TO: John L. Goldie (CN=John L. Goldie/OU=CEA/O=EOP@EOP [CEA])
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TO: Catherine H. Furlong (CN=Catherine H. Furlong/OU=CEA/O=EOP@EOP [CEA])
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TO: John G. Fernald (CN=John G. Fernald/OU=CEA/O=EOP@EOP [CEA])
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TO: Audrey Choi (CN=Audrey Choi/OU=CEA/O=EOP@EOP [CEA])
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TO: Michael J. Brien (CN=Michael J. Brien/OU=CEA/O=EOP@EOP [CEA])
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TO: Lisa D. Branch (CN=Lisa D. Branch/OU=CEA/O=EOP@EOP [CEA])
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TO: Martin N. Baily (CN=Martin N. Baily/OU=CEA/O=EOP@EOP [CEA])
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TO: Douglas V. Almond (CN=Douglas V. Almond/OU=CEA/O=EOP@EOP [CEA])
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TO: Alice H. Williams (CN=Alice H. Williams/OU=CEA/O=EOP@EOP [CEA])
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TO: Mary A. Thomas (CN=Mary A. Thomas/OU=CEA/O=EOP@EOP [CEA])
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TO: Sarah Rosen Wartell (CN=Sarah Rosen Wartell/OU=OPD/O=EOP@EOP [OPD])
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TO: Rosalind V. Rasin (CN=Rosalind V. Rasin/OU=CEA/O=EOP@EOP [CEA])
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TO: Leigh L. Linden (CN=Leigh L. Linden/OU=CEA/O=EOP@EOP [CEA])
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TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
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TO: Victoria A. Greenfield (CN=Victoria A. Greenfield/OU=CEA/O=EOP@EOP [CEA])
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TO: William H. Gillespie (CN=William H. Gillespie/OU=CEA/O=EOP@EOP [CEA])
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TO: Mary Fibich (CN=Mary Fibich/OU=CEA/O=EOP@EOP [CEA])
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TO: Susan P. Clements (CN=Susan P. Clements/OU=CEA/O=EOP@EOP [CEA])
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TO: Yu-Chin Chen (CN=Yu-Chin Chen/OU=CEA/O=EOP@EOP [CEA])
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TO: Steven N. Braun (CN=Steven N. Braun/OU=CEA/O=EOP@EOP [CEA])
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TO: Jason A. Bernstein (CN=Jason A. Bernstein/OU=CEA/O=EOP@EOP [CEA])
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TO: Brian A. Amorosi (CN=Brian A. Amorosi/OU=CEA/O=EOP@EOP [CEA])
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TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP@EOP [CEA])
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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 corrrespondents 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])
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TO: Alice H. Williams (CN=Alice H. Williams/OU=CEA/O=EOP@EOP [CEA])
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TO: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP@EOP [OPD])
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TO: Victoria A. Wachino (CN=Victoria A. Wachino/OU=OMB/O=EOP@EOP [OMB])
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TO: Loretta M. Ucelli (CN=Loretta M. Ucelli/OU=WHO/O=EOP@EOP [WHO])
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TO: Margaret M. Suntum (CN=Margaret M. Suntum/OU=WHO/O=EOP@EOP [WHO])
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TO: Matthew T. Schneider (CN=Matthew T. Schneider/OU=WHO/O=EOP@EOP [WHO])
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TO: Matthew P. Schaefer (CN=Matthew P. Schaefer/OU=NSC/O=EOP@EOP [NSC])
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TO: Shirley S. Sagawa (CN=Shirley S. Sagawa/OU=WHO/O=EOP@EOP [WHO])
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TO: Jena V. Roscoe (CN=Jena V. Roscoe/OU=WHO/O=EOP@EOP [WHO])
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TO: Linda Ricci (CN=Linda Ricci/OU=OMB/O=EOP@EOP [OMB])
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TO: Melissa J. Prober (CN=Melissa J. Prober/OU=WHO/O=EOP@EOP [WHO])
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TO: Carlos E. Pascual (CN=Carlos E. Pascual/OU=NSC/O=EOP@EOP [NSC])
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TO: Ann O'Leary (CN=Ann O'Leary/OU=OPD/O=EOP@EOP [OPD])
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TO: Rebecca J. Mitchell (CN=Rebecca J. Mitchell/OU=NSC/O=EOP@EOP [NSC])
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TO: Cathy L. Millison (CN=Cathy L. Millison/OU=NSC/O=EOP@EOP [NSC])
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TO: Robert Z. Lawrence (CN=Robert Z. Lawrence/OU=CEA/O=EOP@EOP [CEA])
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TO: Janis F. Kearney (CN=Janis F. Kearney/OU=WHO/O=EOP@EOP [WHO])
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TO: Phyllis Kaiser-Dark (CN=Phyllis Kaiser-Dark/OU=WHO/O=EOP@EOP [WHO])
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TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP@EOP [WHO])
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TO: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP@EOP [WHO])
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TO: Barbara B. Hunt (CN=Barbara B. Hunt/OU=WHO/O=EOP@EOP [WHO])
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TO: Lindsey E. Huff (CN=Lindsey E. Huff/OU=NSC/O=EOP@EOP [NSC])
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TO: Stephen K. Horn (CN=Stephen K. Horn/OU=WHO/O=EOP@EOP [WHO])
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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])
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TO: Melinda D. Haskins (CN=Melinda D. Haskins/OU=OMB/O=EOP@EOP [OMB])
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TO: D Holly Hammonds (CN=D Holly Hammonds/OU=OPD/O=EOP@EOP [OPD])
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TO: Victoria A. Greenfield (CN=Victoria A. Greenfield/OU=CEA/O=EOP@EOP [CEA])
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TO: Laura A. Graham (CN=Laura A. Graham/OU=WHO/O=EOP@EOP [WHO])
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TO: Joshua S. Gottheimer (CN=Joshua S. Gottheimer/OU=WHO/O=EOP@EOP [WHO])
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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])
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TO: Lauren K. Gillespie (CN=Lauren K. Gillespie/OU=WHO/O=EOP@EOP [WHO])
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TO: Kimberly Geier (CN=Kimberly Geier/OU=OMB/O=EOP@EOP [OMB])
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TO: George T. Frampton (CN=George T. Frampton/OU=CEQ/O=EOP@EOP [CEQ])
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TO: Adrienne C. Erbach (CN=Adrienne C. Erbach/OU=OMB/O=EOP@EOP [OMB])
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TO: Timothy W. Emrich (CN=Timothy W. Emrich/OU=WHO/O=EOP@EOP [WHO])
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TO: Terry Edmonds (CN=Terry Edmonds/OU=WHO/O=EOP@EOP [WHO])
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TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP@EOP [WHO])
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TO: Elliot J. Diringer (CN=Elliot J. Diringer/OU=CEQ/O=EOP@EOP [CEQ])
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TO: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP@EOP [OMB])
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TO: William G. Dauster (CN=William G. Dauster/OU=OPD/O=EOP@EOP [OPD])
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TO: Sandra F. Daigle (CN=Sandra F. Daigle/OU=CEA/O=EOP@EOP [CEA])
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TO: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP@EOP [WHO])
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TO: Stevan D. Crowder (CN=Stevan D. Crowder/OU=NSC/O=EOP@EOP [NSC])
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TO: Kelly Craighead (CN=Kelly Craighead/OU=WHO/O=EOP@EOP [WHO])
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TO: Audrey Choi (CN=Audrey Choi/OU=CEA/O=EOP@EOP [CEA])
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TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP@EOP [WHO])
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TO: Katharine Button (CN=Katharine Button/OU=WHO/O=EOP@EOP [WHO])
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TO: Antony J. Blinken (CN=Antony J. Blinken/OU=NSC/O=EOP@EOP [NSC])
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TO: Paul Bledsoe (CN=Paul Bledsoe/OU=WHCCTF/O=EOP@EOP [WHCCTF])
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TO: Rodney G. Bent (CN=Rodney G. Bent/OU=OMB/O=EOP@EOP [OMB])
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TO: June Bartlett (CN=June Bartlett/OU=NSC/O=EOP@EOP [NSC])
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TO: Michael Barr (CN=Michael Barr/OU=OMB/O=EOP@EOP [OMB])
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TO: Roger S. Ballentine (CN=Roger S. Ballentine/OU=WHO/O=EOP@EOP [WHO])
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TO: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP@EOP [WHO])
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TO: Donald R. Arbuckle (CN=Donald R. Arbuckle/OU=OMB/O=EOP@EOP [OMB])
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TO: Joseph E. Aldy (CN=Joseph E. Aldy/OU=CEA/O=EOP@EOP [CEA])
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TO: Beth Nolan (CN=Beth Nolan/OU=WHO/O=EOP@EOP [WHO])
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TO: Lindsay R. Drewel (CN=Lindsay R. Drewel/OU=WHO/O=EOP@EOP [WHO])
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TO: Joel K. Wiginton (CN=Joel K. Wiginton/OU=WHO/O=EOP@EOP [WHO])
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TO: Barry White (CN=Barry White/OU=OMB/O=EOP@EOP [UNKNOWN])
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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])
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TO: Beth A. Viola (CN=Beth A. Viola/OU=CEQ/O=EOP@EOP [CEQ])
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TO: David Vandivier (CN=David Vandivier/OU=OMB/O=EOP@EOP [OMB])
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TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP@EOP [WHO])
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TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP@EOP [WHO])
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TO: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP@EOP [WHO])
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TEXT:
---------------------- Forwarded by Melissa G. Green/OPD/EOP on 11/18/99
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
cc:
Subject: FINAL BUDGET WINS --

Message Sent
To:____

Melissa G. Green/OPD/EOP@EOP
Linda Ricci/OMB/EOP@EOP
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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

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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

<u>PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT</u>. 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.

<u>A VICTORY FOR AMERICA'S STUDENTS</u>. 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.

<u>FIGHTING CRIME, DRUGS, AND GUNS</u>. 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.

<u>Investing in a Cleaner Environment</u>. 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.

<u>Maintaining America's Global Leadership</u>. 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.

<u>Empowering Families and Communities</u>. 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.

<u>Progress on the New Markets Initiative</u>: 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.

<u>Addressing Health Care</u>. 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.

<u>MAINTAINING AMERICA'S GLOBAL LEADERSHIP</u>

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

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

CREATION DATE/TIME:18-NOV-1999 12:19:11.00

SUBJECT: Phone Message from Jon Orszag

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

TEXT:
Contact: Jon OrszagCompany: Phone: 482-3520FAX: Message: