UNIVERSITY of PENNSYLVANIA

10-6-00

From Podesta's Office (Rachel) 10-11-00

How should we handle? Lisel?

GET BACK TO ME RE: WHAT YOU RECOMMEND. W

TO DELIA C. TO HANDLE COORDINATE W/ COUNSEL + NSC

CW

The President

August 22,

William Jefferson Clinton
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President,

The campus is still thrilled with your appearance at our renovated Irvine Auditorium in February to deliver the inaugural address for the Granoff Forum. I would like to tell you about another exciting event at the University in which we hope you will participate—through the gift of an autographed book.

This year the University of Pennsylvania celebrates the 250th Anniversary of the founding of its Library. One of the highlights of this yearlong celebration is an exhibition of books contributed to the Library by heads of state from countries around the world. This exhibition commemorates one of the earliest gifts to the Library: one hundred books from the *Imprimerie Royale* given by King Louis XVI of France in 1784.

To date, our Library has received many signed books from abroad, each representing that country's rich cultural traditions, and often accompanied by a letter from the head of state regarding the personal or cultural significance of this selection. Books were requested from the 90 countries that most frequently access our Library through its web site.

I would be most grateful if you would choose a book to contribute to our celebration. The book could be a classic of American Literature, or a great work of non-fiction. The most important aspect, however, would be that the book have some personal significance to you.

100 College Hall • Philadelphia, PA 19104-6380 • Phone: 215-898-7221 • Fax: 215-898-9659 • Email: president@pobox.upenn.edu

Among the selections we have received are a biography of Prime Minister Sir Wilfrid Laurier, sent by Prime Minister Jean Chrétien of Canada along with a letter of congratulations; a book from the island of Mauritius addressing their unique and diverse culture and personally inscribed by the Prime Minister Dr. the Honorable Navinchandra Ramgoolam; and the *Collection Schauenberg*, a splendid presentation of maps from Switzerland, accompanied by a personal and humorous congratulatory letter from Swiss President Adolf Ogi (who said he hoped not to follow too closely the career of Louis XVI).

This remarkable collection of books will be the focal point of our 250th Anniversary Celebratory reception and exhibition in mid-November of this year. Representatives of every participating country will be invited to join us on this important occasion.

I feel confident you will agree that our own country's contribution should be included in this fine collection of anniversary volumes. If there are questions about this request or the anniversary celebration, the contact is Miss Amy Grugel, Project Liaison, who can be reached at 1-800-390-1829. Gifts may be addressed to:

Judith Rodin
President
The University of Pennsylvania
100 College Hall
Philadelphia, PA 19104-6380

I look forward with anticipation to your response and thank you for considering my request.

Most cordially yours,

Judith

Judith Rodin

Via Facsimile
10/4/00

Fax sent
through
Stop Sec

BETH E. DOZORETZ

October 4, 2000

'00 OCT 6 AM8:49

Mrs. Betty Currie
Personal Secretary to the President
The White House
West Wing
Washington, DC 20500

Dear Betty:

This will be a wonderful tribute to Nava Barak. Please ask the President if he would consider doing this for her.

Please let me know.

Love,

Beth
Beth Dozoretz /ks

BD/ks

Attachment

10-6-00

Send to ~~Scheduling~~? Cohen to handle

Yes ✓

No ___

Coordinate w/ NSC

Cw

cc: NSC

American Friends of Rabin Medical Center
Inaugural Dinner
Sunday, October 29th, 2000 at
Metropolitan Club, 1 East 60th Street, New York City

President William J. Clinton
The White House
1600 Pennsylvania Ave.
Washington, DC 20036

Dear President Clinton,

Would you be kind enough to offer greetings to our Organization and its guests on the occasion of our Inaugural Dinner to be held in New York on Sunday, October 29th. The proceeds of the Dinner will equip the Bone Marrow Transplantation Unit at the new Cancer Center to be built on the campus of the Hospital in Petach Tikva, Israel. It is this Medical Center which Hillary visited last November as the guest of Nava Barak.

Mrs. Barak will be the guest speaker at the Dinner and Mr. Leon Davidoff will be acknowledged for his family's donation which has made the Cancer Center a reality.

All the details regarding the Dinner, the Cancer Center, and our organization and Medical Center, may be found in the enclosed invitation.

We are requesting these greetings from you to be included in our Journal to be distributed at the Dinner. We would be most grateful if you would be able to submit such a greeting and a black and white photograph by our publication deadline October 19.

Thank you for your support.

Sincerely,

Burton Lazarow

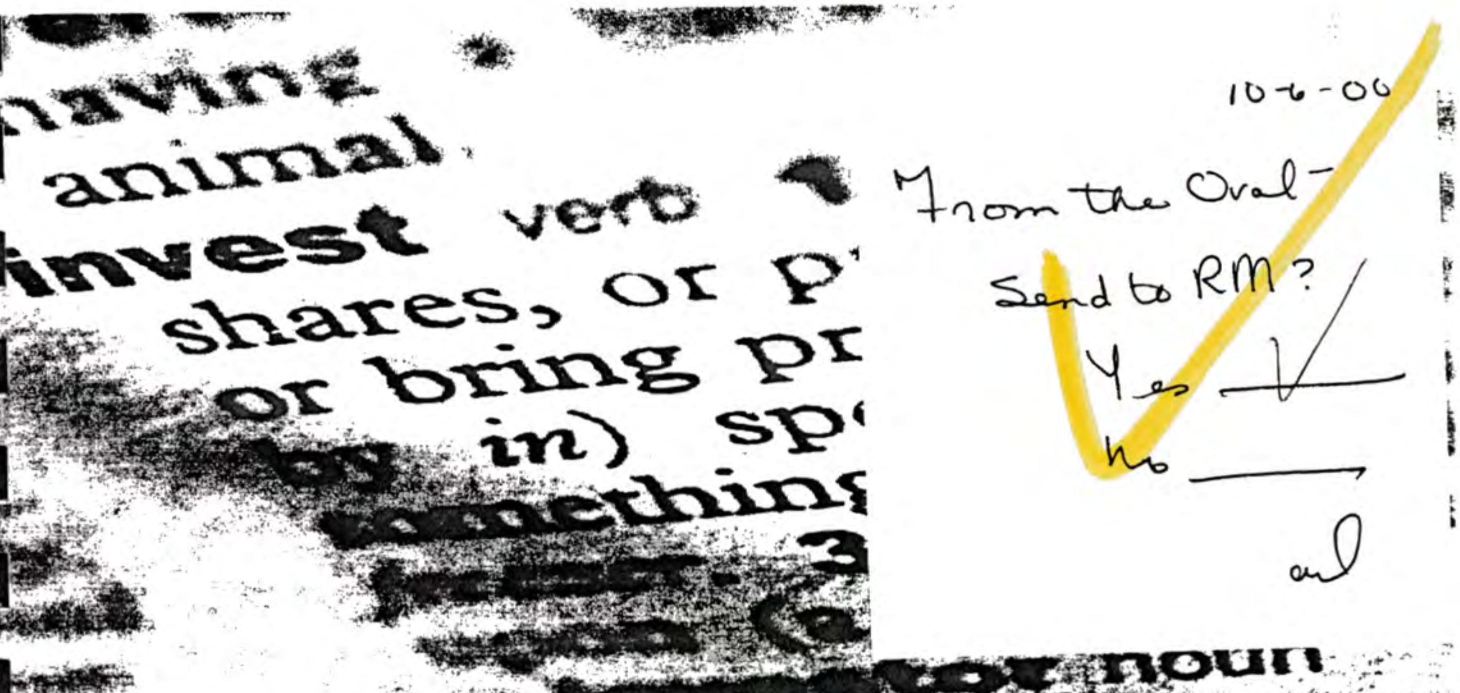
Burton Lazarow
Executive Director

220 Fifth Ave., Suite 1301, New York, NY 10001
212-279-2522 Fax: 212-279-0179 e-mail: afrmc826@aol.com

Council of the
Great City Schools

REDUCING CLASS SIZE

A SMART WAY TO IMPROVE AMERICA'S URBAN SCHOOLS



10-6-00
From the Oval —
Send to RM?
Yes ✓
No ___
al

Council of the Great City Schools
October 2000

Report Prepared by

Manish Naik
Legislative and Research Specialist

Michael Casserly
Executive Director

Gabriela Uro
Manager of Intergovernmental Affairs

Executive Summary

The Council of the Great City Schools, a coalition of the nation's largest urban public school systems, surveyed its membership to determine how they were using federal class size reduction funds in the 2000-2001 school year. Thirty-two major urban school systems responded. Results indicated that—

- Federal class size reduction program is improving student achievement and is receiving strong teacher support (Preliminary data, like that gathered by the Fort Worth and Philadelphia public schools, show significant reading gains.).
- Approximately 4,069 first, second, third and other grade teachers were hired in 32 of the nation's largest urban school systems with second-year federal class size reduction funds.
- The 32 major city school systems received approximately $242.8 million in federal class size funds for the 2000-2001 school year.
- All 32 major cities used their federal class size funds to hire new teachers.
- About $187.0 million of the $242.8 million received (77.0%) was spent by the 32 city school systems on teacher salaries and benefits.
- The 32 major cities devoted approximately $36.6 million (15.1%) of their federal class size aid to professional development; $10.3 million (4.2%) to recruiting expenses; and about 3% for administration.
- Twenty-seven cities used a portion of their federal class size reduction monies to provide professional development for new and veteran teachers; five cities did not use any of their class size reduction funds for professional development.
- Some 42,212 urban school teachers received professional development in the 27 cities using federal class size reduction funds for this purpose.
- Urban school districts spent their federal class size monies in 2000-2001 in approximately the same ways as they did in 1999-2000, except for a somewhat greater emphasis on recruiting efforts.
- The class size reduction program is becoming an essential ingredient in the efforts by urban schools to reform and to accelerate student achievement.
- The federal program is flexible enough to complement local and state efforts to reduce class sizes and to meet recruitment, hiring, and professional development needs.

TABLE OF CONTENTS

Congressional Black Caucus
of the United States Congress

319 Cannon HOB • Washington, DC 20515 • (202) 225-3315

CBC

106th Congress

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Corrine Brown
Second Vice Chair

Elijah Cummings
Secretary

Sheila Jackson Lee
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Stephanie Tubbs Jones, OH · '99

NOT PRINTED OR MAILED AT PUBLIC EXPENSE

'00 OCT 6 AM11:12

10-6-00
Send to Legislative Affairs
Yes ✓
No ___

cal

October 4, 2000

The Honorable William Jefferson Clinton
The White House
1600 Pennsylvania Avenue, N. W.
Washington, D. C. 20500

Dear Mr. President:

As members of the Congressional Black Caucus, we are writing to urge your support for the Historic Homeownership Assistance Act (HHAA), legislation which creates a 20 percent income tax credit to rehabilitate homes in historic districts. Historic preservation serves as a vital tool for stabilizing core urban and small town downtown neighborhoods. The provisions of this bill are included in Chairman Roth's New Communities/Community Renewal bill.

During this new century, we should devote just as much thought about public policy related to revitalization of our cities, towns, villages, communities and inhabited landscapes as we devote to protecting the natural environment. Indeed, the First Lady has been a champion of this issue and we applaud her efforts. Historic preservation stabilizes core urban and small town downtowns. Preserving historic districts like the Claflin College Historic District in Orangeburg, South Carolina, Sweet Auburn in Atlanta, Georgia, the Greater U Street Historic District in the District of Columbia, and Freedman's Town Historic District in Houston, Texas, would benefit communities across the country.

Congress now has the opportunity to expand private investment in historic communities through the use of the historic homeowners tax credit. The National Park Service reported that 58 percent of the houses eligible for the credit are located in historic districts that overlap census tracts with poverty rates of 20 percent or greater. This tax credit is fully compatible with your Administration's efforts to bring new vitality to areas which have missed out on the economic boom of the 1990's, and we believe it is fully consistent with your Administration's broader goals. It is targeted at low and moderate income neighborhoods, it will energize community revitalization, and it will promote homeownership. We know community renewal is one of your top priorities. We urge you to include the historic homeowners tax credit in any final community renewal legislation you sign into law.

With kindest regards, we are

Sincerely,

The Honorable William Jefferson Clinton
October 4, 2000
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Donald M. Payne | Bobby Scott
Melvin Watt | Eva M. Clayton
Carrie P. Meek | Carolyn C. Kilpatrick
Earl F. Hilliard | Barbara Lee
John Lewis | Major R. Owens
Stephanie Tubbs Jones | Julia Carson
Charles Rangel | Maxine Waters
[illegible] | Sheila Jackson Lee
[illegible] |

10-6-00

JP

can we do anything about this?

BC

copied Podesta

THE PR... 10-6-00

A Big Tax Loophole for Insurers Prompts a Review on Capitol Hill

By DAVID CAY JOHNSTON

A loophole in American tax law that allows insurance companies to stop paying income taxes simply by opening a small office in Bermuda is causing deep concern on Capitol Hill amid signs that a number of companies are preparing to exploit it.

The loophole, disclosed in March by The New York Times, could cost the Treasury as much as $4 billion a year, equal to about 2 percent of all corporate tax payments, if every American property and casualty insurer exploited it, according to the latest estimates circulating on Capitol Hill. If individual taxpayers have to make up that loss it would cost them each about $32 annually. State governments would also lose money.

By March, six companies had positioned themselves to move their official headquarters to Bermuda and operate free of federal and state income taxes. Three more deals have been announced and stock market analysts are praising the Bermuda strategy as a boon to shareholders.

A bipartisan bill to close the loophole was introduced in Congress in April, but languished until last week, when one of the six companies that moved to Bermuda announced it was acquiring a larger insurer. The company, **White Mountains Insurance Group**, formerly known as Firemen's Fund, is buying the property and casualty insurer CGU, a unit of the **CGNU Group** of London. White Mountains operates out of offices in Hanover, N.H., but 11 months ago reorganized itself as a Bermuda company.

Later last week, the chairman of White Mountains, John J. Byrne, discussed the possibility of acquiring **Safeco**, a large insurer in Seattle. Mr. Byrne later said he had no plans to seek ownership of Safeco.

After hearing that large companies like Safeco might suddenly try to operate untaxed, the chairman of the House Ways and Means Committee, Bill Archer, Republican of Texas, told his staff to find a way to close the loophole quickly, according to Representative Nancy Johnson, a Connecticut Republican on the committee.

Mr. Archer could not be reached last night but aides said the meeting did take place and that Mr. Archer was deeply concerned. The chairman of the Senate Finance Committee, William V. Roth Jr., Republican of Delaware, also has told his staff to find a way to close the loophole, his spokeswoman, Ginny Flynn, said.

Representative Johnson said Mr. Archer "understood the urgency of this matter and is really concerned about stopping the flow of jobs and capital out of the country."

Her district includes the headquarters of several insurance companies, among them the **Hartford**, which wants the Bermuda loophole closed.

The Hartford, **Chubb, Kemper** and **Liberty Mutual** say long-established companies with deep reserves cannot take advantage of the loophole because of other tax rules. They warn that if the loophole is not closed they will be hurt because, as companies that continue to pay income taxes, they will be at a competitive disadvantage to those that operate untaxed.

The loophole works this way: Companies that insure against fire, injuries on the job and other property and casualty losses send premiums collected from customers to a corporate parent in Bermuda and treat the transfer as a business expense, even though money is simply being shifted from one part of the company to another. The business expense gives the American subsidiary a deduction that wipes out taxable profits. And the Bermuda parent can invest the premiums and not have to pay taxes on the investment profits because Bermuda has no income tax.

Congress does impose an excise tax when premium money is transferred to Bermuda, but the tax rate is only 1 percent. The federal corporate income tax rate is 35 percent.

Two of the largest companies that organized in Bermuda, the **ACE Group of Companies** and **X.L. Capital Ltd.**, have denounced the bipartisan legislation as protectionist and say that the tax benefits of the Bermuda move are exaggerated.

A Democratic co-sponsor of the bill to close the loophole, Representative Richard E. Neal of Massachusetts, expressed doubt that action would be taken this year because Congress needed guidance from the Treasury on how to close the loophole in a way acceptable to the White House. "I believe there is a wide consensus in the Congress that the Bermuda loophole is a major problem," Mr. Neal said, "but frankly nothing is going to happen until Treasury makes up its mind on a solution."

Like Senator Roth, Mr. Neal is worried that closing the loophole could lead to other problems with tax policy affecting global commerce.

Mr. Archer argues that federal corporate tax law is driving investment and jobs out of the country and that the only solution is to replace the corporate income tax with an entirely new tax system.

This stance has led him to oppose fixing a variety of specific problems with the tax laws. But in this case, Representative Johnson said, he is worried that a stampede to Bermuda is under way and action must be taken quickly to stop it.

White Mountains has not taken advantage of the loophole, its chief tax official, David Staples, said last night, even though it did reorganize late last year as a Bermuda company and is eligible to do so. "We have formed an offshore reinsurer," Mr. Staples confirmed, "but we have no plans at this time" to take advantage of the Bermuda tax break.

Continued on Page 19

The New York Times
THURSDAY, OCTOBER 5, 2000