

PK 10-16-00

GULC Participants

- Father Leo O'Donovan
- Judith Areen,
- Eric Hotung
- Patricia Hotung
- Kevin Conry,

HAS SEEN
10-16-00

President, Georgetown University
Dean and Executive Vice President Georgetown Law

Assistant Vice President, Georgetown Law Center
Worked to create the event
Greeter on arrival

Elizabeth Bagley

Administration Participants

John Podesta
Beth Nolan
Michele Ballantyne
Ben Adams
Doug Band

Members and former member of the administration mentioned in the remarks, but who did not participate in the event.

Bruce Lindsey
Jack Quinn
Jack Lew
Stephanie Cutter
Mickey Kantor

10-16-00
Send to
support ?
Yes; keep copy
of mkt + letter.

10-16-00

REMARKS BY THE PRESIDENT
AT GEORGETOWN INTERNATIONAL LAW CENTER CEREMONY
Georgetown University Law School
Washington, D.C.
September 26, 2000

Thank you very much. Father O'Donovan, thank you for giving me another chance to come back to Georgetown and for your extraordinary leadership over these many years. And, Dean Areen, thank you for giving me a chance to come to the law school.

I have to tell you that when they told me I was coming into the moot courtroom my mind raced back ~~30 years ago~~ almost 30 years ago. When we were in law school at Yale, Hillary and I entered the moot court competition. ~~and~~ It was sort of like the Olympics; there were all these trial runs you had to get through, and then you got into the finals and you tried to go for the gold.

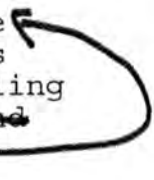
So we finished first and second in the trial runs, and then we got into the finals. ~~and~~ The judge, ~~the moot court judge~~ was Justice Abe Fortas. You've got to understand, this was the early '70s, it was a sort of irreverent time. Fashion was not the best. Some of us made it worse. ~~and~~ Anyway, I had a bad day. Hillary had a good day. I thought she should have won. But Justice Fortas thought that her very '70s outfit, which was blue and bright orange suede, was a little out of order for a trial. And so he gave the award to ~~my~~ a third person, who is now a distinguished trial lawyer in Chicago. ~~and~~ For his ~~trouble~~ ^{justice} he has had the burden of contributing to all my campaigns and now to hers. So I suppose it all worked out for the best. *in the final trial*

Mr. Hotung, Mrs. Hotung, I thank you for your generosity. I loved your speech. And I'd like to thank you, especially, for what you've tried to do for the people of East Timor. It means a lot to me because I know how important it is to the future of freedom throughout Southeast Asia, and indeed, throughout all East Asia, that we come to recognize that human rights are not some Western concept imposed upon the rest of the world, but ~~an~~ truly ~~one~~ universal, as the United Nations Declaration says.

East Timor is a small place, a long way from here, that many people thought the United States should not care about. And the fact that you did and continue to care about ~~the~~ ^{the people} and the enormous odds they have to cope with, still is, I think, a very noble thing, and I thank you very much.

I'd like to thank the faculty and staff and students ~~who are here~~, and all the members of my administration and administrations past ~~who are here~~, and my friends from Georgetown days who are here. Georgetown Law School has given more talent to this administration than any other single institution in America. ~~And~~ I'm almost afraid to mention some for fear that I will omit others.

But among the people in the administration who are Georgetown Law grads are: my Chief of Staff, John Podesta; my White House Counsel, Beth Nolan; my Deputy Counsel, Bruce Lindsey; former White House Counsel, Jack Quinn; Budget Director, Jack Lew; former Trade Ambassador and Commerce Secretary, Mickey Kantor; Counselor to the Chief of Staff, Michèle Ballantyne; Deputy Communications Director, Stephanie Cutter. They're all graduates of Georgetown Law. And I've had various ambassadors and other appointees and Lord knows who else you gave me. ~~So I'm grateful for that.~~

It's also quite interesting to me that Beth Nolan's assistant, Ben Adams and my personal aide, Doug Band, are actually working full-time at the White House. In Doug's case, he's working around the clock, because we're traveling ~~and we're working~~ -- we haven't slept in three weeks. ~~And~~  they're enrolled right now in Georgetown Law ~~and are~~.

Now, therefore, I would like to make a modest suggestion -- and that is that when they take their exams in December, they be judged not only on the basis of legal reasoning, but creative writing!

I also want to credit one other person for the remarkable fidelity Georgetown students and Georgetown lawyers have had to public service over the years. My freshman philosophy teacher, Father Otto Hentz, used to say that the Jesuits are convinced there was only one serious scriptural omission in the first chapter of Genesis: God created politics and God saw that it was good.

You would get quite an argument, I think, from some people on that. But Georgetown has always been there for America's body politic, and we are a better nation because of it.

The Eric Hotung International Law Center Building will house work that will in no small measure shape the kind of nation we are and the kind of world we live in, in the 21st century.

The 20th century raised a lot of questions of lasting concern -- of ethnic and religious conflict, of the uses and abuses to science, technology, and organization, and of the relationship between science and economic activity and the environment.

But the 20th century resolved one big question, I believe conclusively. Humanity's best hope for a future of peace and prosperity lies in free people and free market democracies governed by the rule of law.

What Harry Truman said after World War II is even more true today. ~~He said:~~ "We are in the position now of making the world safe for democracy if we don't crawl in the shell and act selfish and foolish." Sometimes, his unvarnished rhetoric was more effective than more strained eloquence. We are, today, in a position to make the world more free and prosperous if we don't crawl in the shell and act selfish and foolish.

The scope of the challenge is quite large. In the 1990s, more people won their freedom than ever before in human history. People in nations like Russia, Ukraine, Nigeria, Indonesia, now elect their own leaders. But it is just a first step. Without a strong and independent judiciary, civil society, transparent governance, and a free press to hold leaders accountable, the world's new democracies easily could sink under the weight of corruption, inequity and poor government.

I read an op-ed piece by *The New York Times* columnist Tom Friedman a few months ago, which captured the experience I've had in this job for nearly eight years now, when he said, "Americans were born as a nation skeptical of government." Our constitution was designed to limit government.

~~And~~ Then we had a decade when we were told by ~~all~~ of our politicians how bad government is. But the truth is, ~~that~~ in many parts of the world today, human freedom is limited by weak and ineffective government, without the capacity to deliver the goods, honor the rule of law, and provide a transparent environment so that investment can ~~some~~ ~~lift~~ lift the lives of people. Without democratic elections, laws can too easily be a tool of oppression, not an instrument of justice. But without the rule of law, elections simply offer a choice of dictators.

Building a rule of law is hard work. If you just look at our own history, you get, perhaps, the most persuasive illustration. We established our right to elect our leaders before independence. Even with independence, ~~we still~~ (in 1776) had no national executive, no system of courts, only a weak legislature.

The Articles of Confederation came five years after independence, but failed. The Constitution was ratified 13 years after independence and was quickly amended. And it was not until Marbury v. Madison in 1803, 27 years after the Declaration of Independence, that the courts established their rights to check the power of elected leaders.

Of course, when we started, only white male property owners could vote. It wasn't until the end of the Civil War that African Americans were treated as citizens. Women didn't gain the right to vote until the 20th century. We are still very much a work in progress. And we need to take that humbling thought into account when we give advice to others about building their future.

When the Soviet Union collapsed, it had no laws relating to private property or public elections or freedom of the press. In 1993, we launched a rule of law project that helped Russia draft a new civil code, a criminal code, a tax code and bankruptcy law. We also helped Russia to separate its judicial system from the Executive Branch, train judges in commercial law, support Russian law school. It was not a panacea, but it did help to create the foundation on which Russia can build.

The same need for stronger legal institutions is apparent in China, especially because of its impending entry into the World Trade Organization, which, as all of you know, I think is a very, very good thing. It's more than an economic opportunity, because it can set China on a course that will diminish the role of government in its economy and its people's lives, while involving China in an international system of rules and responsibility and mutual interdependence.

China will have to make fundamental changes to meet its WTO obligations, restructure its industries, publish laws that have long been secret, establish procedures for settling disputes, create a level playing field for foreign firms. China has asked us for help in developing its legal expertise and legal system. We should provide it. And I expect Georgetown will be part of that effort.

This past summer Professor James Feinerman and Professor John Jackson and other Georgetown faculty met with some 25 senior government officials ~~from~~ China, ~~from China~~, to advise them on structural reforms they will be making as they become fully participating members in the World Trade Organization.

Since a Georgetown law professor helped Germany draft its democratic articles of government after the second World War, Georgetown law professors have been active the world over, helping nations to establish democratic legal structures, from Estonia to Mexico, from South Africa to Mongolia. Next summer, you will begin an international judicial, educational and exchange program, to allow judges from other countries to come here to discuss with United States judges how to build a judiciary that is both independent and competent.

These efforts illustrate how America's experience should be put to use to advance the rule of law, where democracy's roots are looking for room and strength to grow. But in many parts of the world, people still struggle just to plant the seeds of democracy. ¶ For the last decade, one of the most important and gripping such places has been the former Yugoslavia. Eight years ago, the region was engulfed by war, caused by Mr. Milosevic's desire to build a greater Serbia. It's easy to forget how very close he came to succeeding. If he had, it would have led to a permanent humanitarian tragedy and an end to the vision of an undivided democratic Europe.

But with our allies, we stood against ethnic cleansing and stood by democratic forces fighting for change. From Sarajevo to Pristina, the carnage has ended. Croatia is a democracy, Bosnians are now waging their battles at the ballot box, the control of Milosevic and his dictatorship is now limited to Serbia. And this weekend, it appears, because of brave people casting their ballot, he has lost the last vestige of legitimacy.

The OSCE and the EU have concluded that this election was marred by widespread irregularity. Experienced international observers were prevented from monitoring the election. But, still, the people of Serbia showed up in overwhelming numbers. And despite the government's attempt to manipulate the vote, it does seem clear that the people have voted for change. ¶ The question is: will the government listen and respond?

I do not underestimate Mr. Milosevic's desire to cling to power at the expense of the people. I have witnessed it, lived with it and responded to it firsthand. But after this weekend's vote, we should not underestimate the people of Serbia's determination to seek freedom and a different and more positive force in the face of violence and intimidation.

Neither should Americans underestimate the extent to which this vote is about Serbia, its people and its future. Indeed, the opposition candidate also disagreed with our policy in Kosovo. I am under no illusions that a new government in Serbia would automatically lead to a rapprochement between the two of us, and any new leader of Serbia should pursue, first and foremost, the interests of its own people. But if the will

of the people is respected, the doors to Europe and the world will be open again to Serbia. We will take steps with our allies to lift economic sanctions, and the people of Serbia, who have suffered so much, finally will have a chance to lead normal lives.

I hope that day is arriving, and when it does, people of goodwill around the world will help the people of Serbia to build and strengthen the institutions of a free market democracy. Some of you in this room will be needed in that effort. The persistence of people with your expertise, the institutions of our country, especially the Georgetown Law Center, will make an enormous difference in the future.

Let me close with just one very personal thought. The law gives people a way to live together, to resolve their differences, to be rewarded when they should and punished when they're particularly destructive. ~~But the idea is, It~~ embodies our most fundamental values and applies ~~them~~ to practical circumstances so that even when we have differences, we find a way to abide a decision ~~that~~ is made.

~~This~~ will be more and more important in the years ahead, because the world is growing more interdependent. ~~It embodies the idea just because there are rules that~~ all of us are created equal, and that we should be ~~treated~~ ^{not} blindly, without regard to our race, our religion, our ethnicity, our condition of ability or disability; whether we're straight or gay, whether we're Asian or European or African or Latin American.

The whole idea of the American law, embodied in the ideals of our Constitution and ~~continuously~~ ^{permanently} perfected, is that we are all equal and that we are growing more interdependent. If we were completely independent, we'd have no need for law. We'd just be out there doing our own thing. And if we weren't equal in the eyes of the law, the law would be a monster and an instrument of oppression.

So the law is our society's attempt to reconcile our deep belief in independence, and our understanding that interdependence is what enables us to make progress and to give our lives more meaning. The world is more interdependent than ever before. If we can find a way for people to believe that, through the law, we can create an environment in which everybody is better off, in which no group or individual is seeking to make unfair gains at anyone else's expense, then the world's most peaceful and prosperous and exciting time lies ahead.

Human Genome

~~Then~~ I'm not worried about what use we will make of the marvelous mysteries of the human genome. I'm not worried about whether some nation will abuse what they find out in the deepest depths of the oceans or the black holes of outer space. I'm not even worried about our ability somehow to find a way to deal with the terrorists, and their ability to use the marvels of new technology for biological, chemical and other weapons. We'll deal with it fine, as long as we remain committed to the integrity of the individual, and the interdependence within and beyond our borders.

Or, to go back to Mr. Truman's words, if we're not too stupid and too selfish, the best is still out there, and the law will lead us.

Thank you very much.

THE PRESIDENT HAS SEEN
10-16-00



Confederated Tribes of the
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spək^wk^wálqs

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copied
Cutler
Podesta

THE WHITE HOUSE

Assistant to the President and
Staff Secretary

Oct. 16, 2000

RE: **FLAGS**

JOHN -

DD has called to discuss keeping flags lowered through Wednesday's memorial service, given POTUS' planned attendance. Would extend time from 5 → 7 days; have done more than 5 days on other occasions. We could:

- 1) issue presidential proc. to extend time through sundown Wednesday; or
- 2) DD could order flags at military installations to remain down; others (first offices, etc) would come back up at sundown today).

→

Kerrick thinks keeping all flags down thru Wednesday makes sense. I agree.

Any objection to a second proc. extending time thru Sundown wed.?

B/c currently would come down tonight, need to decide by this afternoon.

-USEL



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

00 OCT 13 PM 1:10

THE DIRECTOR

October 13, 2000

10-16-00

MEMORANDUM FOR THE PRESIDENT

FROM:

Jacob J. Lew

*Copied
Lew
Podesta*

SUBJECT:

FY 2001 Appropriations Update -- Informational

This memorandum provides an update on Congressional appropriations action for FY 2001. Five weeks and two continuing resolutions after Congress returned from the August recess, four of the thirteen appropriations bills have come to the White House in an acceptable form for your signature – Defense, Military Construction and Interior have been signed into law, while Transportation is being prepared for your signature. Six additional bills (VA/HUD, Energy and Water, Treasury/General Government, Legislative Branch, D.C., and Agriculture) have been negotiated to acceptable levels. This leaves three bills remaining to complete the year's appropriations.

You may recall, appropriators began the process constrained by budget resolution allocations that were, in aggregate, \$24 billion below your request for non-defense discretionary spending and \$20 billion below for all discretionary spending. At the present time, Congress is on a path to exceed your budget by over \$15 billion. Where negotiations have been completed, we have made significant progress in fixing or removing objectionable riders and in securing funding for many of your priorities and for core government services. These successes range from ensuring adequate funding for core functions such as air safety and maintenance of national parks and forests, which were severely underfunded under the initial allocations, to substantial investments in Administration initiatives such as your Lands Legacy proposal and housing vouchers, substantial increases in NSF funding, including nano-technology and IT. It is worth noting that the appropriators have added an unprecedented level of member-specific earmarks at the same time.

Difficult negotiations remain ahead for Labor/HHS/Education, and over certain provisions in the Commerce/Justice/State and Foreign Operations bills. A summary of outcomes for bills that have been negotiated to acceptable levels is provided below. A summary of major issues on the remaining bills follows.

Interior: The bill you signed into law earlier this week provides \$18.9 billion in discretionary budget authority, nearly \$4 billion above the FY 2000 level and \$4.2 billion above the House level. Of this amount, \$1.7 billion is emergency funding that is primarily for addressing wildfire damages in the West. The bill includes \$1.2 billion (compared to \$287 million provided in the House and \$563 million in FY 2000) dedicated to your Lands Legacy proposal. The law also creates a new budget category that provides \$1.6 billion for Lands Legacy program (includes Commerce programs) in FY 2001, growing to \$2.4 billion in FY 2006. For Native American

programs, the bill provides \$290 million above the House level for BIA operations, school construction, and the Office of the special trustee, and \$162 million above the House for Indian Health Services (both substantial increases above FY 2000). The bill provides modest increases for the Endowments – the first increase in eight years for the NEA – and \$35 million for the Millennium/Save America's Treasures initiative (compared to \$0 provided by the House). For energy conservation programs, the bill provides \$165 million above the House level, including nearly full funding for weatherization grants and Partnership for a New Generation of Vehicles.

Earlier versions of the bill contained some 28 objectionable environmental and other authorization provisions. In the enrolled bill, 21 of these riders have either been dropped or acceptably modified, including: limitations on prescribed burns, White Mountain National Forest (NH) Roadless Policy Exemption, White River National Forest (CO) Plan Delay, Columbia/Snake River Dam Removal ban, San Rafael Swell Land Designation, Tribal Contract Moratorium, Hardrock Mining Rule Limitation, and Hazardous Fuel Reduction Mandate. The most objectionable of the seven riders remaining is a grazing permits extension, which was enacted last year and which you may recall discussing with Senator Domenici.

Transportation: The conference bill, which is at the White House, is \$7.2 billion over FY 2000 enacted and \$3.3 billion above your request. The bill provides near full funding for FAA and Coast Guard operations (\$200 million and \$152 million, respectively, above Senate levels), and partial funding (\$8 million) for the Delta Initiative. The bill also provides a \$25 million increase over FY 2000 enacted for the Job Access/Reverse Commute Grants and drops the House rescission of advance funding for New York's Penn Station. On language issues, the bill includes the objectionable House CAFÉ standards language which we have previously accepted, but, as you know, also contains the .08 percent blood alcohol provision.

VA/HUD: The tentative agreement, which has passed the Senate, provides \$3.6 billion in new budget authority above the House level, and a program level that is over \$5.4 billion above the House. The bill provides funding for 79,000 new housing vouchers – 19,000 more than last year's increase of 60,000. The bill would also provide \$90 million for Empowerment Zones/Enterprise Communities (compared to \$0 in the House and Senate, \$70 million in FY 2000), with the remainder of the \$200 million request to be worked out with the Republican leadership as part of your broader New Markets proposal. The bill also provides \$5.1 billion for CDBG (\$550 million above the House), \$1.8 billion for the HOME investment partnerships program (\$215 million above the House), \$1.1 billion for the Homeless Assistance Program (\$105 million above the House) and \$118 million for CDFI (\$23 million above the Senate). Finally, despite House efforts to zero fund the National Service program, the bill provides \$459 million – the first funding increase for the program since 1993.

For EPA programs, the bill also provides important increases above the House and Senate levels. The bill provides \$238 million for non-point source pollution grants (\$18 million above House and Senate), \$123 million for the Climate Change Technology Initiative (\$20 million above House and Senate), \$1 million for GLOBE (\$0 in the House), and \$296 million for enforcement (\$22 million above the House). For the National Science Foundation, the bill provides \$4.4 billion (\$400 million above the House and 14 percent above FY 2000).

10-16-00

Also dropped from or fixed in the bill are a number of anti-environmental riders, including ones concerning diesel pollution, contaminated sediments and environmental justice. Still in the bill are objectionable riders that would delay agency action on arsenic in drinking water and ozone air quality designations.

Energy and Water: As you know, the Energy and Water bill initially came to your desk with an unacceptable Missouri River rider. Aside from this rider and a small number of other shortcomings, the bill provided significant increases above House and Senate levels for key priorities, including the Delta Regional Authority (+\$20 million), solar and renewable energy (\$32 million above the House), and the National Ignition Facility (+\$125 million). The bill does not fund the California Bay Delta program. The Senate responded to your veto of the bill by incorporating Energy and Water appropriations into the VA/HUD bill, with modifications to strike the unacceptable Missouri River rider and to add \$22 million for five unrequested water projects.

Treasury/General Government: The conference bill, which passed in the House and Senate but has not yet arrived at the White House, provides nearly \$2.3 billion above the FY 2000 enacted level and adds \$1.6 billion to the House level. The bill provides \$8.9 billion for IRS operations and modernization (\$400 million above the House and 8 percent above FY 2000) and \$123 million for National Security activities (only \$4 million provided in the House), including much of your counter-terrorism initiative. The bill fully funds your requests for presidential transition and unanticipated needs, both of which were zeroed out in the House. Also, the bill provides first-time funding for Treasury First Accounts and for the Puerto Rico statehood referendum.

The bill drops two highly objectionable language provisions – one prohibiting implementation of a contractor responsibility rule and another prohibiting implementation of your Smith and Wesson agreement. The bill also allows you to provide a 3.7 percent January 2001 pay raise and does not block a Member pay raise.

D.C.: Conference action produced a bill that provides \$445 million, roughly equal to the request. It fully funds the New York Avenue Metro economic development project, and allows us to begin brownfields remediation at Poplar Point. Compromise language was agreed to concerning the Needle Exchange program, which permits six privately funded needle exchange centers to stay open and another four centers that are within 1,000 feet of a school to either close or relocate.

Agriculture: Expected to pass the Senate next Wednesday, the conference report includes \$15.2 billion -- \$200 million below the request, but \$600 above million the House bill. The bill includes \$4.5 billion for emergency agriculture disaster assistance, and a \$1.5 billion increase for the Food Stamp program, which allows for an increase in the car and housing allowances used to calculate food stamp eligibility. As you know, the bill includes objectionable drug reimportation and Cuba sanctions provisions.

As noted earlier, the three major outstanding bills are Labor/HHS/Education, Commerce/Justice/ State, and Foreign Operations.

Labor/HHS/Education: While the conference agreement provides \$108.9 billion, \$3.6 billion above your request, a number of important programs are either not or inadequately funded. In addition, there are a number of objectionable riders, such as a prohibition on implementing a regulation to address workplace-related injuries arising from overexertion or repetitive motion, and one requiring that any funds in the Act used for school construction not be subject to Davis-Bacon requirements. It also includes a Medicare lockbox provision not consistent with your proposal. The agreement fails to specifically fund school construction or class size, and does not include your school construction tax credit proposal. Finally, it underfunds a broad range of important programs such as Title I education accountability, Teaching to High Standards, after-school care, and dislocated workers.

Commerce/Justice/State: We have had very productive meetings with the Chairmen and Ranking Members, which should result in a level of funding at approximately \$37.5 billion -- over \$3 billion above the Senate bill, \$2 billion above the House bill, and 10 percent above the FY 2000 enacted level. Included in these tentative discussions are full funding for UN peacekeeping and a significant increase for COPS and Legal Services Corporation. We are also working with the CARA coalition to secure funding for the Commerce piece of your Lands Legacy initiative, which is of particular interest to Sen. Landrieu. These agreements are contingent on ongoing discussions with the leadership on issues related to immigration (NCARA), hate crimes, Violent Crime Reduction Trust Fund extension, and tobacco litigation funding. Until these issues are resolved, there is an agreement not to discuss publicly the agreed to funding levels described above.

Foreign Operations: Staff discussions have produced tentative agreement on a \$14.9 billion package. While this is \$800 million below your proposed level, it is \$1.8 billion above the House bill and, on a tentative basis, includes full HIPC funding. We understand, though, that there are several areas with funding problems, including GEF and Family Planning. Also, HIPC funding may be made contingent on negotiations over the Mexico City policy, on which there currently is no agreement.

10-16-00

THE WHITE HOUSE

WASHINGTON

October 13, 2000

ME

FRC

ESIDENT

SUBJECT: Pardon/Commutation Recommendations

Attached are three Nolan/Lindsey/Cabe memos that recommend: 1) granting a pardon request for 7 petitioners; 2) granting a commutation request for 1 petitioner; and 3) denying requests for 117 petitioners. See attached memos for detail on individual cases.

1) Favorable Pardon Recommendations

Counsel's office forwards DOJ's recommendation that you grant pardons after conviction sentence for 7 petitioners. Counsel's office notes that in the seventh case, that of V. Casto, III, the Pardon Attorney recommends granting the pardon but the Deputy Attorney General does not agree.

Grant ☒

Deny ☐

Discuss ☐

2) Favorable Commutation Recommendation

Petitioner Vicki Lopez-Lukis and her husband were indicted on 10 counts each of bribery-related charges, including 1 mail fraud count. They were tried together; Mr. Lukis was acquitted of all charges. Petitioner was acquitted of all counts but the mail fraud charge; she was sentenced to 27 months' imprisonment and 2 years of supervised release. She has served roughly 1 year of her sentence. Her conviction has been affirmed on appeal; the Supreme Court has denied cert.

She was convicted of mail fraud for depriving citizens of their "intangible right to [her] honest services" in her official capacity as a Lee County Commissioner. At trial, the defense requested a jury instruction to make clear that "honest services" refer to dishonest conduct in her official capacity, not mere dishonesty. The request was denied. It appears from press interviews conducted after trial that the jury was confused by the "honest services" mail fraud charge, and may have convicted Lopez-Lukis for mere dishonesty -- for lying to the press and public to conceal her relationship with Mr. Lukis, a Washington-based lobbyist who was then married to another woman. She was acquitted of all bribery charges. Counsel's office recommends you commute her sentence to time served, leaving intact the period of supervised release.

Grant ☒

Deny ☐

Discuss ☐

3) Recommended Denial of Commutation

DOJ has recommended against commuting sentences/remitting fines of 117 petitioners. After review, Counsel's office recommends that denial is appropriate. They will transmit your denial unless you indicate you would like additional information for any of the cases listed. For your information, two petitioners are from Arkansas: Carol Elaine Harbin, Benito Naito Gastelum.

Deny ☒

(recommended)

Grant ☐

Discuss ☐

OK - Still works
Cin too many denials
of pardon to me

Copied
Nolan
Lindsey
Cabe
Podesta

10-16-00

THE WHITE HOUSE

WASHINGTON

October 13, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: LISEL LOY *LL*

SUBJECT: Pardon/Commutation Recommendations

Attached are three Nolan/Lindsey/Cabe memos that recommend: 1) granting a pardon request for 7 petitioners; 2) granting a commutation request for 1 petitioner; and 3) denying commutation requests for 117 petitioners. *See attached memos for detail on individual cases.*

1) Favorable Pardon Recommendations

Counsel's office forwards DOJ's recommendation that you grant pardons after completion of sentence for 7 petitioners. Counsel's office notes that in the seventh case, that of William Oshel Casto, III, the Pardon Attorney recommends granting the pardon but the Deputy Attorney General does not agree.

Grant ☒ Deny ☐ Discuss ☐

2) Favorable Commutation Recommendation

Petitioner Vicki Lopez-Lukis and her husband were indicted on 10 counts each of bribery-related charges, including 1 mail fraud count. They were tried together; Mr. Lukis was acquitted of all charges. Petitioner was acquitted of all counts but the mail fraud charge; she was sentenced to 27 months' imprisonment and 2 years of supervised release. She has served roughly 1 year of her sentence. Her conviction has been affirmed on appeal; the Supreme Court has denied cert.

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Grant ☒ Deny ☐ Discuss ☐

3) Recommended Denial of Commutation

DOJ has recommended against commuting sentences/remitting fines of 117 petitioners. After review, Counsel's office recommends that denial is appropriate. They will transmit your denial unless you indicate you would like additional information for any of the cases listed. For your information, two petitioners are from Arkansas: Carol Elaine Harbin, Benito Naito Gastelum.

Deny ☒ (recommended) Grant ☐ Discuss ☐

*OK - Still works
of Cite for many denied
of Pardon to her*

THE WHITE HOUSE

WASHINGTON

October 5, 2000

'00 OCT 6 PM 12:36

MEMORANDUM FOR THE PRESIDENT

FROM: BETH NOLAN *BN*
BRUCE LINDSEY
MEREDITH CABE

SUBJECT: Favorable Pardon Recommendations

We have received the Justice Department's recommendations in favor of granting pardons after completion of sentence for the 7 petitioners listed below. We have noted that, in one case, the Pardon Attorney recommends pardon, but the Deputy Attorney General does not agree.

- I. In each of the cases listed below, the Deputy Attorney General recommends that you grant the petitions for pardon.

NAME/DISTRICT	OFFENSE	RATIONALE
Cheryl Ada Elizabeth Little S.D. Florida (1978) Age: 53	Conspiracy with intent to distribute a controlled substance (at the request of friend, facilitated a drug transaction involving 4 kilograms of cocaine). Sentenced to 66 months' imprisonment (released in 1980, after 24 months) and three years' special parole (discharged early).	Outstanding achievements since conviction (earned undergraduate and law degrees; has become a recognized expert on immigration law, co-founding the Florida Immigrant Advocacy Center in Miami; has received numerous awards for her public service and human rights work); extensive involvement in community; extremely favorable character recommendations; expresses remorse; as a Canadian citizen, seeks pardon to resolve immigration and travel concerns; U.S. Attorney and probation officer recommend pardon, sentencing judge does not object.

Donald Demerest Hall D. Delaware (1974) Age: 56	Misapplication of funds by a bank employee (embezzled \$6,550 dollars from a bank by loaning himself money on four occasions using false names and non-existent collateral). Sentenced to three years' probation (terminated early).	Offense isolated event in otherwise law-abiding and productive life; petitioner has overcome gambling addiction that motivated offense; admitted offense when discovered; now active in church and community; very favorable character and employment references; expresses genuine remorse; seeks pardon for forgiveness; U.S. Attorney and sentencing judge do not object to pardon.
Joe Clint McMillan M.D. North Carolina (1992) Age: 67	Conspiracy to violate the Sherman Antitrust Act (as a division manager for a dairy company, submitted rigged bids to public school districts for milk contracts). Sentenced to three years' probation, conditioned upon completing six months' confinement in a community corrections center and performing 300 hours of community service (discharged early from probation).	Offense appears to be an aberration in an otherwise law-abiding life, mitigated by minor role and threat of termination; did not personally profit from scheme; cooperated with authorities in investigation, and was fired for cooperation; involved in community; very favorable character recommendations; service in U.S. Marine Corps; expresses remorse; seeks pardon for forgiveness; sentencing judge and probation officer do not object.
Jeralyn Kay Rust D. Minnesota (1990) Age: 33	Wire fraud (while posing as a driver, helped co-defendant defraud a trucking company by obtaining payments for delivery of non-existent loads). Sentenced to six months' incarceration with work release privileges and two years' supervised release.	Offense, committed when young (23), an aberration in otherwise law-abiding life; cooperated with authorities when discovered; very favorable character and employment references; expresses remorse; seeks pardon to be commissioned as a notary and to obtain license as a securities dealer; sentencing judge and probation officer recommend pardon.

Jane Marie Schoffstall (fka Jane Marie Zeman) S.D. California (1989) Age: 35	Possession of a controlled substance (methamphetamine) with intent to distribute (DEA agents found 190 milligrams in her purse in a raid of her boyfriend's condo, where he operated a methamphetamine laboratory). Sentenced to six months' imprisonment and three years' supervised release (terminated early).	Offense attributed in part to a drug problem she has since overcome; has lived a law-abiding and productive life since conviction (earning a college degree); no evidence she participated in manufacturing or distribution of drug; favorable character and employment references; expresses remorse; seeks pardon to obtain license as a social services professional; sentencing judge does not object to pardon.
William Calvin Smith, Jr. E.D. Pennsylvania (1970) Age: 49	Interstate transportation of a stolen motor vehicle (at age 18, stole a car with a friend and drove across state lines to visit friend's relatives). Sentenced for treatment and supervision for up to six years (pursuant to the Federal Youth Corrections Act).	Offense, committed during a troubled youth, appears to be the result of an unstable upbringing and a substance abuse problem; since overcoming substance abuse problem in 1983, has become a law-abiding and stable citizen; favorable character recommendations; expresses remorse; seeks pardon for forgiveness, to vote, and to hunt with sons (earlier state conviction may still bar restoration of these rights; petitioner has applied for state pardon).

- II. In the following case, the Pardon Attorney recommends pardon, but the Deputy Attorney General does not agree.

William Oshel Casto, III E.D. Wisconsin (1984) Age: 54	Embezzlement by a bank employee (as assistant vice-president and branch manager for bank, embezzled approx. \$18,000). Sentenced to two months in jail and two years' probation (terminated early).	Cooperated with bank and authorities when discovered; offense appears to be an aberration in an otherwise law-abiding and productive life; very favorable character and professional recommendations; involved in community; expresses genuine remorse; seeks pardon as a sign of forgiveness, to minimize embarrassment his conviction may have on charitable organizations he is associated with, to facilitate his ability to purchase a share in a cellular telephone company, and to facilitate his ability to run for local political office (he is not, however, legally barred from seeking office).
---	--	--

DECISION:

GRANT: _____

DENY: _____

DISCUSS: _____

THE WHITE HOUSE
WASHINGTON

October 5, 2000

00 00: 6 PM 12:37

MEMORANDUM FOR THE PRESIDENT

FROM: BETH NOLAN *BN*
BRUCE LINDSEY
MEREDITH CABBETT *MC*

SUBJECT: Commutation Request of Vicki Lopez-Lukis

I. Offense and Procedural History

Petitioner and her husband, Sylvester Lukis, were indicted on ten counts each of bribery-related charges, including one count of mail fraud. The two were tried together. Mr. Lukis was acquitted of all charges. Petitioner was acquitted on all counts but one, the mail fraud charge. She was sentenced to 27 months' imprisonment and two years of supervised release. She has served approximately one year of her sentence. Her conviction has been affirmed on direct appeal, and the Supreme Court has denied certiorari.

II. Statement of Facts

Mrs. Lopez-Lukis's conviction arose from a series of financial gifts Mr. Lukis, a lobbyist, made to her when she served on the Lee County Board of Commissioners in Florida ["the Board"]. At the time of Mr. Lukis's gifts to petitioner, they were not married, but were involved in an intimate relationship. Mr. Lukis was a Washington-based lobbyist who was then married to another woman, and he and petitioner therefore went to great lengths to conceal their relationship.

The prosecution claimed that the financial gifts (totaling \$4,032) were bribes to secure petitioner's support as commissioner for two of Mr. Lukis's clients: Ogden Projects, Inc., a New-Jersey-based builder of waste-to-energy trash incinerators, and Goldman Sachs. Petitioner and Mr. Lukis explained that the payments were reimbursements for expenses petitioner incurred during their relationship, including long-distance phone calls and a security deposit on an apartment they shared when Mr. Lukis was in Florida. At trial, they disputed the claims that the payments influenced petitioner's official actions, noting that petitioner's voting record both helped and hurt Mr. Lukis's clients.¹

¹ The defense pointed out that, with respect to every vote petitioner cast that even arguably benefited Ogden or Goldman Sachs, the Board as a whole also voted in favor of Mr. Lukis's clients unanimously or by a supermajority. The only time petitioner's vote was decisive, she voted contrary to the interests of Mr. Lukis's client.

One of the bases of the mail fraud charge was a questionnaire, sent to petitioner by a newspaper reporter, asking her several questions about her relationship with Mr. Lukis. Petitioner repeatedly denied the affair in her responses. She mailed those responses to the reporter and to Goldman Sachs.

As further evidence of a scheme between petitioner and Mr. Lukis to benefit his clients, the prosecution presented a videotape that showed Susan Anthony, an anti-incinerator candidate for the Board of Commissioners, engaged in a extramarital affair with Bruce Strayhorn, whom petitioner was also dating at the time (petitioner and Mr. Lukis were then estranged). The tape had been made by a private investigator at the direction of Mr. Lukis, who, despondent over the breakup with petitioner, was attempting to find out whether she had resumed seeing Mr. Strayhorn. The private investigator videotaped Strayhorn with petitioner, but also caught and videotaped Strayhorn in a romantic encounter with Ms. Anthony. When petitioner learned from Mr. Lukis of Strayhorn's relationship with Ms. Anthony and of the videotape, she told Strayhorn that if Anthony did not drop out of the race for the Board of Commissioners, she would release the tape to the media. Petitioner told Strayhorn that she would not sit on the Board with Anthony; that she would destroy Strayhorn's reputation, family and clients; and that the tape would destroy Anthony's reputation and marriage. Anthony did not drop out of the election and petitioner and Mr. Lukis distributed the videotape to the media.² At the time of the incident, petitioner lied to various friends, business associates and reporters about her role in the distribution of the videotape. At trial, petitioner admitted her role in the incident, but explained that she acted out of anger towards Strayhorn, whom she believed had betrayed her by carrying on an affair with Anthony.

The defense moved before trial to exclude evidence relating to the videotape, arguing the incident was irrelevant to "honest services" mail fraud. The District Court agreed, concluding that the incident did not involve Lopez-Lukis's official duties as county commissioner. On interlocutory appeal, however, the Eleventh Circuit reversed, holding that her actions could be interpreted as an attempt to control the composition of the Board.

III. Grounds for Clemency

Petitioner was acquitted on all bribery charges, and was convicted of one count of mail fraud, for depriving the citizens of Lee County of their "intangible right to [petitioner's] honest services" in her official capacity as Commissioner. At trial, the defense requested a jury instruction that would make clear that the "honest services" charge did not refer to mere dishonesty – such as petitioner's lying to the press and the public about her relationship with Mr. Lukis – but rather to dishonest conduct in her official capacity as a member of the Board of Commissioners. The request was denied.

After trial, press interviews of jurors suggested the jury was in fact confused by the "honest services" mail fraud charge as explained in the prosecution's closing argument and in the jury instructions they received. One juror said, "the state did not prove the bribery charges at all," and that the jury convicted petitioner of the "honest services" charge because "[I]t was the

² Anthony lost the election in a run-off.

only indictment we had proof of . . . She lied in the questions she filled out for a news reporter.”³ Another juror said, “[w]e couldn’t find one iota of proof that a crime was committed. . . . We had one juror that said she must be guilty of something or they wouldn’t have gone to all this trouble. [The jury] would have been hung, so we found she lied to some reporter based on something she mailed.”⁴ It was also reported that juror said, “there was confusion among the jurors as to the elements of the charge.”⁵ One juror later attempted to speak to the judge, to explain the jury had misunderstood the charge. He later wrote, “there was not one shred of evidence to prove she was guilty of these crimes. . . . The jury settled for mail fraud because we believed that such a crime would be punishable by a small fine of \$100 or less and we wouldn’t hang the jury and we would be able to go home for the weekend. . . . I’m sorry I gave in.”⁶ The judge did not speak with the juror, and denied defense requests to interview the jury.

IV. Recommendation

It appears, based upon the jurors’ statements after the trial, that the jury was confused by the “honest services” mail fraud charge, and may have convicted her for mere dishonesty in concealing her relationship with Mr. Lukis. She should not have been convicted of the mail fraud charge unless the jury found that she had, in carrying out her official duties, deprived the citizens of Lee County to their right to her “honest services.” The jury failed to convict her (and Mr. Lukis) of any of the bribery charges, apparently unpersuaded that she and Mr. Lukis had developed a scheme through which she was influenced in her official actions as Commissioner by gifts from Mr. Lukis.

We therefore recommend that you commute her sentence to time served, leaving intact the period of supervised release.

DECISION:

GRANT: _____

DENY: _____

DISCUSS: _____

³ Mike Brassfield, Lopez-Lukis Verdict – Prosecution Fails to Prove Bribery, News-Press, Fort Myers Edition, April 17, 1997.

⁴ Charlie Whitehead, Lukis Juror Says Guilty Verdict Was a Mistake, Naples Daily News, November 15, 1997.

⁵ Peter Franceschina, Former Commissioner Sentenced for Fraud, News-Press, Fort Myers Edition, November 15, 1997.

⁶ Arthur Hohmann, Letter to the Editor, News-Press, Fort Myers Edition.

THE WHITE HOUSE

WASHINGTON

October 5, 2000

MEMORANDUM FOR THE PRESIDENT

FROM:

BETH NOLAN *Bm*

BRUCE LINDSEY

MEREDITH CABE *mc*

SUBJECT:

Recommended Denial of Commutation of Sentence Requests

We have received the Justice Department's recommendations against commuting the sentences and/or remitting the fines of the petitioners listed below. After a review of the Department's memoranda concerning these cases, we have concluded that denial of these petitions is appropriate.

We will transmit your denial of the petitioners' requests for commutation of sentence and/or remission of fines in the following 117 cases unless you indicate that you want additional information on any of the cases listed. For your information, two are from Arkansas: Carol Elaine Harbin and Benito Naito Gastelum.

Name

State

Hector J. Alvarez

Florida

Gabriel Alvarez-Llano

Florida

Curtis Bernard Anthony

Georgia

Ruben Dario Arroyave-Cuertas

Florida

Gilbert Cantu Ayala

Texas

Franklyn Earl Bannerman

Virginia

Jeffrey Alen Bell

Georgia

Beatrice Dell Bentley

California

Felipe Bernal

Puerto Rico

Bobby Ray Black

North Carolina

Jacqueline Brown

Florida

Lawrence J. Budenz

Ohio

Dario Camacho

California

Charles L. Cartwright

Pennsylvania

Ramon Francisco Castellanos

Illinois

Cheung Yau Cheng
Wayne Alexander Clarke
Rickey Dean Claybrooks
Robert Lazaro Coalla
Gary Colon-Morales

Rosalva Cuellar
William Lenard Cunningham

Richard DeCaro
William S. Demboski
Ramon Elias Duque

Gloria P. Echeverri
Bedford Eugene Farmer
Allen Fields, Jr.
Elismene Felix
Jose Rogelio Franco
aka Jose Franco Bedoya

Stevie Joe Freeman
Benito Naito Gastelum
John A. Gatto
Johnny Montoya Gonzales
Edgar Graciani
aka Edgar Graciani Gonzales

Guillermo Gutierrez
Alex Hamilton, Jr.
Glenn T. Hampton
Weston Charles Hansen
Carol Elaine Harbin

Melvin Hayslett
John Thomas Haun
Joshua Michael Hurst
Stephen Brent Himes
Reina Infante

Reginald Ivy
Carlos Jacob-Sanchez
William Joseph Johnson
Ruben Joseph

Illinois
West Virginia
Illinois
Alabama
Florida

Texas
Missouri
California
Missouri
Ohio
Florida

Florida
Virginia
Louisiana
Florida
Texas

Georgia
Arkansas
Pennsylvania
Texas
Puerto Rico

Florida
Louisiana
Louisiana
Utah
Arkansas

Tennessee
Tennessee
Alaska
Maryland
Virginia

Missouri
Pennsylvania
Kansas
Massachusetts

Mary Marcia Knight

Texas

James Keplinger

Pennsylvania

Jack Gifford Kern

Maryland

Keith Alan Kirk

North Carolina

Benjamin Gabriel Klinger

California

James Jacob Kubber, Jr.

Florida

Anthony Jacquez LaMarr

Virginia

Lawrence Marcel Lanoue

Rhode Island

Tyrone Lee

Virginia

Robert Charleston Lloyd

Virginia

Bobby Dean Logsdon

Oklahoma

Juan Eugenio Lorenzi-Padilla

Puerto Rico

Arthur Lewis Mallard

Alabama

Maurice L. Mallory

Virginia

Herman McGee

Missouri

Christopher Lee McMichael

Ohio

Edward Leon Miller

North Carolina

Harold Minguez

Florida

Cynthia Lou Mizell

Texas

Feliciano Munoz

Texas

Ivan Niebles

Florida

Matthew Enoyoje Onaghise

California

Alejandro Ospina

New Jersey

Maria Christina Page

Arizona

Louis Parise

Pennsylvania

Doug Parrett

Colorado

James L. Pelzer

Michigan

Manuel Agustin Perez-Vera

Florida

Geryle Eugene Peterson

Texas

Alton Alexander Phillip

Puerto Rico

Jessie Phillips

Illinois

John Carlos Puyo-Alvarez

Florida

Domingo Quesada

Florida

Milton Rand

Ohio

Billie Clem Rae

District of Columbia

Lydia Kennedy Rita

Texas

Derrick Rivers
Paul Leonard Rogers
Gregory Matthew Rose
Reginald Lamar Rush
James Joseph Sacerich

Georgia
District of Columbia
Nevada
Illinois
Indiana

Fidel Silva
Gary Michael Scott
Wayne Joseph Scott
Sushil C. Sharma
Linda Ann Shull

Texas
Florida
Florida
Pennsylvania
Nebraska

Richard Burton Simmons
Horace David Simmons, Jr.
Manuel Solis
Jorge Rafael Soto
James Dale Spencer

Georgia
Florida
California
Texas
Georgia

Ronnie Lee Tape
Corinthian Andrew Thompson
Charles Edward Tillman
Randall Douglas Tomlinson
Roger Lane Topper

Florida
Maryland
Ohio
Nebraska
North Carolina

Delfin Eduardo Toro-Pelaez
Sandra Trevino
Gerald Coleman Tyler
Miguel Adolf Valdez-Pacheco
Brian Vandolah

Kansas
Texas
Maryland
Oregon
Wisconsin

Vena L. Vines-Taylor
Harry Vivas-Oviedo
James Vernon Waller
John Russell Ward
Renee Withers

Texas
New Jersey
Virginia
Virginia
Virginia

Scott Alexander Wittich
Daisy Zea

California
New York

DECISION:

DENY:

GRANT:

DISCUSS:

THE DEPUTY SECRETARY OF STATE

'00 SEP 29 AM 9:58

Thursday, September 28, 2000

Dear Betty:

First, thanks so much for getting me on the phone with POTUS earlier today. Among other things, I spoke to him about this letter. It apparently never reached him before (or at least he doesn't remember it). He indicated an interest in this invitation/proposal. Would you be kind enough to bring it to his personal attention?

All the best, and thanks again.



POTUS
has seen,
for information
only
sent to
scheduling for
reply (standard)
cc: NH



The Rhodes Trust
RHODES HOUSE OXFORD OX1 3RG

From the Warden
Dr J S Rowett

Telephone: 01865 270902 Fax: 01865 270914
Email: john.rowett@rhodeshouse.ox.ac.uk

9 August 2000

President WJ Clinton
The White House
1600 Pennsylvania Ave NW
Washington DC 20500 001
United States of America

I hope that you will forgive a second letter on the business of the Rhodes Trust following so soon after my earlier one inviting you to open the new Rothermere American Institute in the summer of 2001. It remains our wish to explore both the possibilities of developing connections between the new institute, Rhodes House and your own presidential library and, more specifically, the possibility of you giving a major lecture at Rhodes House at a time convenient to you.

This letter has, however, a different purpose. We are moving ahead in our planning, both for the Centenary events in South Africa in 2002 and in England in 2003, and for the initiatives that the Trust will be launching, first in support of South Africa and Africa more generally, and then in support of the other Rhodes constituencies in the developing world.

It is hoped that the Centenary celebrations in England in June 2003, to which all Rhodes Scholars will be invited, will begin in London with an event at Buckingham Palace. There will be other events in London, followed by two days of events in Oxford. In particular, there will be a major occasion in the Sheldonian and a Gala dinner to be given by the Trustees. It is our hope that you would agree to be the principal speaker on behalf of the Rhodes community, either at the dinner or in the Sheldonian. It would obviously be a matter of great pleasure to many were you able to accept this invitation. As you will appreciate, we need to begin now the advanced planning for these events, hence our wish to ascertain whether you would be minded to accept this invitation.

/cont'd

TRUSTEES

Sir Richard Southwood (Chairman), Lord Waldegrave, Dr C R Lucas,
Professor R J O'Neill, Mrs R L Decch, Sir John Kerr, Miss R Hedley-Miller, Lord Fellowes.

2/

The Centenary will also be marked by a refocusing of the charitable benefactions of the Trust on South Africa and on the developing world. The Trust already makes benefactions in South Africa and Africa more generally, but we intend to increase significantly the scale of our benefactions and to develop partnerships with other foundations, with the private sector and with individual philanthropists in support in the first instance of South Africa. We believe that now is the time to redouble the commitment to South Africa to aid the process of transformation, the success of which is of crucial importance not only to the continent but to the whole global community.

Three initiatives will be launched in South Africa in 2002. The first will focus on law. We shall create with another foundation, and with the South Africa Constitutional Court, the major human rights library for South Africa itself and for the continent as a whole. We shall also seek to strengthen the institutions of law by working with the Legal Resources Centre to fund scholarships to create a new generation of public interest lawyers, and to extend legal aid to those denied it hitherto.

Secondly, we shall significantly extend our existing bursary schemes at South African universities once the shape of the new system of higher education is clear. The aim will be to help South Africa "to grow its own timber" by creating a major bursary scheme that will enable able but financially constrained South Africans to attend university. Discussions have already taken place with a number of South African Vice-Chancellors on the implementation of this scheme. A new capital fund of £10 million (100 million Rand) will be created to support these bursaries. For the first time, we shall be appealing to the world-wide community of Rhodes Scholars for support for a project of the Trust.

Our third initiative will create a new fellowship scheme for South Africa, Africa generally, the Commonwealth Caribbean, and the Indian sub-continent. This scheme will focus on medicine and certain projects in the humanities. The fellows will be under the age of 35 and will be chosen as potential leaders in their fields. The fellowships will be for one year, to be taken in three or four tranches over a five-year period. They will be held not only in Oxford but at universities in the Commonwealth and in the United States. Over the past six months, I have been able to reach agreement with a significant number of the major research universities to support this scheme. The internet will play an crucial role in maintaining relationships between the fellows and the network of institutions with which they will be involved. The emphasis of the scheme will be on the acquisition of those skills and techniques that will be immediately transferable to the developing world and on the training of those who will become the trainers in their own countries, so producing a multiplier effect of the original investment. A pilot scheme is now being developed in paediatrics.

During my visits to South Africa, I have held discussions with the head of the Mandela Foundation, Professor Jakes Herwel. He has agreed to support our proposal that the new fellowships and the bursaries in South Africa should be named Mandela-Rhodes.

/cont'd

3/

Although the association may at first sight arouse surprise, we see such a naming as a way of closing the circle of history and using symbolism to advance the process of reconciliation in the manner which President Mandela has made so much the hallmark of the past decade. A formal approach to President Mandela will be made shortly.

Discussions with our American Secretary, Elliot Gerson, and with Taylor Branch and Kurt Schmoke have led to this further letter to you. My hope is that after November you will be willing to support these initiatives of the Trust and indeed to speak on their behalf, given your own commitment to South Africa and to strategies designed to enhance development and social justice.

I shall be in the United States between August 10th and 24th and again in the week beginning 25th September, staying with Elliot and Amy Gerson on both occasions. I realise the extraordinary demands on your time, but if it were possible to arrange a meeting to ascertain your response to these proposals I should be extremely grateful.

cc: Mr Taylor Branch
Mr E F Gerson
The Hon Kurt Schmoke

Carrie A. Street

10/09/2000 11:04:49 AM

Record Type: Record

To: Carolyn E. Cleveland/WHO/EOP@EOP

cc:

Subject: Rhodes Trust letter

Hi Carol -

Sorry I'm just now getting back to you. I was out on Friday. Julie Anderson from OPL was going to contact/meet with the Rhodes Scholars who were visiting at the end of September. There's also a request from Dr. J.S. Rowett (which is probably the letter you're referring to) requesting the President attend the centenary events in South Africa in 2002 and in England in 2003, as well as some other post-presidency requests. We haven't sent a letter yet, but I have contacted Mr. Branch who was cc'd on the letter to try to get some more info. I will send Dr. Rowett our standard post-presidency letter which basically says, "you'll be contacted as more info becomes available regarding the President's post-presidency schedule...."

I hope this is helpful,
Carrie
x65487

9/30/00

How do you want
to handle?

Send to Heinreich?
Yes ☒
"o" ☐

WEEKLY REPORT FOR THE WEEK ENDING
OCTOBER 13, 2000


10-16-00

TAB A - copied Baily, Podesta
copied page 1 to Sperling, Berger, Brady Anderson
copied page 5 to Sperling, Jennings

TAB C - copied Sperling, Podesta

TAB D - copied Chow, Podesta

TAB E - copied Frampton, Podesta

TAB F - copied Ballentine, Podesta
copied page 2 to Legislative Affairs for Reply

TAB G - copied Lane, Podesta

TAB H - copied Ibarra, Podesta
copied page 2 to Cohen for Reply

TAB I - copied marshall, Balderston, Podesta

TAB K - copied Brain, Podesta
copied page 2 to Loy

TAB L - copied Cahill, Podesta

TAB N - copied Cutler, Frampton, Podesta

TAB P - copied Moore, Podesta

10-14-00

WEEKLY REPORTS

for the

Week Ending

October 13, 2000

October 14, 2000

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) **Weekly Economic Briefing**
- (B) **Update on Global Markets/
Interest Rates and Stock Prices**
- (C) **NEC**
- (D) **DPC**
- (E) **CEQ**
- (F) **Office of Environmental Initiatives**
- (G) **OSTP**
- (H) **Intergovernmental**
- (I) **Cabinet Affairs**
- (J) **Communications**
- (K) **Legislative Affairs**
- (L) **Public Liaison**
- (M) **Initiative for One America**
- (N) **Indian Affairs**
- (O) **Special Envoy for the Americas**
- (P) **Political Affairs**

Lisel Loy

10.16.00

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

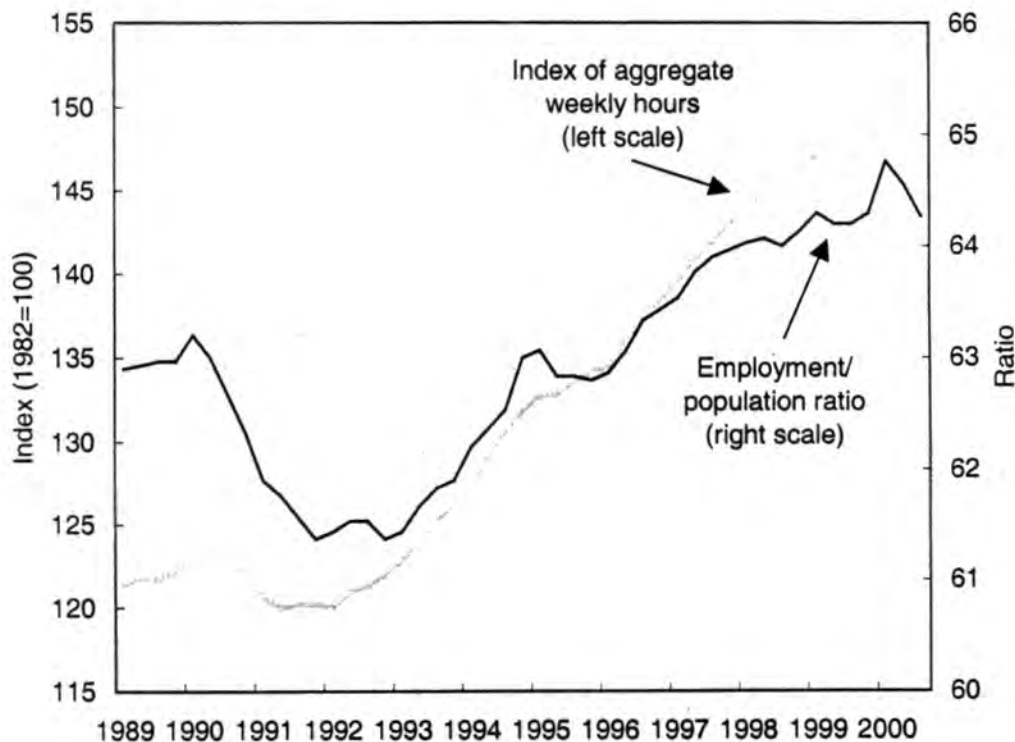
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

October 13, 2000

*Copied
Bailey
Podesta*

CHART OF THE WEEK

Hours Worked and the Employment/Population Ratio



After growing strongly for much of the expansion, aggregate hours worked slowed substantially this year. Growth in the fraction of the working-age population that is employed has also slowed as the expansion has matured. With labor markets as tight as they are, opportunities for further growth from labor inputs (beyond population growth) are limited.

CONTENTS

SPECIAL ANALYSIS

Closing the International Digital Divide.....	1
Links between Regulatory and Technological Innovation	3

ARTICLE

Why Are Health Insurance Premiums Rising So Fast?	5
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DEPARTMENTS

Business, Consumer, and Regional Roundup.....	7
International Roundup	8
Releases	9
U.S. Economic Statistics	10
Financial and International Statistics	11



"He's all I could get through my HMO."

Spierling
Berger
Brady Anderson

Closing the International Digital Divide

Good
cc Sunday
cc Bundy
cc Anderson

B.A.D. financing
any? then?
probably could get
Amer. cos. to
provide - great
idea -

...

It takes more than a market. The fact that IT investment can be a significant contributor to economic development does not mean that such investment will occur naturally through market forces in less developed countries. Besides the problems associated with an underdeveloped basic telecommunications infrastructure, many countries do not yet have in place a pro-competitive, deregulatory policy regime where the rule of law, adequate privacy protection, and secure transactions could allow e-commerce to flourish. Moreover, information and communications technology is likely to be prohibitively expensive for most users in developing countries, discouraging providers from entering the market. Creative financing like the micro-credit that allows a one-woman-cell-phone-operating company in Bangladesh to be profitable can help

overcome these costs, but users in developing countries cannot make optimal use of IT without the right training and skills. Finally, applications of IT that are successful in developed countries may not be ideally suited to developing countries where bandwidth, English proficiency, and literacy are limited.

Policy implications. Market forces will ultimately provide the dynamism to drive IT investment, and governments in developing countries bear the main responsibility for creating a policy environment in which IT can flourish. But appropriate assistance such as the Internet for Economic Development Initiative and the DOT*force* established by the G-8 at the Okinawa summit can provide targeted assistance to help with policy development, human capacity building, and brokering private-public partnerships to diffuse IT. Progress in addressing these barriers is critical if the international digital divide that is already emerging is not to widen further.

SPECIAL ANALYSIS

Links between Regulatory and Technological Innovation

The use of market-based mechanisms to regulate power plant pollution has been widely hailed as a success because it has given electric utilities the flexibility to find the least costly ways of meeting pollution control requirements. Less appreciated, perhaps, is the role of monitoring technologies and information systems in making emissions trading systems feasible. The regulatory innovation of emissions trading markets brought competitive pressures and clear price signals to corporate decisionmaking about pollution control, and the resulting use of technology has been good for both the environment and the bottom line.

Gains from trade. Until the introduction of tradable emissions markets for SO₂ in 1994, the majority of air pollution regulation of utilities was done by mandating specific control technologies or maximum rates of emissions per unit of electricity output. The emissions market, by contrast, gave utilities the incentive to find the least-cost method of meeting their emissions reduction requirements. Firms that can reduce their emissions by more than their individual requirement can sell the additional reductions to other utilities. The savings from encouraging least-cost emissions reductions have been estimated at \$20 billion (in 1995 dollars) over the 1995-2007 period.

Advances in monitoring technology. Unlike regulations that mandate specific actions or technologies, emissions markets cannot work without precise and verifiable measurement of all emissions covered by the market. Such measurement is achieved using continuous emissions monitors (CEMs) on each power plant stack, which measure and record emissions data that is then transmitted to the Environmental Protection Agency. The accuracy and reliability of these devices has improved dramatically through innovation in the computer hardware and software that interprets, records, and disseminates the data collected by individual probes in utility stacks. The resulting ability to measure SO₂ emissions from utilities precisely and affordably and to collect, process, and make that information available to the public accurately and quickly has benefited both EPA and the environmental groups that monitor the system for integrity. It has also helped utilities forecast the market conditions for emissions allowances.

Advances in trading technology. Advances in information technology have also been important for the development of the emissions permit market itself. EPA's allowance tracking system has made transactions data publicly available on the Internet daily, while private brokers make current price information available through the Internet within a short time of transactions being completed. This system has also allowed public scrutiny of all parts of the system for verification that environmental objectives have been met.

Advances in emissions reduction technology. The fact that reductions in emissions can be translated directly into cost savings has spurred the innovative

use of technology. Experiments in precise, subtle control of utility boilers spurred in large part by the high expected cost of NO_x allowances has resulted in the development of new analytical and operations software for these technologies. These controls prevent NO_x from forming during combustion; one recent study found that the cost of meeting a stringent level of control is only one-eighth of the cost of using conventional technologies that work by scrubbing pollutants out after they are formed. The removal of NO_x at very low additional engineering costs substantially reduces the anticipated cost of compliance with regulatory requirements.

Conclusion. The ability to measure emissions more cheaply and accurately has helped make emissions trading a successful pollution control strategy. Advances in information technology have improved the accuracy, reliability, and availability of information about emissions by source and about the prices of permits. At the same time, the development of a successful emissions trading market has spurred innovation in emissions reduction technologies themselves.

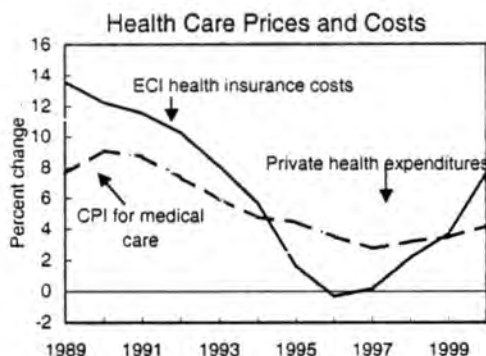
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implications of this?
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ARTICLE

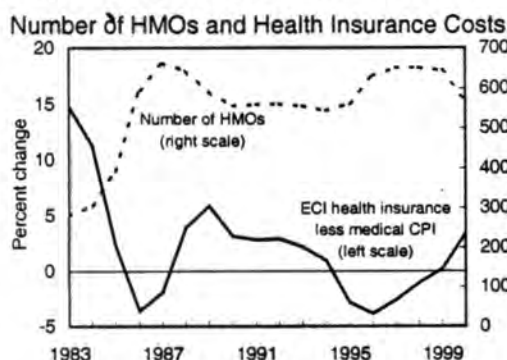
Why Are Health Insurance Premiums Rising So Fast?

Sharply rising health insurance premiums are starting to make news again, after a period of relatively modest increases. Three main factors seem to be at work: a "catch-up" of premiums to costs following a period when competition kept premium growth low, the end of a shift from higher-cost fee-for-service plans to lower-cost managed care plans, and rising costs within plans.



Trends. The health insurance component of the employment cost index (ECI) rose 7.6 percent in the 12 months ending in March—a sharp increase from the previous year (see upper chart). Health insurance premiums are now growing significantly faster than the medical care component of the consumer price index, and about as fast as private health expenditures.

Competitive effects and “catch-up” pricing. The recent rise in premium growth is part of a health insurance pricing cycle that may reflect the ebb and flow of competitive pressures. The lower chart, which uses the number of HMOs as a

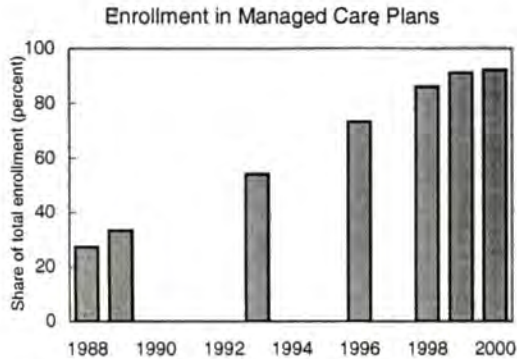


proxy for competition, shows that the change in employers' cost of health insurance premiums over and above the change in health care prices tends to narrow (and turn negative) when competition is more intense and to increase when competition is weaker. Insurers are now raising premiums after a period of competition in the mid-to-late 1990s, when premiums grew more slowly than health care

prices and costs. Such behavior is reflected in the difference between the increase from 1999 to 2000 in premium equivalents for companies that self-insure (7.1 percent) and the increase for fully insured plans (9.6 percent).

Managed care saturation. Managed care plans tend to have lower premium costs than traditional fee-for-service plans, and one of the ways employers could lower their insurance costs was to switch into a managed care plan. Even if premiums were rising at the same rate for both managed care and conventional plans, this shift into managed care would slow the rate of growth of aggregate premiums. A rough estimate is that this substitution effect directly slowed the growth of premiums by about 1 percentage point per year between 1988 and

10-16-00



2000, and several researchers believe that the expansion of managed care had an additional indirect effect in keeping growth in premiums down for all types of plans. However, opportunities for further substitution have largely been exhausted as managed care plans now dominate the employer-based health insurance market (see chart).

Relaxed cost controls. Controls over cost and utilization that helped managed care plans keep premiums down appear to have provoked a backlash and have been relaxed recently. For example, 20 percent of people covered by HMOs are now in open-access plans, where members can see specialists without a referral from a primary care physician; a smaller percentage of workers are in plans with mandatory generic drug-use requirements; and the use of pre-existing condition clauses has decreased since the enactment of HIPAA in 1996. *

Less power over providers. Similarly, changes in the provider market may have reduced the bargaining power that managed care plans used to keep costs down in the past. In contrast to early HMOs, where physicians were direct employees (the staff model) or under contract to just one plan (the group model), by 2000 only 21 percent followed the staff or group model, while 41 percent of HMOs contracted with independent practice associations. These associations in turn contract with individual physicians who may belong to more than one HMO and see patients outside HMOs. In addition, the wave of hospital mergers in the 1990s may have decreased the ability of managed care plans to bargain for lower hospital prices. }

Prescription drug costs. Increases in prescription drug expenditures appear to be an important contributor to rising health insurance premiums. Annual growth in drug expenditures went from less than 10 percent in 1993 to over 15 percent in 1998, and indications are that expenditures are currently rising even faster than that. Analysis of the increase in drug expenditures from 1993 to 1998 indicates that an increase in the number of prescriptions accounted for 43 percent of the drug cost growth, a switch from older drugs to newer, more costly drugs accounted for 39 percent, and increases in drug prices accounted for 18 percent. *

The bottom line. Each of the factors discussed in this article has contributed to the recent growth of health insurance premiums, which are projected to rise another 9 to 12 percent for 2001. About 8 percentage points reflect increases in private health care expenses, with the rest likely due to catch-up pricing. The sources of increased health care costs are, roughly, 4 percentage points from higher prices (including higher prescription drug prices); 2 percentage points from increased use of new and existing drugs; and 2 percentage points from higher utilization of physician and hospital services and increased use of expensive medical technology. With managed care plans now dominating the market, little of this increase is likely to be offset by plan switching. * 32% inflation

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Microeconomists Share a "Macro" Prize. James Heckman of the University of Chicago and Daniel McFadden of the University of California-Berkeley will share the 2000 Nobel Prize in Economic Sciences of roughly \$900,000 for their work in empirical microeconomics. The Academy cited Heckman's econometric work involving problems of self-selection, including analyses of the effect of education on earnings when some people choose not to participate in the labor force, and evaluations of job training programs when people do not decide whether or not to participate in such a program on the basis of random chance. McFadden was cited for his work on mathematical models in which people choose from a discrete set of alternatives. He has applied such models to the study of choices about whether to use public transportation, the demand for telephone service, and the demand for housing among the elderly.

Where Has All the Heating Oil Gone? It is well-known that primary inventories of distillate (used for heating oil and diesel fuel) are below their normal range for the beginning of the winter heating season. At the same time, however, production of distillate in August and September took place at a winter-like rate of 4 million barrels per day. As a result, the amount of distillate that left refineries and primary storage facilities during this period exceeded typical seasonal levels by about 400,000 barrels per day. Unfortunately, we do not have data on where this distillate has gone. Some use appears to reflect strong diesel demand, and exports to Europe cannot be ruled out. A third intriguing possibility, however, is that fuel oil suppliers and distributors, and households, have been building up inventories against expected winter shortages. Such behavior would provide another small buffer on top of that provided by the release of oil from the Strategic Petroleum Reserve. Nevertheless, consumers can expect their heating bills to be higher this year than they were last year, when the weather in the Northeast was unusually mild and crude oil prices were lower.

The Benefits of Vaccinating Preschoolers against the Flu. The economic cost of influenza is substantial: 37 million days of school and 70 million days of work were lost in 1996, not including those missed to care for sick family members. A new study finds that vaccinating childcare center enrollees aged 2-5 reduces illness among their families. More precisely, vaccinating the family toddler against the flu meant a 47 percent decrease in the incidence of flu-like illnesses among unvaccinated household members. Benefits were especially strong for school-aged family members—the 5-17-year-old family members of vaccinated toddlers reported 80 percent fewer flu-like illnesses and 70 percent fewer missed days of school than the school-aged family members of unvaccinated toddlers. The study did not find any conclusive evidence that vaccinating toddlers made adult family members less likely to report flu-like illnesses, perhaps because more than a third of the adults in the study were already vaccinated against the flu. However, none of the adults in households with vaccinated toddlers reported missing work to care for children with flu-like illnesses, compared with 23 percent of the adults in households with unvaccinated toddlers.

INTERNATIONAL ROUNDUP

OECD Measures the ICT Sector. The United States accounted for almost half of all value added in the Information and Communications Technology (ICT) sector of OECD countries in 1997, according to a recent report from the organization. The United States' 49.5 percent share of ICT value added is larger than its 41.5 percent of total business sector value added. ICT contributed about 8.7 percent of value added in the U.S. business sector in 1997, compared with an OECD average of 7.4 percent. By contrast, the United States accounted for only about 35 percent of total ICT employment in the OECD. Within the United States, about 3.9 percent of business sector employment is in ICT. This is near the OECD average of 3.6 percent and well below Sweden's 6.3 percent. The OECD indicators also show that R&D in the ICT sector is highly concentrated in the United States (52 percent of the OECD total) and Japan (22 percent). Finally, ICT trade is significant in many OECD countries, though most, including the United States, have ICT trade deficits.

Potential Gains from Globalization Remain Large. Despite the substantial global gains from trade already achieved, barriers associated with distance and other factors remain substantial, according to a recent study. Using a model of trade flows in manufactured goods among 19 OECD countries, the study finds that the complete elimination of trade would have relatively small effects on the United States, where imports are a relatively small fraction of manufacturing. In countries more dependent on trade, the effects would be larger relative to the size of the economy (10 times as large in Belgium, for example). Turning to the effects of remaining barriers, the study finds that if it were possible to eliminate completely transportation costs and other barriers associated with distance, the gains to the United States would be 16 times as large as the estimated cost of eliminating all trade, with similarly large effects for other countries. These results imply that, even with increased globalization, the world remains much closer to a situation of no trade than to a frictionless global economy.

Commodity Price Shocks Have Asymmetric Effects on Growth. Large negative commodity price shocks significantly reduce per capita growth rates, according a new study. Based on data from 113 countries over the 1957-97 period, the authors find that the effect of negative shocks remains significant after controlling for government economic policy, institutional quality, and social cohesion. This indicates that the results cannot be attributed exclusively to inappropriate policy responses on the part of governments. Positive price shocks, by contrast, are found to have no lasting impact on growth, confirming earlier findings that windfalls from trade shocks do not translate into sustainable increases in income. This finding may reflect the failure of governments to save the windfalls or lock in savings. Decisions to channel the funds into low-return projects for political rather than economic reasons could also explain why positive price shocks have no long-lasting favorable effects.

RELEASES THIS WEEK

Retail Sales

****Embargoed until 8:30 a.m., Friday, October 13, 2000****

Advance estimates show that retail sales rose 0.9 percent in September following an increase of 0.1 percent in August. Excluding sales in the automotive group, retail sales rose 0.7 percent following an increase of 0.2 percent.

Producer Price Index

****Embargoed until 8:30 a.m., Friday, October 13, 2000****

The producer price index for finished goods rose 0.9 percent in September. Excluding food and energy, producer prices rose 0.3 percent.

MAJOR RELEASES NEXT WEEK

Industrial Production and Capacity Utilization (Tuesday)

Consumer Prices (Wednesday)

Housing Starts (Wednesday)

U.S. International Trade in Goods and Services (Thursday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1999	1999:4	2000:1	2000:2
Percent growth (annual rate)					
Real GDP (chain-type)	2.9	5.0	8.3	4.8	5.6
GDP chain-type price index	5.2	1.6	1.6	3.3	2.4
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.7	4.1	8.0	1.9	5.7
Real compensation per hour:					
Using CPI	1.0	2.2	1.3	0.0	1.7
Using NFB deflator	1.5	3.3	2.9	1.1	2.9

Shares of Nominal GDP (percent)					
Business fixed investment	11.4	12.9	13.0	13.4	13.7
Residential investment	4.5	4.3	4.3	4.3	4.2
Exports	8.2	10.6	10.8	10.8	11.0
Imports	9.2	13.4	13.9	14.2	14.6
Personal saving	6.6	1.6	1.1	0.1	0.2
Federal surplus	-2.8	1.3	1.5	2.4	2.4

	1970- 1993	1999	July 2000	August 2000	September 2000
Unemployment Rate (percent)					
	6.7**	4.2**	4.0	4.1	3.9
Payroll employment (thousands)					
increase per month			-40	-91	252
increase since Jan. 1993					22266
Inflation (percent per period)					
CPI	5.8	2.7	0.2	-0.1	N.A.
PPI-Finished goods	5.0	2.9	0.0	-0.2	0.9

**Figures beginning 1994 are not comparable with earlier data.

New or revised data in **boldface**.

PPI data **embargoed until 8:30 a.m., Friday, October 13, 2000.**

FINANCIAL STATISTICS

	1998	1999	August 2000	September 2000	Oct. 12, 2000
Dow-Jones Industrial Average	8626	10465	11015	10968	10035
Interest Rates (percent per annum)					
3-month T-bill	4.78	4.64	6.09	6.00	6.01
10-year T-bond	5.26	5.65	5.83	5.80	5.73
Mortgage rate, 30-year fixed	6.94	7.43	8.03	7.91	7.84
Prime rate	8.35	8.00	9.50	9.50	9.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level October 12, 2000	Percent Change from	
		Week ago	Year ago
Euro (in U.S. dollars)	0.864	-0.5	-19.5
Yen (per U.S. dollar)	107.6	-1.6	1.2
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	101.4	-0.1	10.4

International Comparisons ^{1/}	Real GDP growth (percent change last 4 quarters)	Unemployment rate (percent)	CPI inflation (percent change in index last 12 months)
United States	6.1 (Q2)	3.9 (Sep)	3.4 (Aug)
Canada	5.3 (Q2)	7.1 (Aug)	2.5 (Aug)
Japan	0.8 (Q2)	4.6 (Aug)	-0.7 (Aug)
France	3.4 (Q2)	9.7 (Aug)	1.7 (Aug)
Germany	3.6 (Q2)	8.3 (Aug)	1.8 (Aug)
Italy	2.6 (Q2)	10.6 (Jul)	2.6 (Aug)
United Kingdom	3.2 (Q2)	5.4 (Jun)	3.0 (Aug)

^{1/} For unemployment data, rates approximating U.S. concepts as calculated by the U.S. Department of Labor, Bureau of Labor Statistics.

10-16-00

THE WHITE HOUSE
WASHINGTON

October 13, 2000

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Podest

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING *GS*

SUBJECT: NEC WEEKLY REPORT

Oil and Gasoline Prices and Supplies: Oil for November delivery closed on Friday at \$34.99 per barrel, up \$4.15 from last Friday's close of \$30.86 per barrel. The price of crude oil rose early in the week in response to cold weather and tension in Israel. It spiked sharply on Thursday (up \$2.81 per barrel) in response to news from Yemen and Israel, before falling (by \$1.07 per barrel) on Friday as the market realized that oil shipments from the Middle East were not being interrupted. The wholesale price of heating oil for November delivery closed at 101.61 cents, up 8.67 cents from last Friday's close of 92.94 cents per gallon. Last Monday, DOE reported that the price of self-service regular gasoline fell in all regions of the country, by an average of 2.2 cents per gallon, to \$1.502.

Strategic Petroleum Reserve Swap: Morgan Stanley, one of the winning bidders for heating oil in the recent swap, is currently scheduled to receive the first shipment of crude oil this weekend, 500,000 barrels from the Bryan Mound site in Texas. One of the other winning bidders for SPR oil could not obtain a letter of credit to complete its 3 million barrel exchange. A second bidder has until Friday evening to obtain its letter of credit for its 4 million barrel exchange. Without letters of credit to guarantee their transactions, DOE will not complete the contracts with winning bidders. Accordingly, on Monday, DOE is planning to solicit new bids for the 3 million (or 7 million) barrels of oil that was not exchanged.

The party that could not obtain a letter of credit was African-American (as is the bidder who has until Friday evening to obtain the letter of credit), and there is some suggestion by the African-American business community that big oil companies or other parties may have worked to make it difficult for him (them) to get letters of credit. In fact, three of the winning bidders were small minority-owned businesses with very little or no experience in large oil deals. DOE was criticized earlier in the week for selling oil to parties that were not well integrated into the oil markets, and Senator Murkowski may hold a hearing on the swap next week.

10-16-00

Home Heating Oil Reserve: DOE has accepted 1.93 million barrels of the heating oil for the Northeast heating oil reserve. The remaining 70,000 barrels are scheduled to be delivered overnight Friday, and the reserve should be full by Saturday night. There remains concern in Congress about the export of heating oil to Europe. Lower stocks and even higher prices for heating oil in Europe than the United States is inducing the export of U.S heating oil, and late this week over 70 members of the House requested that you ban exports of heating oil. Although a ban on the export of heating oil would raise significant policy concerns and would likely upset our European trading partners (who supplied us with badly needed heating oil last winter), several major oil companies including Shell, Hess, and Equiva and Motiva (refiners that are affiliated with Texaco) have voluntarily suspended exports of heating oil.

Bankruptcy: The Republican leadership finally found a vehicle for moving the bankruptcy bill: H.R. 2415, the State Department reauthorization bill, also known as the "American Embassy Security Act of 1999." The Senate had appointed conferees last year, but the bill was enacted as part of another measure and the conference never convened. Wednesday, the House appointed conferees, and despite a motion to instruct offered by Nadler directing public meetings, the conferees returned a few hours later with a version stripped of its State reauthorization provisions with bankruptcy substituted, and Biden and Torricelli's blessing. The House passed the bill the following morning, by voice vote. This version of bankruptcy reform fails to address two of the criteria established in your letters. First, it contains no provision making clinic violence debts nondischargeable. Moreover, it retreats from the agreement we reached with Lott on a hard cap of \$500,000 on state homestead exemptions. The offensive debt collection and rent-to-own provisions, however, are not in this bill. Before the House vote, Chief of Staff Podesta sent a letter saying that you would veto the bill, based on the clinic violence and homestead issues, and noting continued concern about the overall lack of balance. Wellstone, threatening to keep the Senate in D.C. over the weekend, reached agreement delaying Senate consideration until next Wednesday with a final vote apparently not possible until next Saturday. It is unclear what the margin of passage will be in the Senate. Daschle said there will be no caucus position: "[E]ach Senator will make up his own mind." Opponents are trying to circulate "Dear Colleague" letters from some of the women Senators (on the clinic access issue) and from other Senators who voted "Aye" on Senate passage last year but oppose this version. We expect Congress will adjourn sine die within 10 days of Senate passage, giving you the option of a pocket veto, but we cannot yet be sure.

H-1B: Legislation to double the current H-1B visa fee to \$1000 passed both Houses of Congress last week. You must sign the more comprehensive H-1B legislation by Tuesday, and your advisors recommend that you sign both bills together. The combination of these bills will provide significant funding for programs that prepare the American workforce for jobs in the new economy. It is estimated that in FY '01, fees collected from employers bringing in H-1B workers will provide \$151 million for DoL high-tech training grants, \$60 million for NSF low-income scholarships in math, science and engineering, and \$40 million for NSF grants to enhance K-12 education in math, science, and technology.

10-10-00

Steel: Citing a second import crisis, steel unions and companies are working together urgently to seek relief from the Administration that goes beyond steps we have previously taken or put in motion. USW President Becker has asked John Podesta that you meet with Becker and a group of CEOs soon to hear their requests for, among other things, Section 201 "escape clause" relief from fairly traded but injurious imports. A draft industry-union letter to you is being circulated for multiple CEO signatures and delivery as early as Monday October 16. Based on discussions among USG experts, the issues faced by the industry are broader than just imports. An overall slowdown in domestic U.S. demand for finished steel products hit in the third quarter, following record domestic production and shipment levels in the first half of this year. Also, you will recall that in 1998-1999 the sources of the import surge were countries in recessions at home, i.e., Japan, Korea, Russia and Brazil. In this "second crisis," the sources of the import surge generally are not countries in recession, i.e., the EU, Canada, China, India, Taiwan, and two transition economies, Ukraine and Kazakstan. We are chairing an inter-agency process to make recommendations to you on how to proceed.

Third Generation Wireless: Industry reaction to the release of the Executive Memorandum on 3G wireless was very positive. The Cellular Telecommunications Industry Association applauded your executive memorandum, and said that America now has the "opportunity to take the lead in building the next technological platform." Tom Kalil of my staff, Martin Baily, and other Administration officials briefed the press on the Executive Memorandum and an excellent CEA report on the economic importance of 3G and the need to move rapidly on licensing these new services.

Call Center Jobs: You recently sent me a copy of a USA Today article which noted that areas with low unemployment were starting to turn away \$9/hr call center jobs. As you noted, this is a "king's ransom" in Indian Country and other disadvantaged regions. We have asked the Department of Labor to look into ways in which areas of high unemployment, such as Indian Country, could use DoL funds to attract some of these call center jobs. My staff is also going to contact the call center industry to see what incentives, if any, they would need to look at Indian Country and other high unemployment areas.

→ 10-10-00
Call Center
Jobs
Team

10-16-00

10/13/00

THE WHITE HOUSE
WASHINGTON

October 13, 2000

copied
Chow
Podesta

MEMORANDUM TO THE PRESIDENT

FROM: Barbara Chow

SUBJECT: DPC Weekly Report

1. Consumers - - Vehicle Safety: On Wednesday, both the House and Senate passed H.R. 5164, the Tire Recall Enhancement, Accountability, and Documentation Act (TREAD), by a voice vote. Among other things, this legislation incorporates several of the proposals put forward by the Administration, including: increasing penalties for safety defects and noncompliance with the motor vehicle safety laws; allowing NHTSA to obtain more information from car manufacturers and their suppliers about potential safety defects, including from their operations overseas. The bill extends by 2 years the period of time that car and tire manufacturers are liable to repair or replace defective products. Finally, the bill authorizes more funds for NHTSA to carry out these additional responsibilities. On balance, we believe H.R. 5164 is a very good bill.

However, none of the major consumer groups supported final passage of H.R. 5164. Although they supported the legislation in the House, they withdrew their support when it became clear that they would not have an opportunity to amend and strengthen the bill in the Senate. Perhaps their largest concern is that H.R. 5164 does not go far enough in requiring car manufacturers and their suppliers to supply NHTSA with all available "early warning" information on product defects (only what is in their "possession"), and that the burden to publicly disclose such information would be on the government (the information would not be automatically provided to the public). We will work with DOT and NHTSA to determine whether or not any of these issues can be addressed through executive action.

2. Crime - - Bulletproof Vest Legislation: On Tuesday, the Senate passed by unanimous consent legislation proposed by Senators Leahy and Campbell to reauthorize the armor vest program through FY 2004 and to double its authorized funding to \$50 million per year. You endorsed this legislation in May at the Peace Officers Memorial. The legislation has the strong backing of all of the major law enforcement organizations. The Senate-passed bill has some differences from the House bill which passed in July (413-3), and leaders are currently deciding whether to conference the bill or have the House vote on the Senate version.

3. Crime - - 1999 FBI Crime Statistics: On Sunday, the Justice Department will release the final data of the FBI's 1999 Uniform Crime Report. This is similar to data released by the FBI last May but the final report contains more detailed regional and city findings. The report will confirm that 1999 marked the eighth straight year that America experienced a decline in the overall crime rate, continuing the longest consecutive decline ever recorded by the FBI. Crime fell in every region, in cities and suburban and rural jurisdictions. (1) Overall crime. In 1999, a total of 11.6 million offenses occurred in the United States, an 8% reduction in overall crimes since 1998 - bringing the nation's overall crime rate to its lowest level in 26 years. (2) Violent crime. A total of 1.4 million violent crimes occurred last year, representing an overall drop of 7% since 1998 with declines in aggravated assaults of 6% and 4% in forcible rape. In 1999, there were 15,533 murders, an 8% decline from 1998. The murder rate is now at a 33-year low. However, the report shows that firearm use in murders *increased* from 6 out of every 10 in 1998 to 7 out of 10 in 1999. (3) Property crime. Property crimes fell 7% to a total of 10.2 million offenses. Burglaries dropped 10% and motor vehicle theft fell 8%. (4) Hate crimes. Last year, a total of 7,876 hate crimes were reported, 4,295 which were motivated by racial bias, 1,317 by sexual orientation, 829 by ethnic bias and 19 by disability bias.

4. Welfare - - Child Support/Fatherhood: Last Wednesday, Senators Snowe, Bayh, Breaux, Chafee, Kohl, and Moynihan introduced the Senate version of the Child Support Distribution Act. This bill essentially preconfers the House and Senate bills by adding two fatherhood pieces from Senator Bayh's bill, block grants to states and media campaign funding, to the child support provisions and competitive fatherhood grants in the House bill. Secretary Shalala issued a supportive statement. We are working hard to broker an agreement among key parties. As you suggested, a call to Senator Lott may be helpful in securing a final agreement should negotiations stall.

5. Welfare - - Food Stamps/Hunger: We are planning an event at a farmers' market in Los Angeles where you would announce new coupons to enable 500,000 low-income senior citizens to purchase fresh produce at farmers' markets. You may also announce action to make it easier for working families to get food stamps by directing USDA to create a transitional food stamp program for families leaving welfare for work and announce a state waiver option for universal quarterly reporting requirements. The event will be an opportunity to highlight the food stamp vehicle asset limit and shelter deduction changes in the Ag Appropriations bill, and to call for Congressional action on your budget proposal to restore food stamp benefits to more legal immigrants, which the Republicans rejected in the Ag conference. You may also announce plans for a meeting to generate foundation and corporate support for the Global Food for Education initiative. Secretary Glickman will be giving a speech at the UN on the same day.

6. Education - - After School Report: On Tuesday, the non-profit organization "Fight Crime: Invest in Kids" released a report highlighting the importance and impact that 21st Century Community Learning Centers' after school and summer school programs are having across the nation. The hours between 3 and 6 p.m. are the prime time for juvenile crime, car crashes, drug

experimentation, and sexual activity that may lead to teen pregnancy. In fact, juvenile crime triples when the school bell rings. The report cites several studies that prove after-school programs cut crime and reduce risky behavior while improving academic achievement and high school graduation rates. One study found that each high-risk youth ~~prevented~~ spared a life of crime could save the country ~~between \$1.7 \$2.3 million~~. Another randomly selected high school freshmen from high-poverty backgrounds in four cities to participate in after-school enrichment that integrated academics, personal development, community service, and monetary incentives. Boys in that program were one-sixth as likely to be convicted of a crime than their peers, and both boys and girls in the program were half as likely to drop out of high school and two-and-a-half times more likely to continue their education after high school.

7. Education - - Report on Department of Education Mismanagement: On Wednesday, the Workforce Oversight and Investigations Subcommittee of the House Committee on Education and the Workforce held a press conference to issue a report, *Education at a Crossroads 2000: Putting Students First*. This report, by a group of conservative Republicans calling themselves the Education Reform Caucus, claims that the Department of Education has wasted millions of dollars due to fraud and abuse, and has produced more bureaucracy than results. Specifically, they cite incidences of wire fraud theft, a computer theft ring and incorrect payments as some examples of the Department's problems. Based on 14 Congressional hearings, the group asserts that "what works" in education are: charter schools, school choice, flexibility with accountability, high standards for all students, curriculum grounded in research, and tax credits and deductions. Secretary Riley issued a statement responding to the claims of mismanagement. On Monday, October 16, the GAO will release a critical report on financial management at the Department. Finally, Congressman Goodling (R-PA) has asked Secretary Riley to testify at a hearing of the House Committee on Education and the workforce on Friday, October 20th. In addition to the issues of fraud and mismanagement mentioned above, the hearing will address state use of IDEA funds and the Secretary's personal travel arrangements.

8. Education - - Districts Disengage from Boy Scouts: A growing number of school districts throughout the country are considering or deciding to sever ties with the Boy Scouts since the U.S. Supreme Court ruled in June that it is their right to bar gays from becoming troop leaders. By a unanimous vote, the Minneapolis school board became the most recent to cancel the sponsorship of troops and prevent the Scouts from handing out fliers or other recruitment literature on school property until its policies change. The Scouts, like any other organization, can still use school space to hold meetings or other events, but the district is attempting to draw a line between tolerating an organization and actively promoting it. Schools sponsor 10,653 Boy Scout and Cub Scout troops -- about 9 percent of troops nationwide.



10-16-00
EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

October 13, 2000

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. *GTF Jr.*

SUBJECT: CEQ WEEKLY REPORT

*Copied
Frampton
Podesta*

BUDGET

VA-HUD

The Senate passed the conference report on the VA-HUD appropriations bill this week. The bill contained three riders opposed by the environmental community and a number of Senators, including riders that would: (1) extend the deadline for finalizing a new drinking water standard for arsenic from January to June, (2) compromise EPA's ability to clean up contaminated sediments, and (3) delay EPA designation of nonattainment areas under the eight hour ozone standard. Boxer offered an amendment to remove the ozone and arsenic language, as well as a sense of the senate amendment on the contaminated sediments language, but both were tabled and the bill was passed. The Administration did not take a formal position on the amendments.

County Payments

For Both houses passed a compromise bill on county payments this week, providing over \$1 billion in safety net payments for schools and roads to more than 700 largely rural counties in 41 states. This legislation resolves a long-standing problem of declining local revenues due to the significant decline in federal timber harvest levels over the last ten years. It also largely removes these payments from their dependence upon federal timber harvest revenues.

RESOURCE STEWARDSHIP

Everglades Restoration and Davis Bacon

For Last week we indicated a snag in our efforts to secure enactment of Everglades restoration legislation due to questions regarding the applicability of Davis-Bacon wage provisions to construction contracts undertaken by the local sponsor of an Army Corps of Engineers project. In light of your expressed concerns about this, we are pleased to report that we resolved the matter to the satisfaction of all concerned parties – including labor interests – that Davis Bacon does apply to these contracts. We now anticipate that the legislation will finally reach the House floor early next week with the possible need for a quick conference with the Senate to resolve differences on projects unrelated to the Everglades.

PROTECTING COMMUNITIES FROM TOXICS

Pipeline Safety

The Senate-passed pipeline safety bill failed to pass the House under suspension of the rules this week. House Democrats opposed the bill on procedural and substantive grounds, as did environmental groups, labor groups, and the families of the victims of the recent pipeline accident in Bellingham, WA. In a continued effort to get pipeline safety legislation passed this year, CEQ joined with the Chief of Staff's Office and White House Legislative Affairs to bring House and Senate Democrats together this week for a discussion on a potential compromise bill. Senator Murray's office has expanded these discussions to include House and Senate Republicans as well. CEQ is also working with DOT on a number of Administrative actions to improve the federal pipeline safety program, with or without the passage of new legislation. These actions could be announced in the coming weeks.

10-16-00

THE WHITE HOUSE
WASHINGTON

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October 13, 2000

10-16-00 13-01-00

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

In a speech in London, Ford Motor Co. Chairman Bill Ford stated that the automobile has had a serious negative impact on the environment, and that his industry has wrongly played down the threat from global warming, *The Independent* (UK) reported (10/06). Moreover, Ford said that climate change is the most challenging issue facing the world and that anyone who disagrees is "in denial". The company itself has moved on from that position, he said. However, he thinks the Kyoto Protocol would not provide deep enough cuts in greenhouse gas emissions to halt global warming, and that only the marketplace, making new technology widely available, could tackle the problem.

10/13/00

Ocean algae could be grown to consume atmospheric greenhouse gases, according to a study in the journal *Nature*, and reported by *The New York Times* and others (10/12). Using iron as a fertilizer, scientists grew algae in an otherwise lifeless area of the ocean near Antarctica. The algae consumed hundreds of tons of carbon dioxide from the ocean's surface waters. However, researchers say it is too soon to start large-scale iron-seeding efforts because the experiment left many complex ecology and chemistry questions unanswered.

Polaroid Corp. has agreed to cut carbon dioxide emissions by 25 percent in the next 10 years to fight global warming, according to *AP* (10/12) and Polaroid ads in major papers this week. Polaroid pledged to cut carbon dioxide 20 percent by 2005 and 25 percent by 2010, compared to 1994 levels.

State and Local

To promote early action in reducing global warming, California Governor Gray Davis has signed a bill by which the State will enable companies to measure, report, and verify greenhouse gas emission reductions. This would potentially allow companies to claim early reduction credit if a future federal greenhouse gas program is adopted.

10-16-00

The Washington Metropolitan Area Transit Authority (WMATA) announced this week that it will buy compressed natural gas (CNG) buses when it orders 100 new buses later this fall. WMATA drew criticism this summer after purchasing over 200 new diesel buses, leading to pressure from various constituencies to purchase only cleaner technology buses in the future. Among those pressuring WMATA to purchase CNG buses were several WMATA board members, environmental groups, D.C. Council Members, Mayor Williams' office, and D.C. Delegate Eleanor Holmes Norton. We worked closely with each of these players.

Legislative

Congressmen John Olver (D-MA) and Jay Inslee (D-WA), working with Congressman Wayne Gilchrest (R-MD), finally forged an agreement with 25 Democratic and 19 Republican House members to establish a Climate Change Caucus. In an October 11 letter from Congressmen Olver and Gilchrest to the new members, the co-chairs indicate that the caucus will "hit the ground running in the 107th Congress," will serve as a clearing house on climate change information, and will be a forum to build support for policies appropriate to achieve global reductions in greenhouse gas emissions.

cc: The Vice President
John Podesta
Steve Ricchetti
Sandy Berger
Martin Baily
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Robert Lawrence

Oliver
Letter to members
all 3-

10-16-00
To Leg. Affairs
for Reply



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20502

10-16-00

October 13, 2000

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Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE *A. Bienenstock for N.L.*
CC: JOHN PODESTA
SUBJECT: OSTP WEEKLY REPORT

U.S. Again Dominates Nobel Prizes in Science

Eight of the eleven 2000 science Nobel Laureates announced this week are affiliated with American institutions, and have received extensive federal funding from NIH, NSF, and DOE. Since the start of your Administration, 80 percent of the science Nobel Awards have been given to U.S. citizens or to individuals employed here.

I will be submitting a scheduling request to bring the U.S. Nobel Prize winners to the White House for an event in late November/December, and will shortly have congratulatory notes for each Prize winner to you for your signature.

Can Algal Blooms Remove Carbon Dioxide from the Atmosphere?

Thursday's *New York Times* and *Boston Globe* reported on a recent experiment in the Southern Ocean (near New Zealand) testing whether fertilizing large areas of the ocean offers promise as a climate mitigation measure. The idea is that fertilizer could stimulate huge algal blooms that would take up carbon dioxide from the atmosphere, and that these organisms would sink to the bottom of the ocean when they died and permanently sequester the carbon. While the iron fertilization did stimulate the growth of algae, no sinking of the algae or long-term removal of carbon could be measured. The effectiveness of iron fertilization as a serious strategy to reduce atmospheric concentrations of CO₂ thus remains unlikely. As one expert said in a commentary on the recent experiment: "The lesson is simple. In the long run, ocean fertilization is not sustainable. So, why start it?" And the potential ecological effects of adding large amounts of iron – including reducing the amount of oxygen in the deep ocean or generating greenhouse gases more potent than CO₂ (such as methane) – to the ocean have not been thoroughly investigated. An article in this week's *Science* magazine warns of gaps in our understanding of the oceans' role in absorbing carbon and concludes that the capacity of oceans to take up CO₂ in the future could actually decrease as the oceans warm. Reducing our uncertainty about the potential of the ocean to serve as a carbon "sink" is an important priority of the carbon cycle research initiative initiated by the Administration in FY2000, and DOE and NSF are both supporting research to investigate the feasibility and potential effects of iron fertilization.

100th Space Shuttle Flight Lifts Off

The Space Shuttle Discovery and a crew of seven sailed into orbit on the 100th space shuttle flight, carrying new segments for the space station. During these first 100 launches, space shuttles have carried 261 individuals and nearly 3 million pounds of payload, and logged an estimated 350 million miles. This voyage is NASA's first space station construction job in two years. Discovery's crew will attach a girder-like truss and a docking port for the space station, using the shuttle robot arm to attach the pieces to the station, and will perform four back-to-back spacewalks – the first occurring on Sunday. The station's first permanent crew will move in at the beginning of November.

Endangered Species Cloned

In late November an Iowa cow is slated to give birth to the world's first cloned endangered species, a baby gaur to be named Noah. The gaur is a large oxlike animal native to India, Indochina, and southeast Asia that has been hunted for sport for generations. Recently the gaur's habitats of forests, bamboo jungles, and grasslands have dwindled to the point that only roughly 36,000 are thought to remain in the wild. The World Conservation Union lists the gaur as endangered, and trade in live gaur or gaur products – whether horns, hides or hooves – is banned by the Convention on International Trade in Endangered Species (CITES).



Noah is the first, but not the only, creature that scientists are currently attempting to clone. Plans to clone the African bongo antelope, the Sumatran tiger, and the giant panda are in the works. Cloning is just one tool – yet to be evaluated – in the effort to preserve biodiversity.

Sandia & Los Alamos National Laboratories

This week I visited the Los Alamos and Sandia national laboratories. I met with nuclear-weapons scientists to get a first-hand assessment of the security at the facilities and of the impacts of new security measures on the quality of the scientific research at the labs. I will brief you more in detail when I return.

10-16-00

THE WHITE HOUSE
WASHINGTON

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OCTOBER 13, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: MICKEY IBARRA *Mickey*

SUBJECT: OFFICE OF INTERGOVERNMENTAL AFFAIRS WEEKLY REPORT

NEW YORK DISASTER

On October 11, I notified Governor George Pataki that you had approved his appeal for an emergency disaster declaration request as a result of the West Nile Virus. The phone conversation was positive, but in a press release the Governor said the Administration "shortchanged" New York taxpayers by providing insufficient funding and he demanded full reimbursement. New York State and local governments have spent \$21.5 million since 1999 to address the West Nile Virus, but most of that total was expended by city and county governments. Within FEMA limitations your approval granted the maximum \$5 million, which surpasses state spending by \$3.2 million.

CITY/COUNTY OFFICIALS

Orange County, CA: IGA hosted a meeting yesterday between Dorothy Robyn and both the Chair and Vice Chair of the Orange County Board of Supervisors to discuss the disposition of the El Toro Marine Air Force Base. El Toro closed a few years ago as part of the BRAC Base-closing process, and the County is seeking support to possibly convert the base to a commercial airport. The Navy and FAA are both involved in a process of doing Environmental Impact Reviews for the proposed uses, but the deadlines for their work keep slipping. We have agreed to assist with the FAA and the Navy.

Mayor Finkbeiner: In an October 4th letter from Mayor Carty Finkbeiner of Toledo, he informed IGA that negotiations with the GSA for the Federal Building land exchange have been successfully completed. The Mayor was very grateful for assistance provided by IGA and GSA. The new agreement allows the city to take title to the Federal Building formerly used by the United States Postal Service. Acquisition of this building will aid in major economic development projects taking place at the historic Steam Plant and Promenade Park adjacent to the Federal Building. GSA executed the agreement on September 29.

Mayor Baca: Yesterday I met with Mayor Baca of Albuquerque, NM. The mayor is interested in a downtown site to build a baseball stadium that the U.S. Postal Service is planning to vacate. IGA facilitated a conversation with Debbie Wilhite of the USPS and the Mayor. They agreed to open discussions soon.

10-16-00

DIRECTOR TRAVEL

At the request of the Gore-Lieberman campaign, I will join Mayor Belton of Minneapolis to address Chicanos Latinos Unidos En Servicios, a nonprofit organization committed to enhancing the quality of life for Hispanics, and Centro, a comprehensive human services agency aimed at the Hispanic community. In addition, I will attend Congressman Vento's funeral in Minneapolis with the Mayor. On Saturday, I will lead a Gore-Lieberman literature drop and rally in Minneapolis.

INSULAR AREAS

Vieques: Puerto Rico's media has widely reported Congressional action to transfer most of the Navy's land to the Interior Department. The Commonwealth party's gubernatorial and congressional candidates have said this is "evidence" your agreement lacks guarantees and is "not respected." They also said that they would quickly stop all Navy training with a new environmental regulation if elected. The Independence Party's candidates said the legislation shows the need to occupy the range. Governor Pedro Rosselló has said little, waiting for your response. Resident Commissioner Carlos Romero-Barcelo (D) is expressing hopes for new legislative action. Statehood party gubernatorial candidate, Carlos Pesquera (D), is trying to put the best face on the transfer.

Must clarify this - it's not true

We are working with NSC and other staff on Senator Bingaman's idea to quietly amend a public lands bill to further transfer the most important land to local ownership. Meanwhile, the Navy plans a major exercise beginning Sunday and a court denied a request for an environmental restraining order against it.

Puerto Rico's Status: Congressional approval of your status choice proposal was praised by Governor Rosselló, the Independence Party, Rep. Jose Serrano (D-NY), and some in the Commonwealth party. Many commentators called it "historic."

Northern Marianas: AFL-CIO President John Sweeney and others asked that the Administration press its budget proposal to apply tariffs and to deny NMI use of the "Made in the U.S.A." label on garments made in the Northern Mariana Islands without minimal percentages of local or other U.S. labor. Over half the House and almost half the Senate have sponsored the bill, but Rep. Delay appears to be blocking it.

IN THE NEWS

Governor Janklow of South Dakota recently enacted two new programs to help teachers pursue certification from the National Board for Professional Teaching Standards and reward those who successfully complete the program. Teachers who want to seek national certification can apply for a \$1,000 grant to help pay the \$2,300 application fee. Teachers earning the certificate will receive an annual salary bonus of \$2,000—half from the state and half from their local school districts—and will be reimbursed for the full application fee. The process usually takes about a year to complete.

As in letter to Cohen

10-16-00
To Cohen for
Reply

10-16-00

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THE WHITE HOUSE
WASHINGTON

October 13, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. **T.M.**
KRIS M. BALDERSTON

SUBJECT: Summary of Cabinet Weekly Reports
October 7 - 13, 2000

DEPARTMENT OF THE TREASURY

- **HIPC:** The October 2 White House event with religious leaders and bipartisan debt relief supporters generated additional momentum in Congress toward meeting the Administration's appropriations and authorization requests this year. For example, after the meeting, Senator Mack asked Senator Gramm to meet with religious leaders to hear their case, which took place on October 11. In addition, a coalition of 45 corporations and business groups issued a statement of support for full funding for HIPC, including use of IMF gold. Secretary Summers continues to work closely with Members of Congress to resolve outstanding issues in the Foreign Operations Appropriations bill, and believes he is making good progress.
- **FY2001 Appropriations:** On October 12, the Senate passed, by a vote of 58-37, the combined Treasury-Postal/Legislative Branch conference report. The report also contains a provision to repeal the telephone excise tax. An additional \$306M for the Internal Revenue Service, counter-terrorism, and First Accounts was included in the Senate-passed Transportation bill. Together, the Treasury-Postal conference report and the additional provisions included in the Transportation bill generally meet the funding requirements set forth in your February Budget for key initiatives and priorities.
- **China:** On October 19, Secretary Summers will meet with Chinese Central Bank Governor Dai Xianglong. The meeting will be an opportunity to discuss in depth China's plans for liberalizing its financial sector and moving toward greater exchange rate flexibility. Secretary Summers will also discuss the upcoming U.S.-China Financial Dialogue, a meeting of financial regulators from both countries, and the annual U.S.-China Joint Economic Committee meetings, which are set for October 26-27 in

Washington, DC. This meeting with Governor Dai comes at a time when financial sector reform and exchange rate policy are under active debate within China.

- **School Violence:** On October 15, Treasury will release the Secret Service National Threat Assessment Center's (NTAC) Safe School Initiative study. The 14-month study, conducted in conjunction with DoEd and the National Institute of Justice, analyzes 37 school shootings over the past 25 years in order to obtain information about the thinking, planning, communications, and relevant behaviors of school shooters. The study is intended to assist school administrators, teachers, law enforcement professionals, and others in preventing this type of violence in schools in the future. On October 13, NTAC personnel and other Secret Service representatives briefed Secretary Riley on the study.
- **Money Laundering:** On October 21, a Treasury-led interagency law enforcement team will participate in the first meeting of the newly established International Black Market Peso Exchange (BMPE) Working Group. The BMPE system is the largest money laundering operation in the Western Hemisphere. The Working Group's meeting will bring together senior money laundering experts from Aruba, Colombia, Panama, the U.S., and Venezuela to examine the BMPE money laundering system and to recommend actions that can be taken to dismantle the system. The International BMPE Working Group initiative, which was called for in the Administration's 2000 Money Laundering Strategy, is the first regional attack on this system and is the outgrowth of a money laundering directive signed in September in Bogota by Treasury and senior officials from the other participating governments.
- **Tobacco:** Treasury assisted in developing guidance for the U.S. delegation attending the negotiations of the International Framework Convention on Tobacco Control taking place in Geneva on October 16-21. Treasury provided guidance pertaining to tobacco taxes, advertising, and anti-smuggling efforts. The U.S. position in the negotiations will be to allow countries to set their tax rates at the level they deem appropriate, regulate tobacco advertising in ways that are consistent with Administration proposals focusing on prohibiting advertisements aimed at teenagers, and require anti-smuggling efforts like those the Administration supported in 1998. Treasury's Bureau of Alcohol, Tobacco and Firearms has been included in the U.S. delegation to provide expertise on smuggling issues.
- **Indian Country:** On October 13, Secretary Summers, along with Secretary Cuomo, traveled to the Santo Domingo Pueblo in NM to release a joint Treasury/HUD report, *One-Stop Mortgage Center Initiative in Indian Country*. The report describes the initiative undertaken at your direction to streamline mortgage lending in Indian Country in order to improve access to mortgage loans on Indian reservations. Specifically, the One-Stop initiative provides a central location for tribal members to learn about buying or building a home on tribal land, and serves to help tribal communities build the

institutional infrastructure and human capital necessary to take full advantage of the assets and opportunities available from the nation's broader economy. While in NM, Summers and Cuomo will also meet with area tribal leaders, attend a ribbon-cutting ceremony for a housing facility in the Santo Domingo Pueblo that will be built using low-income housing tax credits, and visit a local community development finance institution funded by the Treasury CDFI Fund.

DEPARTMENT OF JUSTICE

- **Supreme Court ADA Case:** During the week of October 10, DOJ participated in oral arguments in a case presenting the question of whether private suits against states under the Americans with Disabilities Act (ADA) are constitutional. DOJ intervened to defend the statute. The ADA expressly abrogates the states' Eleventh Amendment immunity to private suits in Federal courts and DOJ urged the Court to affirm the Eleventh Circuit's holding that this abrogation was a proper exercise of Congress's power under the Fourteenth Amendment.
- **House Government Reform Committee Interview:** On October 5, Attorney General Reno was interviewed by Chairman Burton and staff from the House Government Reform Committee regarding DOJ's White House e-mail investigation, Waco, campaign finance, and former employee Bob Bratt. This interview substituted for a hearing on the same day, to which the Committee had subpoenaed Reno.

DEPARTMENT OF THE INTERIOR

- **Midway Atoll National Memorial:** Midway Atoll, already a national wildlife refuge, has been designated as a national memorial for its World War II role in the pivotal Battle of Midway. Midway became a wildlife refuge in 1988 and DOI's Fish and Wildlife Service took over management in 1996 as the Navy gave up control over its remote station there.
- **China:** On October 9-11, DOI's Minerals Management Service (MMS), in cooperation with the State and China's Oceanic Administration of the People's Republic of China, participated in a workshop in Beijing, China, on assessing and maintaining the integrity of existing offshore oil and gas facilities. The objective of the workshop was to provide a forum for the exchange of information and to promote discussion relative to ensuring the safety of various offshore structures, including platforms, pipelines, and floating production facilities.
- **CA Water Supply Project:** Public meetings will be held on October 17 in Sacramento and October 19 in Oakland to discuss an environmental impact report on the proposed East Bay Municipal Utility District (EBMUD) Supplemental Water Supply Project in

CA. DOI's Bureau of Reclamation (BOR) and EBMUD released the report for a 45-day review. BOR and EBMUD prepared a draft and report for the proposed project in November 1997. The proposed action is for EBMUD to obtain a supplemental water supply to help reduce customer deficiencies during droughts and provide system reliability, and to allow EBMUD to use its existing BOR contract for delivery of water from the American River.

- **CA Central Valley Project:** The CA Central Valley Project (CVP) carried over about 7.9M acre-feet of water into the new water year, approximately 300,000 acre-feet less than the 1999 carry-over, but still well above average. The 15-year carry-over average is 6.0M acre-feet. The higher-than-normal carry-over supply reflects the wetter-than-average hydrologic conditions experienced in Northern CA during the past six years. Reservoir releases throughout the summer were managed to meet downstream and fishery flow management objectives, project demands, and drawdown objectives for fall flood control. The total Water Year 2000 deliveries for the CVP are estimated at 6.0M acre-feet.
- **Controlled Burn Study:** Following the Cerro Grande Fire in May, Secretary Babbitt asked the National Academy of Public Administration (NAPA) to conduct a long-term study on National Park Service implementation of the interagency controlled burn policy. NAPA will also make recommendations on both the management and the outcomes of fires prescribed by NPS. Representatives from the NAPA panel were in the NPS Fire Management Program Center in Boise, ID, in September to examine how NPS implements its prescribed fire program, and to make recommendations for improvements.
- **Race and Diversity Conference:** On November 9-11, in Santa Fe, NM, the National Park Service will join the National Parks Conservation Association in hosting "A Mosaic in Motion 2000: The National Park Service - Embracing and Engaging All People," the second national conference designed to explore race and diversity issues in national parks.
- **Air Pollutants in Parks:** The National Park Service has begun an interpolation mapping of air pollutants and concentrations in units of the National Park System with significant natural resources where no current air quality data are available. The mapping of pollutants, sources, available monitors, and other parameters within the ArcView Geospatial Information System will provide a decision support and analysis tool.

DEPARTMENT OF AGRICULTURE

- **Agriculture Appropriations:** The Conference Committee on Agriculture Appropriations has completed its work, and USDA expects the House and Senate to approve the Conference Bill before October 20. The Bill appropriates \$78.1B for USDA,

FDA, and the Commodity Futures Trading Commission, a net increase of \$1.4B over your budget request, and provides over \$3.6B for natural disaster aid and emergency appropriations. The bill also provides requested funding for your Food Safety Initiative, and partially funds requested increases for invasive species biotechnology, anti-bioterrorism, and food quality protection.

- **Biotech Corn Found in Additional Product:** Over the week of October 4, USDA, EPA, and FDA consulted on measures to establish control over Aventis marketed "Starlink" corn, to ensure that it is not used in human food, for which it is not approved. This bio-engineered corn was registered by EPA only for domestic animal feed, but was found in Kraft-produced taco shells used at Taco Bell franchises in early September. Taco Bell responded to the discovery with a voluntary recall, and no related illness has been reported. On October 12, news media reported the discovery of Starlink in taco shells produced by Mission Foods Corp. of Irving, TX, being sold at Safeway supermarkets. Safeway is responding to the discovery with a recall as well. EPA is considering revoking Aventis' registration to sell Starlink corn based on failure to observe the terms of the registration. FDA has begun testing selected food products other than taco shells for the presence of Starlink corn.
- **Business Women's Network Summit:** On October 16-17, USDA will participate in the Business Women's Network Summit, which will attract over 1,500 businesswomen from across the country and around the world. USDA will participate in three workshops covering agricultural exports, rural development, and procurement. Secretary Glickman will be invited to sign a memorandum of understanding to improve the status of women in agriculture business.
- **Fire Activity and Burn Rehabilitation:** The Forest Service's Burned Area Emergency Rehabilitation (BAER) teams have surveyed 1,474,000 acres of National Forest System land, 291,000 acres of which are classified as severely burned as a result of 81 large fires. USDA has authorized \$33.8M for burned area rehabilitation work. Emergency treatments being installed on these burns include grass seeding on 78,100 acres, mulching on 4,550 acres, invasive weed control on 21,450 acres, intensive log and water erosion barriers on 19,120 acres, drainage improvement on 710 miles of roads and 650 miles of trail, and 104 miles of fencing to keep cattle out of the treated areas.
- **New York:** On October 16, Secretary Glickman will address the UN World Food Prize Millennium Laureate Award Luncheon, in New York, NY, and will also address the Long Island Foreign Affairs Forum, in New York, NY.
- **Commodity Markets:** Wheat cash prices were boosted by Commodity Credit Corporation purchases, but futures dropped on prospects for weekend rain in the Southern Plains. Corn prices rose sharply following reports of lower-than-expected yields. Heavy

supplies weighed on soybean prices. Rice prices moved up on slow farmer selling and improved export prospects. Continued deterioration in crop conditions boosted cotton prices. Rising wholesale beef prices helped lift cattle. Harvest pressure slowed hog marketings and supported prices. Cheese prices fell below support. Butter prices dropped in slow trade.

DEPARTMENT OF COMMERCE

- **HBCU Study:** On October 12, Secretary Mineta released a study on the telecommunications and computer infrastructure of the nation's historically black colleges and universities.
- ***Falling Through The Net* Report:** Secretary Mineta is expected to participate in the release of the next *Falling Through the Net* report prepared jointly by DOC's National Telecommunications and Information Administration and its Economics and Statistics Administration. A series of *Falling Through the Net* reports during the past four years have documented the nation's digital divide. The tentative release date for the current report is October 16.
- **Hammer Award for Welfare-to-Work:** DOC's Welfare-to-Work Decennial Census Project has been selected for a Hammer Award. Under this program, DOC partnered with DOL and Goodwill Industries to hire and train more than 37,000 public assistance recipients to work on the decennial census.
- **Export Seminars in China and South Korea:** Beginning the week of October 25, DOC's Bureau of Export Administration (BXA) will hold export control seminars in Shanghai, China, and Seoul, South Korea. More than 200 people are expected to attend the seminar. At the Korea seminar, scheduled for October 30-31, BXA officials will make presentations on the Export Administration Regulations and on the details of the regulatory changes implemented in June for North Korea.

DEPARTMENT OF LABOR

- **Welfare-to-Work Conference:** DOL and Jobs for the Future will sponsor an upcoming welfare-to-work conference entitled "WTW Beyond 2000: Building the Future." The conference will be held on October 17-19 in Phoenix, AZ. The forum will gather together key stakeholders to strengthen and energize efforts to move welfare recipients and other low-income parents into jobs with career potential that will lead to family self-sufficiency.

- **School-to-Work Conference:** On October 11-13, DOL will sponsor the school-to-work 2000 conference entitled "Thinking about Tomorrow" on Capitol Hill.
- **Disaster Unemployment Assistance:** In accordance with your October 4 disaster declaration, individuals in FL's Monroe, Dade, Collier, and Broward counties are being notified of their eligibility to apply for disaster unemployment insurance.
- **Los Angeles County Employee Strike:** At dawn on October 11, in a dispute about wages and a new contract, 42,000 Los Angeles County employees began a general strike in jails, libraries, beaches, health clinics, and other departments. On October 12, the municipal employees suspended their strike at the urging of Cardinal Mahony. Those striking had been clerical and service workers. The 42,000 county workers account for about half of the county's total public employee workforce. About 5,000 nurses and other medical personnel essential to emergency services were ordered by a judge on October 10 to report to work as usual, although there were mixed reports of compliance with this order and some emergency rooms had been forced to re-route patients. Negotiations resumed on October 12. The union, Local 660 of the Service Employees International Union, seeks a 15.5-percent wage increase over three years for its employees who currently earn an average salary of \$29,000 a year, while the county is offering a nine-percent raise.
- **Los Angeles Transit Strike:** On September 16, the United Transportation Workers local in Los Angeles representing 4,400 bus and rail operators went on strike. The strike impacts 450,000 riders on a weekday, most of whom are working poor. On October 10, transit officials made their "last, best, and final offer" to the union. The union rejected that offer on October 12, and made a counter-offer, which was rejected by the transit authority. On October 13, transit officials announced that they would mail their offer directly to individual union members. The County Federation of Labor announced that Reverend Jesse Jackson would join striking drivers for a solidarity rally on October 13. State legislators have announced plans to convene a joint session on October 16 to address the issue.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **NIH Grantees Win Nobel:** On October 9, two longtime National Institutes of Health grantees, Drs. Eric R. Kandel and Paul Greengard, were awarded the 2000 Nobel Prize in Physiology and Medicine for their discoveries in signal transduction in the nervous system. Their work has improved treatments for Parkinson's Disease, schizophrenia and depression, and holds promise for the improvement of memory in various types of dementia. The National Institute of Mental Health has provided more than thirty years of research support to Kandel and Greengard.

- **Early Childhood Development and Health Conference:** On October 17-18, HHS will sponsor a conference on post-secondary institutions' involvement in early childhood development and health in Charlotte, NC. The event is co-sponsored by the National Committee on Partnerships for Children's Health. Governors Hunt (NC), Musgrove (MS), and Siegelman (TN) will attend the conference and every state in the region will send a delegation.
- **Consumer Protection and Elder Rights Conference:** On October 30-31, the Administration on Aging is coordinating HHS's involvement in a conference being jointly sponsored by HHS and DOJ in Washington, D.C. The conference will focus on consumer protection and elder rights issues as they relate to older Americans.
- **Proposed Upper Payment Limit (UPL) Regulation Change:** On October 10, the proposed UPL regulation change was published. The proposed rule that Secretary Shalala announced on October 6 would close a loophole in Medicaid regulations that costs taxpayers billions of dollars without commensurate increases in coverage or improvements in the care provided to Medicaid beneficiaries. Shalala also announced Administration support for increasing Medicaid's disproportionate share hospital payments to ensure a more appropriate and stable funding source for hospitals and states. The proposed regulation would revise Medicaid's "upper limit" rules, stopping states from using certain accounting techniques to inappropriately obtain extra Federal Medicaid matching funds that are not necessarily spent on health-care services for Medicaid beneficiaries. The changes would be phased in to allow states time to adjust their Medicaid programs to meet the new requirements.
- **Youth Tobacco Surveillance:** CDC's *Morbidity and Mortality Weekly Report* reported that tobacco use is the single leading preventable cause of death in the U.S., accounting for approximately 430,000 deaths each year. The prevalence of cigarette smoking nationwide among high school students increased during the 1990s, peaked in 1996 and 1997, then began a gradual decline. Approximately 80 percent of tobacco users initiate use before the age of 18. The economic liability associated with tobacco use ranges from \$50B to \$73B per year in medical expenses alone. Because of these health and economic consequences, the CDC has recommended that states establish and maintain comprehensive tobacco control programs to reduce tobacco use among youth. To assist states in doing so, CDC developed the Youth Tobacco Surveillance and Evaluation System, which includes international, national, and state school-based surveys of middle-school and high-school students.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Penalties against Washington-Area Landlords:** HUD and EPA have announced penalties against three of the Washington area's largest real estate management companies for failing to warn hundreds of tenants that their homes may contain lead-based paint hazards. The two firms agreed to pay \$563,000 in lead paint abatement. In addition, the companies are ordered to pay nearly \$75,000 in penalties for violating the Residential Lead-Based Paint Hazard Reduction Act.
- **Grants to Help the Disabled Find Homes:** Secretary Cuomo has announced nearly \$132M in grants that non-profit groups will use to create housing for about 1,600 people with disabilities. The funding, which will help provide nearly 1,500 homes for people capable of living independently, may be used to construct new housing, or acquire and rehabilitate existing housing. Some support services, such as counseling, advocacy and referral services, transportation, and assistance in obtaining employment, may also be provided.
- **Gun Buyback in Newark, NJ:** The Newark, NJ, Housing Authority will reprogram \$500,000 of its FY1999 Public and Indian Housing Drug Elimination Program grant funding and will receive \$215,000 in matching funds from HUD for a total of \$715,000 for its Gun BuyBack Initiative. The Authority seeks to take approximately 500 to 1000 guns off the street in exchange for \$50 and \$150 for each gun depending on the type of weapon.

DEPARTMENT OF TRANSPORTATION

- **Coast Guard Cocaine Seizure Report:** During the week of October 2, the Coast Guard released unofficial figures for non-commercial maritime cocaine seizures in FY2000. The Coast Guard ended FY2000 with a seizure total of 132,880 pounds of cocaine, surpassing the previous record total of 111,689 pounds in FY1999. The unofficial value of all drugs seized in FY2000 in the maritime transit zone is \$4.4B.
- **Woodrow Wilson Bridge:** On October 2, the Supreme Court denied a *certiorari* petition seeking reversal of a December 17 DC Circuit decision upholding DOT's Federal Highway Administration's decision to build a new, 12-lane bridge to replace the aging six-lane Woodrow Wilson Bridge. The DC Circuit decision, which the Supreme Court left standing, held that FHWA's approval of the new span met all of the requirements of the National Environmental Policy Act, the National Historic Preservation Act, and the Department of Transportation Act. The DOT Appropriations Bill increases the Federal contribution to construct the bridge from \$900M to \$1.5B, and funds these amounts from general revenue sources.

- **Winter Fuel Oil Meeting:** On October 5, DOT's Maritime Administration hosted its annual Winter Fuel Oil Meeting that included officials from DOE, Treasury, Customs, and the Coast Guard. Acting Administrator Graykowski addressed attendees from both industry and government and led a discussion on how best to cope with any disruptions in the transportation supply system this winter. Each of the participants reviewed forecasts on fuel oil requirements, availability, and transportation resources, particularly the available U.S.-flag tanker tonnage. All parties agreed to monitor the transportation supply system to ensure that no disruptions occur during the winter heating season.
- **Delta Tourism Development Forum:** On October 18-20, as an outgrowth of the Delta Visions, Delta Voices national conference on the Mississippi Delta Region that Secretary Slater hosted with you and the Vice President in May, USDA, DOC, DOI, and DOT, along with the tourism offices of all seven Delta states, will co-host the Delta Tourism Development Forum in Memphis, TN. Building upon the many tourism development activities already under way in the Delta Region, the Tourism Development Forum will bring together a wide range of public and private stakeholders, including state tourism officials, tourism business leaders, local officials, tour operators, national park officials, and other stakeholders to begin to devise enhanced regional tourism development and marketing strategies. These strategies will form the basis for a larger gathering of Delta tourism stakeholders next year to outline the specific shared responsibilities of the public and private parties necessary to attain the objective of heightened tourism travel to the region.

DEPARTMENT OF ENERGY

- **Electric Vehicle Symposium:** The International Electric Vehicle Symposium and Exposition will be held on October 15-18 in Montreal, Canada. The symposium is recognized as the world's premier event for professionals in the field of electric and hybrid vehicle technologies. It will include technical sessions focusing on electric vehicles, hybrid vehicles, and a host of advanced battery, electric drive, and fuel cell technology developments. Secretary Richardson will deliver remarks on October 18.
- **Weatherization Day:** DOE will celebrate October 30 as Weatherization Day, in an effort to raise public awareness of the importance of weatherization in reducing the burden of utility bills on low-income households. This theme is particularly significant with the projected increase in heating oil and natural gas prices this winter. Weatherization Day will also recognize state and local agencies throughout the country for their hard work and diligence in helping more than five million families conserve energy and reduce costs for heating, cooling, and electricity. Weatherization reduced energy bills by 20 percent or more, saving each family almost \$200 annually.

- **Lower Snake River Hatcheries:** DOE's Bonneville Power Administration and the DOI's Fish and Wildlife Service (FWS) have signed a one-year \$14.7M direct-funding agreement to fund hatcheries under the FWS Lower Snake River Compensation Plan (LSRCP) for FY2001. Built by the Army Corps of Engineers and transferred to the FWS after construction, the hatcheries are used to compensate for impacts of the lower Snake River dams. The hatcheries have been funded through appropriations that are repaid by Bonneville.
- **National Laboratory Pumps Shut Down:** On September 29, after lengthy negotiations with EPA, the NY Department of Environmental Conservation, and the Suffolk County Department of Health Services, the Brooklyn National Laboratory tritium pump-and-treat system was placed on standby. This treatment system was operated in response to the High Flux Beam Reactor spent fuel pool leak detected in 1997. Brookhaven will continue to monitor the plume and treat it through other treatment systems.
- **Gasoline Prices Mixed, Stocks Up:** Gasoline spot prices east of the Rockies generally posted little net change over the last week, moving in parallel to crude oil prices. U.S. petroleum markets generally declined through October 5, aided by news that the entire 30-million-barrels offered from the Strategic Petroleum Reserve had been awarded, but rose on October 9 due to concerns about new violence in the Middle East. The U.S. average retail price for regular gasoline fell for a third consecutive week, dropping 2.2 cents to 150.2 cents per gallon as of October 9. The average was 25.3 cents per gallon higher than a year ago. Prices decreased solidly for most regions and formulations except on the West Coast, where they were relatively unchanged. Total motor gasoline stocks rose 0.2 million barrels on October 6 to 195.8 million barrels, 10.9 million barrels below the level for the same week last year.

DEPARTMENT OF EDUCATION

- **Alcohol, Drugs, and Violence Prevention:** On October 14-17, DOEd is sponsoring the annual meeting on Alcohol, Other Drugs, and Violence Prevention in Higher Education in Pittsburgh, PA. On October 16, Secretary Riley will address the gathering.
- **Charter School Meeting with Japan:** On October 19, Michael Cohen, DoEd's Assistant Secretary for press and three officials from Japan's Ministry of Education on charter schools and other Elementary and Secondary Education, will meet with a delegation of eleven education editors from the Japanese education reforms.
- **International Education Week:** Secretary Riley has declared the week of November 13 as International Education Week in an effort to raise awareness of the importance of international cooperation in education.

DEPARTMENT OF VETERANS AFFAIRS

- **Threats to Health-Care Workers:** VA is examining recently published data from the Bureau of Labor Statistics that shows that pharmacists, therapists, dieticians, and physician assistants held the deadliest health-care professions in 1999. The fatality rates for those professions were slightly higher than the rates for doctors and nurses. The health-services sector accounted for about 1.3 percent of the nation's on-the-job fatalities.
- **CA Referendum for Veterans:** During the November election, CA voters will vote on whether to fund a new program to help veterans buy property, conventional homes, and even farmland. The program is designed to run without direct taxpayer funds. If approved, the initiative would permit loans of \$70,000 for mobile homes, \$250,000 for regular homes, and \$300,000 for farmland.
- **World War II Memorial:** School children in Sioux Falls, SD, are collecting ten dollars for each balloon they plan to release on Veterans Day as part of a campaign to raise money for the World War II memorial. Many contributors are donating a balloon for each member of the family who contributed to the World War II victory.
- **Minority Veterans Training Conference:** On October 16-19, VA, in partnership with the Health Care Financing Administration, will host the Fifth Annual Training Conference for Minority Veterans Program Coordinators, in Pittsburgh, PA. Attendees will have an opportunity to participate in workshops covering a full range of subjects including outreach, interactive networking with community-based organizations, cultural sensitivity, and issues facing minority veterans.

ENVIRONMENTAL PROTECTION AGENCY

- **Power Plant Emissions Report:** At an event on October 17, the Clean Air Task Force plans to issue a report titled *Death, Disease, and Dirty Power*. The study concludes that "fine particle pollution from U.S. power plants cuts short the lives of over 30,000 people each year." The Task Force recommends that "grandfathered" coal-fired power plants be made to comply with modern emissions control standards and that "the nation's power fleet should be held to stringent caps on all four of the key power plant pollutants including nitrogen oxides, sulfur dioxide, mercury and carbon dioxide." The report concludes that fine soot pollution can shave several years off victims' lives in polluted areas and that hundreds of thousands of Americans suffer from respiratory and cardiac ailments associated with fine particles from power plants.

10-16-00

- **Internet Vehicle Emissions Guide:** EPA is making available on its website a new auto emissions guide for consumers. This effort follows last week's announcement by EPA and DOE of their joint release of this year's fuel economy guide. The guide ranks 2001 model year vehicles, based on EPA and DOE estimates of fuel economy, and helps consumers make informed decisions when buying a new vehicle.

SMALL BUSINESS ADMINISTRATION

- **SBDC Program Anniversary:** SBA's premier technical assistance program, the Small Business Development Center (SBDC) program, celebrated its 20th anniversary at its annual conference on October 4-7. The SBC program has helped more than eight million entrepreneurs to start or expand their businesses.
- **National Environmental Policy Act (NEPA):** SBA is working with CEQ in an effort to prevent litigation that has been threatened by various non-profit environmental groups regarding the impact of SBA's business loan programs on urban sprawl. SBA officials met the CEQ with the attorneys from DOJ and representatives from the environmental organizations. SBA will soon implement training and guidance to its field offices on complying with NEPA guidelines.

OFFICE OF PERSONNEL MANAGEMENT

- **Federal Overtime Pay Legislation:** Two bills have been introduced in the House to correct an inequity where some supervisory wildlands firefighters earn less than their usual rate of pay for working overtime during emergencies, but neither bill has been approved by the House Government Reform Committee. While OPM does not expect Congress to act soon on either bill, it has learned that Congress may separately address overtime pay problems for NTSB inspectors in NTSB's authorization bill.

Handwritten signature/initials

GENERAL SERVICES ADMINISTRATION

- **Presidential Transition:** The Presidential Transition Act 2000, which you signed on October 12, authorizes GSA to provide additional support during the upcoming transition. The legislation expands GSA's duties to include two new activities: coordinating the development and delivery of orientation sessions for the President-elect's nominees for Cabinet and key White House positions; and working with the National Archives to develop a transition directory of information about the Federal government. In addition to giving GSA new responsibilities, the legislation requires the Office of Government Ethics to conduct a study of how to streamline the financial disclosure process for Presidential appointees. GSA has requested an additional \$1M in its FY2001 budget to fund these new activities.

Cabinet Affairs Travel

Monday, October 16 - Sunday, October 22, 2000

Seattle, WA
Secretary Mineta 10/18
Commissioner Apfel 10/16-18

Montreal, Canada .18
Ottawa, Canada 10/19
Secretary Riley

Syracuse, NY
Geneva, NY
Administrator Browner 10/16

New York City, NY
Secretary Summers 10/17-18
Secretary Glickman 10/16
Secretary Cuomo 10/19
Director McCaffrey 10/16

PN 10/18-20
Administrator Alvarez

Akron, OH
Administrator Alvarez 10/17

Denver, CO
Secretary Glickman 10/19

Canton, OH
Secretary Riley 10/16

CA
Secretary Babbitt 10/18-19

Oakland, CA
Secretary Mineta 10/19

Santa Cruz, CA
Santa Clara, CA
Secretary Mineta 10/17

Boston, MA 10/17
Director McCaffrey

St. Louis, MO
Secretary Glickman 10/17
Secretary Slater 10/17
Secretary Riley 10/17

Hopewell, PA
Secretary Shalala 10/19

Sante Fe, NM
Cochiti Pueblo, NM
Secretary Mineta 10/20

Pittsburgh, PA
Secretary Riley 10/19

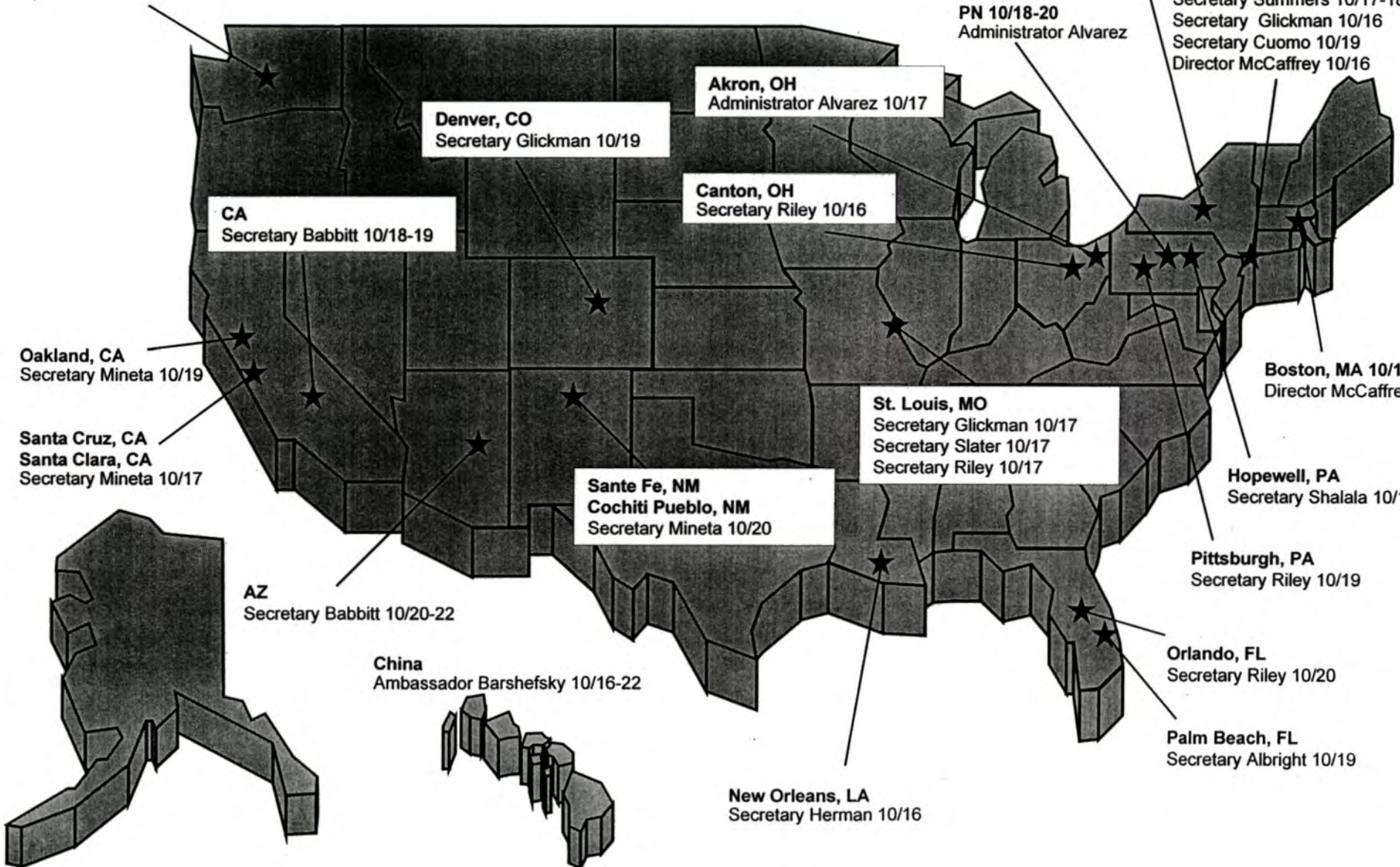
AZ
Secretary Babbitt 10/20-22

Orlando, FL
Secretary Riley 10/20

China
Ambassador Barshefsky 10/16-22

Palm Beach, FL
Secretary Albright 10/19

New Orleans, LA
Secretary Herman 10/16



cc:

The Vice President

John Podesta

Martin Baily

Sandy Berger

Sidney Blumenthal

Chuck Brain

Charles Burson

Mary Beth Cahill

Maria Echaveste

George Frampton

Mickey Ibarra

Ben Johnson

Joel Johnson

Janis Kearney

Neal Lane

Jack Lew

Joe Lockhart

Lisel Loy

Buddy MacKay

Minyon Moore

Bruce Reed

Steve Ricchetti

Jake Siewert

Gene Sperling

Lauren Supina

Loretta Ucelli

Melanne Verveer

10-16-00

THE WHITE HOUSE
WASHINGTON

October 13, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: CHUCK BRAIN *CMB*

SUBJECT: LEGISLATIVE WEEKLY REPORT

Final Action

Continuing Resolution: On Thursday, H.J. Res. 111, making continuing appropriations through October 20th, 2000 was passed by both the House (407-2) and the Senate (90-1). Representatives Baird (D-WA) and DeFazio (D-OR), as well as Senator Leahy (D-VT) opposed the resolution.

Auto Safety: In the wake of the Firestone tire accidents and recall, the House and Senate passed (by voice vote and unanimous consent, respectively) H.R. 5164, the Transportation Recall Enhancement, Accountability, and Documentation Act. This legislation, which your Administration strongly supported, imposes civil and criminal penalties on auto industry officials. Some consumer advocates have expressed concern that the bill is not as tough on auto executives as Senator McCain's (R-AZ) bill. There is Member interest in having a signing ceremony.

Breast and Cervical Cancer: On Thursday, the House passed (voice) H.R. 4386, the Breast and Cervical Cancer Prevention and Treatment Act of 2000. The Republican Leadership attempted to add troublesome language authored by Representative Coburn (R-OK) requiring the labeling of contraceptives regarding the effectiveness of condoms in preventing Human Papillomavirus (HPV). The provision has drawn considerable concern among public health and family planning groups as well as the Center for Disease Control. The National Breast Cancer Coalition, supporters of the underlying bill, organized opposition to this language. The Republican Leadership, fearing they would lose, abandoned Mr. Coburn's efforts and allowed a clean bill to go to the floor. The measure will now be sent to you for your signature. It is possible that Representative Coburn will pursue his HPV provision as a rider in the Labor/HHS bill.

Defense Authorization: On Wednesday, the House passed (382-31) and on Thursday the Senate passed (90-3) H.R. 4205, the National Defense Authorization Conference Report. Accommodations were reached on Kosovo, Vieques, military retiree healthcare, military pay raise, and Energy Department employment compensation. Hate Crimes was not included.

Intelligence Authorization: On Thursday, the House and Senate passed (by voice vote and unanimous consent, respectively) H.R. 4843, the FY 2001 Intelligence Authorization Act, clearing it for your signature. The bill includes a controversial provision which expands government authority to bring criminal charges against those who disclose classified material. The new measure would make almost all unauthorized and willful disclosures of classified

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information by government employees a felony punishable by up to three years in prison. In light of the controversy surround this "leaks" provision, the Administration's final position on this bill needs to be determined.

NASA Authorization: On Friday morning, the Senate passed by unanimous consent the Conference Report to HR 1654, the FY 2000-2002 National Aeronautics and Space Administration Authorization Act, clearing the measure for your signature.

School County Payments: The House and Senate also passed H.R. 2389, the Secure Rural Schools and Community Self-Determination Act of 1999, a bill that decouples timber payments from funding for schools and roads.

Treasury-Postal/Legislative Branch Appropriations: On Thursday, the Senate passed (58-37) the Conference Report to H.R. 4516, the Legislative Branch Appropriations Act, which includes the Treasury-Postal Appropriation Act and the telephone excise tax repeal. We have requested that this bill not be sent to you until it is clear what other tax measures will be sent to you.

Violence Against Women Act/Sex Trafficking: On Wednesday, the Senate passed (95-0) the Conference Report to H.R. 3244, the Sex Trafficking Victims Protection Act. The underlying bill provides the Department of Justice with enhanced prosecutorial tools to combat, establishes an interagency task force to fight, and directs the Secretary of State to monitor and report on international sex trafficking. In addition, the Democrats, led largely by Senator Joe Biden (D-DE), were able to add the Violence Against Women Act (VAWA) to the Conference Report. This version of VAWA reauthorizes the program for another five years and provides important protections for battered immigrants and same-sex partners who are victims of domestic violence. The Conference Report contains: (1) the Hatch Internet Alcohol bill, which provides a state with long-arm personal jurisdiction over out of state Internet alcohol distributors; (2) the Mack-Lautenberg Victims of International Terrorism bill, which amends the federal definition of jurisdictional immunity for a foreign state to allow a plaintiff to seek money damages against a foreign state for personal injury or death that was caused by an act of terrorism sanctioned by a foreign government; and (3) Aimee's Law, a Santorum bill which provides that if State A releases a person who was convicted of a sexual offense or murder, and that person commits a similar crime in State B, the US Attorney General must reallocate State A's criminal justice funds to State B in an amount equal to State B's cost for prosecuting and incarcerating that person.

House of Representatives

Floor Activity: On Tuesday and Thursday, the House considered several measures under suspension of the rules. Notable among them, the House rejected S. 2438, the Senate version of the pipeline safety bill, by a vote of 232-158, short of the required two thirds majority. House and Senate staff are working to see if a different compromise bill is possible. That prospect is unlikely. We are preparing a package of administrative actions. The House also took action on bills subject to a rule, listed below:

Energy/Water Appropriations: On Wednesday, the House voted to override (315-98) H.R. 4733, the FY 2001 Energy and Water Development Appropriations Act Conference Report. The Senate, however, did not attempt an override, instead pulling the objectionable Missouri River provision out of the bill and adding the bill to the VA/HUD appropriations act, which passed on

an 87-8 vote. \$20 million to fund your Delta Regional Authority is included in the bill. The House will consider this combined package as a freestanding bill next week. Passage in the House will clear two more appropriations bills for your signature.

Agriculture Appropriations: On Wednesday, the House passed (340-71) H.R. 4461, the FY 2001 Agriculture Appropriations Conference Report. The bill contains funding for child nutrition programs, conservation, food safety, and farmers and fishermen emergency-aid. The bill also contains a number of controversial riders. It eases sanctions on Cuba, but also tightens travel restrictions to the country. It allows the reimportation of prescription drugs, but in an objectionable and ineffective manner. Finally, it includes an objectionable trade provision related to fines for dumping. On Friday, the Senate began consideration of the Conference and a vote on final passage will occur on Wednesday.

Bankruptcy: In order to get their bankruptcy legislation to the floor, the House leadership attached the conference report to a shell bill number and passed it by voice vote on Thursday. When the bankruptcy bill was considered on May 5, 2000, the House passed the bill 313-108. We oppose the bankruptcy measure because it does not incorporate the compromise on limiting homestead exemptions which your Administration reached with bankruptcy reform legislators. The bill also fails to require accountability and responsibility from those who unlawfully bar access to legal health services, something you have made clear that you require. John Podesta sent a letter to Speaker Hastert and Minority Leader Gephardt stating that you would veto the bill.

Week Ahead

The House will reconvene for legislative business on Tuesday, October 17th, with votes after 6:00 pm. In addition to a number of suspension measures, the House is expected to consider the following conference reports and bills subject to a rule: H.R. 4635, the FY 2001 VA/HUD Appropriations Act (which will include an acceptable Energy/Water bill); H.R. 4942, the FY 2001 District of Columbia Appropriations Act; and H.R. 4656, authorizing the conveyance certain lands in Lake Tahoe to the Washoe County School District. Additional appropriations bills which may be sent to you before the current CR expires on Friday are: Labor/HHS, Commerce/State/Justice, and Foreign Operations.

The House may consider H.Res. 596, a resolution regarding Armenian genocide. The State and Defense Departments sent a letter opposing the bill.

House and Senate Democrats will be looking for opportunities to highlight education next week, including your appearance at the joint House/Senate caucuses.

House Notes

H1-B: We are considering a signing ceremony for the H1-B visa legislation that increases the number of high tech workers that companies are allowed to bring into the United States and increases the fee that these companies must pay for this privilege. In addition, the Congressional Black Caucus is interested in continuing efforts to increase recruitment of underrepresented minorities and persons from rural areas by high tech firms.

WRDA/Everglades: This bill has been held up in the House due to concerns about Davis-Bacon. The Administration has recently determined that it applies and as a result, we expect to see a bill considered on the House floor shortly.

United States Senate

Energy and Water/VA/HUD Appropriations: On Thursday, the Senate passed (87-8) H.R. 4635, the VA/HUD Appropriations Act. While under consideration, the Senate passed (by voice vote) a Bond (R-MO)/Mikulski (D-MD) amendment which is a revised version of the Conference Report to H.R. 4733, the Energy and Water Appropriations Act. This amendment strikes a provision in the bill regarding the Missouri River, over which the Administration vetoed the bill. The Senate rejected (by voice vote) a Byrd (D-WV) amendment which is S. 2900, the Senate version of the Treasury-Postal Appropriations bill. Finally, the Senate tabled a Boxer (D-CA) amendment to strike provisions regarding Clean Air Act area designations and arsenic in drinking water and another Boxer (D-CA) amendment relative to contaminated sediment dredging.

Nominations: On Thursday, the Senate confirmed the following individuals by unanimous consent: Robert Shamansky, of Ohio, Member of the National Security Education Board; and Robert Pirie, of Maryland, to be Under Secretary of the Navy.

Dakota Water Resources: On Friday morning, the Senate passed by unanimous consent S.623, the Dakota Water Resources Act. This is a North Dakota water project that is of great interest to the state's congressional delegation.

Week Ahead

The Senate will not be in session on Monday due to the Million Family March and will next convene at 9:30 am on Tuesday. No votes will occur before Wednesday.

Agriculture Appropriations: On Tuesday, the Senate will resume consideration of the Conference Report to H.R. 4461, the Agriculture Appropriations bill, and debate the bill throughout the day. A vote on final passage is expected at 11:30 am on Wednesday.

Bankruptcy: On Wednesday, the Senate will likely take up the Conference Report to H.R. 2415, sponsored by Senators Hatch (R-UT), Grassley (R-IA), Biden (D-DE), and Torricelli (D-NJ), which the House passed by voice vote on Thursday. This "new" bankruptcy bill is silent on the Schumer clinic violence issue and moves significantly backward from the Republican's most recent proposal on the homestead provision. Senate opponents intend to employ every tactic to delay so that it cannot pass before the Senate adjourns.

cc: The Vice President
John Podesta
Steve Ricchetti
Joel Johnson
Maria Echaveste
Karen Tramontano
Loretta Ucelli

THE WHITE HOUSE
WASHINGTON

OCTOBER 13, 2000

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: MARY BETH CAHILL
DIRECTOR, OFFICE OF PUBLIC LIAISONCopied
Cahill
Podesta

SUBJECT: WEEKLY REPORT (October 7 to October 13)

I. ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES:*MIDDLE EAST CONFLICT*

Leon Fuerth Has Frank Meeting with Arab American Leaders. This briefing was previously scheduled as part of an ongoing outreach effort. Fuerth opened the meeting discussing airport profiling and secret evidence, although the bulk of the meeting dealt with the critical situation in the Middle East. Their primary point was the need for a more even-handed approach by the United States, and how that need is reflected in the feelings and actions of the Palestinians "on the streets" who have never believed in the "peace process." Without a more balanced approach, the U.S. ability to inspire hope and ask for patience is destroyed. They pointed to the fact that there was no official statement from the U.S. on the death of the 12-year-old Palestinian, but an immediate one regarding the two Israeli soldiers. They were also disappointed that there was no expression of concern for violence against the Palestinians in the debates.

Other major points were: Palestinians have lost confidence in Arafat, and the bombing of his house is such a humiliation that it only makes it harder for him to ask for calm; UN Secretary General Annan's presence is needed because the U.S. is no longer considered an honest broker. Absent a more balanced approach, moderate Arab countries are forced to become more outspoken, and extremists are more able to inflame passions. As a "Palestinian" issue, the situation was difficult enough – as a religious issue, as it is now judged, it is even more difficult. Clearly the domestic issues of secret evidence and profiling only add to the feeling of disenfranchisement among Arab Americans. When we asked for ideas, the group suggested a major speech by you or Secretary Albright, and that the Vice President publicly address some of the issues raised in the meeting.

American Jewish Groups Across the Country Hold Solidarity Rallies for Israel. Thousands of Jews have marched in support for solidarity as well as to show you their support. The Jewish Community overwhelmingly supports your efforts over the last few days and remains hopeful that a Summit will commence soon. Additionally, while the majority may not agree with the abstention vote on the UN Security Council resolution, they understand why you had to do it.

Concern about Developments in the Middle East. Both Christian and Muslim groups have expressed distress at Israel's military response to the violence, concern for the need to protect holy sites, and support for Palestinians' right to self-determination.

VIETNAM TRIP

OPL Hosts Vietnam Trip Meeting with Veterans Organizations. OPL, NSC and VA participated in a meeting with the leading veterans organizations indicated their support for the trip and emphasized several key points: 1) their agreement that the focus should be on moving forward in the relationship with Vietnam, while paying proper respect for the sacrifice of veterans and POW/MIAs; 2) their desire for you to participate in a substantive event focused around POW/MIAs, such as an excavation which is appropriately structured, not just a "media production"; and 3) their interest in you visit the southern region of Vietnam, not just Hanoi.

OPL Hosts Vietnam Trip Meeting with Vietnamese Americans. Thirty-nine Vietnamese American leaders from throughout the country participated in a meeting with OPL, NSC, USTR, and State. While the group is generally supportive of the trip and your engagement on trade issues, some urged caution as Vietnam remains a communist regime. Central issues emerged: 1) the importance of recognizing the Vietnamese American community on the trip by taking a delegation and making statements about the community; 2) the importance of continuing to press the Vietnamese Government on civil, human and religious rights in Vietnam; 3) concerns regarding humanitarian efforts and the ability of NGO's to help in relief efforts, particularly with regard to the recent Mekong floods; and 4) concerns about the treatment of ethnic minorities in Vietnam.

CHINA PNTR

Business Community Attends China PNTR Signing Ceremony. Representatives of the Business Community viewed their inclusion, and your decision to thank each of them individually afterwards as signs that their hard work was truly appreciated. Many companies will be publicizing the signing ceremony in their companies newsletters over the next few weeks.

VIOLENCE AGAINST WOMEN ACT

Women's Groups Celebrate VAWA Victory. Women's groups are grateful for the attention you brought to the issue through your event in New Mexico as well as your letter to Sen. Lott.

BBA PROVIDER GIVE-BACKS

Advocacy and Provider Groups Putting Pressure on Republicans to Support Beneficiaries in BBA Give-backs. The Catholic Health Association and the American Medical Association have placed ads in newspapers contrasting financial support of HMO's and failure to pass a Patients' Bill of Rights.

Disability Groups Mobilize in Support of MiCASSA Grants and Family Opportunity Act as End-of-Year Priorities. Advocates are organizing grassroots efforts to urge Congress to support consumer-oriented health priorities instead of HMO's.

II. CONSTITUENT OUTREACH AND OTHER ISSUES:

10-16-00

DISABILITY OUTREACH

Disability Community Registers 500,000 People with Disabilities to Vote. Spearheaded by the efforts of the National Organization on Disability, disability advocates hope to increase voter turnout among people with disabilities by 700,000. Grassroots activists are particularly motivated by the election's implications for the Supreme Court, and they hope to demonstrate the impact people with disabilities can make. One recent Harris poll had indicated that of an 8% margin for Gore, 2% was attributed to people with disabilities.

Disability Community Holds All-Night Vigil at Supreme Court. Several dozen advocates camped out overnight on Monday to demonstrate support for the constitutionality of the ADA in the *Garrett* case. Advocates are pleased with the Administration's brief and are hopeful that the Court will withstand its federalism trend and uphold the ADA's application to States.

Disability Community Hails Passage of Developmental Disabilities Act. This reauthorization establishes a nation-wide network of expertise, consultation, and advocacy for people with developmental disabilities.

HEALTH OUTREACH

Advocates Amplify Colon Cancer Announcements. Katie Couric highlighted your Radio Address announcements at the Colon Cancer Walk on the Mall. Cancer advocates put out press releases and news alerts to highlight the initiatives.

National Breast Cancer Coalition (NBCC) Applauds Passage of the Breast and Cervical Cancer Act. The NBCC has their gala in New York City on Monday, Oct. 16, and hope to have a Presidential/First Lady message to highlight the Administration support of this bill.

LATINO OUTREACH

Secretary Richardson Gives Keynote Address at the United States Hispanic Chamber of Commerce. This week the USHCC held it's annual convention and business expo (one of the premier Hispanic business events during Hispanic Heritage Month), which focused largely on new capital markets, e-commerce, private sector diversity, public sector diversity initiatives, global marketing and the public perception of Hispanics. Sec. Richardson delivered the keynote address in your absence, at the Chamber's town hall meeting that focused on how the Hispanic and African American communities can work together to promote initiatives that are important to both communities. Richardson announced your Executive Order that will increase the presence of Hispanics in the federal government through recruitment programs, career development, and an Interagency Task Force for monitoring these efforts. Maria Echaveste and John Sepulveda of OPM participated in a conference call with specialty press to amplify the Executive Order. Sec. Summers, Admin. Alvarez, Chairwoman Castro, George Munoz, Charles Tansey and Former Secretary Federico Pena also represented the Administration at the convention.

WOMEN'S OUTREACH

International Family Planning Groups Anxiously Await Appropriations Decision Regarding Global Gag Rule. Your Administration has consistently conveyed to the groups that we recognize their position. They are disappointed with last year's negotiations and seek confirmation that you will veto any legislation that threatens international family planning.

Women's History Highlighted on Eleanor Roosevelt's Birthday. To celebrate Eleanor Roosevelt's birthday, the Women's Office held a national conference call with women's historical organizations. Groups across the country were glad to have an official Eleanor Roosevelt Day proclamation and expressed their gratitude for the programs your Administration has put in place to celebrate women in American History.

NOW Marches on Washington. This weekend the National Organization for Women will host its world march on Washington to eliminate poverty and eradicate violence against women. Almost all of the national women's organizations are participating in the march and turnout is expected to be high. Consecutive marches are being held around the world on the same day. Passage of VAWA will be a cause for celebration.

THE WHITE HOUSE
WASHINGTON

10-16-00

October 12, 2000

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Cutler
Frampton
Podesta

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER

CC: MARIA ECHAVESTE

SUBJECT: WEEKLY REPORT

BUDGET

- We did well on Indian country initiatives in the Interior bill, as you noted in your signing message. We really owe a great deal to Jack Lew, Sylvia Mathews, Maria Echaveste, Mary Smith and Mark Magana of your staff for their diligence in fighting for this basic funding. Now we face challenges in the Justice and Commerce Department's funding and an initiative in SBA on tribal business centers. We also are trying very hard to get the Washoe land bill through for Brian Wallace and his people. Correction of the Federal Unemployment Tax Act as it pertains to Indian country is another late battle that will help all of Indian country. Some of the House members will meet with Gene Sperling, Jack Lew and myself next week.

CREATION OF CALIFORNIA MONUMENT

The Senate has passed the Santa Rosa and San Jacinto Mountains National Monument Act of 2000. With support from local environmental and tribal leaders it allows for a 272,000 acre monument just east of Los Angeles. Much of the Agua Caliente Band of Cahuilla Indians' reservation lands fall within the boundary of the Monument. Interior has worked with the tribe to develop agreements that identify the Tribe as full partners in the long-term management of the region. This culminates a long process and sets a historic precedent that symbolizes the Administration's approach to tribal sovereignty.

GWIN'ICH ALASKA TRIBE

- Several of us met with this small tribe that is located in the Alaska Arctic Wildlife National Monument region. They are seeking declaration of the area as a national monument so that their caribou and ancestral lands can be held harmless and protected from future incursion on

Post Frampton
10/16/00

MEMORANDUM TO THE PRESIDENT
PAGE TWO

the refuge. They were accompanied by high-ranking officials of the Episcopal church. We referred them to Interior for further exploration of the possibilities.

SHOSHONE

- At your direction, we are preparing a response to the Shoshone on the Fort Reno issue.

THANK YOU

- Thanks for your very kind words at the Udall reception. It meant a great deal to me.

THE WHITE HOUSE
WASHINGTON

October 16, 2000

John/Melanne:

Attached for your review is a comprehensive Citizens Medal list. It includes suggestions from staff, Members and the public list, as well as names moved from the Medal of Freedom list. We received suggestions from NSC, Cabinet Affairs, Leg. Affairs, OPL, CEQ, OSTP, Minyon, Sid, Ben Johnson, Karen, Maria, Mickey, and Gene; per my discussion with Melanne, however, we did not run the same formal process we did for Medal of Freedom (*i.e.*, a series of all-staff meetings).

With 1 or 2 exceptions as noted, all names have been vetted. Although we have whittled the list down, it's still long and can be cut down considerably once you've reviewed. It does not include candidates from the Administration that the President may also wish to consider (Reagan awarded 39 medals on January 18, 1989, primarily to Administration officials); we have a separate list of those names.

Finally, the Citizens Medal and citation for David Hermelin are ready; Bruce is trading calls with Hermelin's son to determine the best way to make the award. And we should discuss potential Medal of Freedom awards to Nelson Mandela, Archbishop Tutu and Aung San Suu Kyi.

Please forward any thoughts/feedback to me, and/or I can set up a meeting to discuss if you'd prefer.

Lisel Loy *LL*

October 16, 2000

MEMORANDUM FOR LISEL LOY

FROM: DELIA COHEN

SUBJECT: AWARD OF THE PRESIDENTIAL CITIZENS MEDAL

The Presidential Citizens Medal was established on November 13, 1969, by Executive Order 11494. The medal is awarded by the President to U.S. citizens who have performed exemplary deeds of service for our nation -- but of a slightly lesser impact or scope than those performed by Presidential Medal of Freedom recipients. To date, 90 medals have been awarded overall: 2 by President Nixon, 57 by President Reagan, 16 by President Bush, and 15 by President Clinton (**see attachment**). No medals were awarded by President Ford or President Carter.

President Reagan awarded 39 medals on January 18, 1989, just before he left office -- mainly to prominent public servants in the Reagan Administration. President Clinton may wish to consider awarding the Citizens Medal to a separate group of Clinton Administration officials (e.g., Eli Segal, Harris Wofford, Chuck Ruff) toward the end of the Administration.

Philanthropy

George Soros, 69.

A noted philanthropist, Soros has used his fortune to promote democratic reforms in former communist nations, improve world health care, expand educational opportunities, and aid prison reform here in the United States. He is an advocate of medicinal marijuana and needle exchange programs, but Beth Nolan says these positions should not preclude you from selecting him to receive the Medal.

Sanford Weill, 67.

Having made his fortune in financial services, Weill has donated more than \$2.5 million to Carnegie Hall. In 1980, he created the Academy of Finance, which aims to make high school students financially literate. It now includes more than 165 academies in 29 states. *Supported by Senator Schumer.*

Patrick Taylor, 62.

President and CEO of Taylor Energy Company, he is noted as an outstanding philanthropist and educational activist. Taylor has been a major advocate of making college more accessible, and his Taylor Plan guarantees tuition and fee waivers for up to five years at Louisiana colleges and universities for qualified high school graduates lacking the means to pay for school. *Strongly supported by Senator Breaux.*

Henri Landwirth, 73.

A survivor of the holocaust, he immigrated to the United States and served in the U.S. Army. Taking advantage of the G.I. Bill, he gained an education and soon became a success in the Florida hotel business. He has used his profits to help handicapped children, and in 1985 he

established two charities for terminally ill children, "Give Kids the World" and "Children's Village." Some of his other philanthropic endeavors include offering employment to mentally disabled children, helping to build a clinic for children with cerebral palsy, and providing money for various scholarships. *Nominated through public list. Supported by Jeanne Ellinport.*

Dr. Laszlo Tauber, 85.

A Holocaust survivor, Tauber has donated millions to survivors and veterans of the Holocaust and World War II. *Nominated through public list. Supported by Jeanne Ellinport.*

Civil Rights

Irene Morgan, 83.

In Gloucester, Virginia, in 1944, Irene Morgan refused to relinquish her seat in the back of a Greyhound bus to a white couple. Knowing that she had not violated any segregation law, she resisted arrest and was thrown in jail. Two NAACP lawyers, Thurgood Marshall and William Hastie, appealed her arrest and \$10 fine to the U.S. Supreme Court. Their appeal resulted in a landmark decision in 1946 that struck down Jim Crow segregation in interstate transportation. *Supported by Maria Echaveste and Ben Johnson.*

Ruby Bridges, 46.

On November 14, 1960, six-year-old Ruby Bridges, escorted by 75 federal marshals, became the first African American student to attend William Frantz Elementary School. Today, she represents the Ruby Bridges Foundation, a nonprofit group created in 1995 to improve education, visiting schools across the country to share her story with young people. To commemorate her courage, she was made an Honorary U.S. Marshal in August 2000. *Recommended by Bibb Hubbard, Scholastic; supported by Minyon Moore and Thurgood Marshall.*

Daisy Bates (posthumous; died in November 1999).

Best known for her role as a mentor to the Little Rock Nine, Daisy Bates spent much of her life working to ensure civil rights for African Americans and improved living conditions for the disadvantaged. In 1941, with her husband L.C. Bates, she began her weekly newspaper, the *Arkansas State Press*, which for 18 years highlighted the police brutality and legal and political inequities affecting blacks in the state. In 1952, she was elected president of the Arkansas state conference of NAACP branches and began taking African American children to be enrolled in all-white schools. After repeated attempts, she and the students chosen to integrate Little Rock Central High School entered the school in 1957, escorted by paratroopers. Later that year, she was arrested and convicted for failing to provide the names of the NAACP membership to Little Rock officials; the U.S. Supreme Court overturned her conviction in 1960. During the 1960s, Mrs. Bates worked on anti-poverty programs as a member of the Johnson administration. In 1968, she returned to Arkansas to help create a new water and sewer system and paved streets.

John Sengstacke (posthumous; died in 1997).

As publisher and editor of the *Chicago Defender*--a newspaper his uncle founded in 1905--Sengstacke provided an important outlet for the African American voice for 57 years. W.E.B. DuBois and Langston Hughes were among those whose work appeared in Sengstacke's paper.

Sengstacke was also instrumental in the integration of the U.S. Armed Forces--as a member of the Fahey Commission (one of 10 Presidential appointments he received) and through his newspaper, he argued that President Truman should integrate U.S. troops. Sengstacke also persuaded President Franklin Roosevelt to include the first black reporter in a White House news conference, and he organized the meeting with Branch Rickey that led to Jackie Robinson joining major league baseball. Under his leadership, the National Newspaper Publishers Association, an organization of African American newspaper publishers, was formed in 1940. Among Sengstacke's other publications were the *Michigan Chronicle* in Detroit, the *Pittsburgh Courier*, and the *Tri-State Defender* in Memphis. *Strongly supported by the Congressional Black Caucus.*

Constance Baker Motley, 78.

A key participant in virtually every important case brought to enforce *Brown v. Board of Education*, Motley began her career as an attorney with the NAACP and won nine out of ten civil rights cases she argued before the United States Supreme Court. One of her most renowned victories was on behalf of James Meredith, making it possible for him to enroll in the University of Mississippi. Motley left the NAACP in 1964 and was elected New York State's first black woman senator. In 1966, President Johnson appointed her U.S. District Court Judge for the Southern District of New York, making Motley the first African American female federal judge. She became Chief Judge of the Southern District in 1982 and assumed senior status in 1986. *No active judge or judge in senior status has ever received the Presidential Citizens Medal. However, 5 retired judges (judges in senior status) have received the MOF.*

Jack Greenberg, 75.

Jack Greenberg served as Director-Counsel of the NAACP Legal Defense and Education Fund from 1961 to 1984 and was an assistant counsel for the group from 1949 to 1961. He argued 40 cases before the United States Supreme Court, including *Brown v. Board of Education*. He is a founding member of the Mexican American Legal Defense and Education Fund and is a member of the executive committee of Human Rights Watch. Greenberg served as dean of Columbia College from 1989 to 1998 and currently is a professor at Columbia Law School.

The Reverend Fred Shuttlesworth, 78.

A native of Alabama, Shuttlesworth went on to become one of the leaders of the non-violent civil rights movement of the 1950s and 60s, leading efforts to integrate Birmingham's schools, buses, and recreational facilities. He established the Alabama Christian Movement for Human Rights after Alabama banned the NAACP. A confidant of Martin Luther King, Jr., Shuttlesworth helped organize the Southern Christian Leadership Conference and was its first secretary. *Strongly supported by Ben Johnson and Terry Edmonds.*

Reverend Walter E. Fauntroy, 67

Reverend Fauntroy spent much of his life advocating for civil rights alongside Dr. Martin Luther King, Jr. as the Southern Christian Leadership Conference's director of the Washington bureau. As one of the SCLC's key strategists, he helped organize significant nonviolent civil rights demonstrations, including the freedom rides in 1961, the protest marches in Albany, Georgia (1962) and Birmingham (1963), and the March on Washington in August 1953. President

Johnson appointed him vice chair of the White House Conference to Fulfill These Rights, which was created in 1966 to help pass civil rights legislation. In 1966, Reverend Fauntroy and other local clergymen founded the Model Inner City Community Organization to help the District of Columbia's poor. On March 23, 1971, Reverend Fauntroy was sworn in as the District's first delegate to the House of Representatives, and soon after, he was elected chairperson of the Congressional Black Caucus. In 1978, he succeeded in getting Congress to send the District of Columbia Voting Rights Amendment to the States for ratification. *Supported by Ben Johnson.*

Mary Frances Berry, 62

Best known as an equal rights advocate for women and minorities, Berry has won accolades as an educator, historian, and legal scholar. After earning four degrees from Howard University and the University of Michigan, she began to teach history, eventually becoming the director of the University of Maryland's Afro-American studies program and then the chancellor of the University of Colorado. In 1977, President Carter appointed her Assistant Secretary for Education in the Department of Health, Education, and Welfare, and in 1980, he named her to the U.S. Commission on Civil Rights. In 1993, you appointed her to lead the U.S. Commission on Civil Rights (the first woman to hold that position). Named one of the American Women of the Century by the Women's Hall of Fame, she has also received the NAACP's Roy Wilkins and Image Awards, the SCLC's Rosa Parks Award, and *Ebony's* Black Achievement Award. *Supported by Ben Johnson.*

Morris Dees, 63.

Co-founder of the Southern Poverty Law Center, he also founded Klanwatch, a system designed to catch the KKK in acts that violate others rights. *Supported by Gene Sperling, Ben Johnson, and Terry Edmonds.*

Judge Collins Seitz (posthumous; died in 1998).

A former Senior Circuit Judge for the United States Court of Appeals for the Third Circuit, Seitz's most notable decision came in 1952 when he ruled that educational segregation was illegal. This decision served as a judicial springboard for the *Brown v. Board of Education* case. He served as a judge for 47 years. *Supported by Senator Biden and Gene Sperling.*

Harry S. Ashmore (posthumous; died in 1998).

As editor of the *Arkansas Gazette*, Harry S. Ashmore became the voice of reason and respect for law during the emotionally charged days of Central High School's desegregation in the fall of 1957. Calling on Governor Faubus and his fellow citizens in Little Rock to comply with the Supreme Court's ruling in *Brown v. Board of Education*, Ashmore endured curses, abuse, and death threats for his principled stance, and the newspaper suffered an advertising boycott and declining circulation. Ashmore received a Pulitzer Prize for the clarity and moral integrity of his editorials, and the *Gazette* received a Pulitzer for "demonstrating the highest qualities of civic leadership, journalistic responsibility, and moral courage." After 11 years as editor of the *Gazette*, Ashmore went on to become editor in chief of the *Encyclopedia Britannica*, wrote numerous books on race and civil rights in America, and headed the Center for the Study of Democratic Institutions. *NH doesn't think he and POTUS were close...perhaps we shd leave on for POTUS to determine.*

Culture/Entertainment

Pete Seeger, 81.

The son of two musicians, Seeger studied Sociology at Harvard University but left to pursue his interests in singing. In 1941, he and Woody Guthrie formed the Almanac Singers, one of the first groups to give a voice to social issues. Mr. Seeger was inducted into the Army in 1942, serving in the Special Services entertaining troops in the United States and South Pacific. In 1948, he joined the folk group called The Weavers and during the 50s and 60s, he performed for the civil rights and antiwar movements. In 1955, Seeger was called before the House Un-American Activities Committee during its investigation of possible subversive influences in the entertainment field. He was found guilty of 10 counts of contempt of Congress for refusing to answer several questions, but the Supreme Court reversed that judgment in 1962. Seeger is an active environmentalist and has long campaigned for peace, equality, and civil rights, while never compromising his ideals. *STRONGLY supported by Sen. Harkin. You awarded him the National Medal of the Arts in 1994.*

Maya Angelou, 72.

Known for her valuable contributions to the arts, and to American literature in particular, Angelou has written several volumes of poetry and five volumes of her autobiography. An actress, dancer, director, editor, producer, scriptwriter, singer, songwriter, and university teacher, she currently holds an endowed chair as Reynolds Professor of American Studies at Wake Forest University. A social activist, Angelou was appointed by Martin Luther King, Jr., as northern coordinator for the Southern Christian Leadership Conference in 1960. She was appointed to the Bicentennial Commission by President Ford and to the Commission of International Women's Year by President Carter. She won acclaim for her presentation of her poem "On the Pulse of the Morning" at your first inaugural, and she remains a popular lecturer throughout the United States. *Was nominated for a 2000 National Medal of the Arts; was not selected.*

Quincy Jones, 67.

A pioneer in the music industry, Quincy Jones was one of the first African Americans to hold a senior position at an American record company and the first to produce the Academy Awards. He has received 26 Grammy awards, and in 1994 he received the Jean Hersholt Humanitarian Award for producing We Are the World, which raised \$53 million to provide relief for the victims of famine in Ethiopia; for voicing his opposition to apartheid in South Africa; and for founding the Listen Up Foundation, a nonprofit organization dedicated to inspiring young people to make the most of their lives. Most recently, he produced the millennium celebration on the mall.

Sidney Poitier, 76.

The first black American to be nominated for the Best Actor Academy Award, to win Best Actor, and to be a number one box office star, Poitier challenged Hollywood's stereotypes and forced America to confront racial prejudice. His career expanded opportunity for other black actors, and he was the first actor to demand a certain percentage of black crewmembers. He currently serves as ambassador to Japan for the Bahamas. *Supported by Lynn Cutler.*

Charles Schulz (posthumous; died in February 2000).

Creator of the "Peanuts" comic strip, Schulz was a two-time winner of the Reuben Award, comic art's highest honor. In 1978, he was voted the International Cartoonist of the Year by 700 of his peers. *Supported by Sen. Feinstein. You signed legislation on June 20, 2000, to award him the Congressional Medal of Honor.*

Steven Spielberg, 52.

Steven Spielberg, a talented director, has won numerous awards for his films. He co-owns DreamWorks and established the Shoah Foundation to preserve the memory of those who died during the Holocaust. *You awarded him the National Medal of Arts in 1999.*

Elizabeth Taylor, 68.

A multiple Academy Award winner, Taylor is regarded as one of the great actresses of the 20th century. She is also the co-founder of and spokesperson for the American Foundation for AIDS Research. Taylor has donated and raised millions of dollars to fight HIV/AIDS.

Barbra Streisand, 58.

Renowned singer, actress, and director; her career is notable for her eight Grammy Awards, two Oscars, and an Emmy. *Strongly supported by Marsha Scott.*

Theodor Seuss Geisel (posthumous; died in 1991).

Better known as Dr. Seuss, he authored 47 books, including bestsellers *The Cat in the Hat*, *Green Eggs and Ham*, *Hop on Pop*, and *One Fish, Two Fish, Red Fish, Blue Fish*. His books have sold more than 200 million copies worldwide. Geisel won the Pulitzer Prize and also wrote two Academy Award winning documentaries about World War II. *Supported by Gene Sperling.*

Paul Newman, 75.

Leading Hollywood actor and director for four decades, Newman received eight nominations for the Best Actor Academy Award and won for his role in 1987's *The Color of Money*. He has used his fame and his food product line, Newman's Own, to raise millions of dollars for charity. He also founded the Hole in the Wall Gang Camp for children suffering from potentially fatal diseases.

Norman Lear, 77.

A highly successful television producer, Lear brought subjects to prime time television that the medium previously had ignored: racism, homosexuality, anti-Semitism, and women's rights. In 1980, he helped found People for the American Way, which encourages freedom of expression. He received the National Medal of Arts in 1999. *Supported by Sid Blumenthal.*

Health Care

Florence Mahoney, 101.

Florence Mahoney, a founding member of the National Advisory Council on Aging, was instrumental in establishing the National Institute on Aging and several other Institutes at the National Institutes of Health. A tireless advocate for health research since 1950, Ms. Mahoney has spent decades supporting research on aging. Throughout her lifetime, she has made

significant contributions to health research, education, and protecting reproductive freedom. Today her attention centers on advancements in research on Alzheimer's, diabetes, heart problems, cancer, and other debilitating diseases. *Vetting with Chris Jennings.*

David Ho, 47.

Dr. David Ho, a distinguished AIDS researcher, was named *TIME* magazine's 1996 Man of the Year for his groundbreaking work in HIV research. He is the Director and Chief Executive Officer of the Aaron Diamond AIDS Research Center and has served on numerous councils and boards -- advising the Scientific Advisory Board of the National Cancer Institute and the Office of AIDS Research at the National Institutes of Health. Dr. Ho also serves on the President's Advisory Commission on Asian Americans and Pacific Islanders. *Suggested by Laura Efurd. Spoke with Dan who thinks we chose mathilde krim over ho for mof because ho is so young.*

Sports

Billie Jean Moffitt King, 56.

Regarded by many as the figure most responsible for the popularity of tennis in the United States, and the sport's most outspoken advocate of the women's movement, King played an integral role in the development of the women's professional circuit in the 1970s. A 20-time Wimbledon champion of the 60s and 70s, she was inducted into the Women's Sports Hall of Fame in 1980 and the International Tennis Hall of Fame in 1987, and she has co-authored five books on technique and two autobiographies. Although knee and shoulder injuries prevent her from playing as often as she would like, King continues to contribute to youth tennis through her World Team Tennis clinics. *Supported by Lauren Supina and Julian Potter.*

Hank Aaron, 66.

Aaron began his remarkable career on the baseball field as a minor league player on a segregated team in the South, where he suffered the humiliation of eating and living separately from his teammates. He is best known for breaking Babe Ruth's home run record -- ultimately hitting 755 home runs over the course of his career and reaching this milestone in the face of death threats against himself and his family. After he retired from play, he joined the front office of the Atlanta Braves, a position from which he called for more African Americans in baseball management and decried racist comments by baseball club owners. Aaron has also been active in the Big Brother/Big Sisters and the Boy Scouts of America. In 1995, he established the Chasing the Dream Foundation, a fund to help underprivileged children in Atlanta pursue advanced study in music, art, writing, dance, and sports. *Supported by Minyon.*

Muhammad Ali, 58.

Regarded by many to be the greatest boxer of all time, Ali won the world heavyweight title for the first time in 1964. In 1967, he refused induction into the U.S. Army, was found guilty of draft evasion, and was stripped of his title. In 1971, the U.S. Supreme Court overturned his conviction, and in 1974, Ali regained the world championship. He later lost the title and regained it for a record third time in 1978. In 1980, he retired from boxing. Now suffering from the advanced stages of Parkinson's disease, he serves as the spokesperson for the National Parkinson's Foundation and performs charity work for UNICEF and Best Buddies. *Supported by*

Minyon. Note: Ben Johnson would like him to receive the Medal of Freedom if we are doing another round.

Scholars

Anthony Lewis, 73.

The winner of two Pulitzer Prizes, Lewis is well known for his newspaper column, which he began in 1969, and his work for the *New York Times*. His career began in 1952 with the *Washington Daily News*, and he joined the *Times* in 1955, where he worked in both the Washington and London bureaus. *Suggested by Sid Blumenthal.*

Arthur Schlesinger, 82.

A founder of Americans for Democratic Action and a Pulitzer Prize winning writer, Schlesinger is considered a leading historian. He served as a Special Assistant to the President during the Kennedy Administration. *You awarded him the National Humanities Medal in 1998. Suggested by Derek Shearer.*

Human Rights

Sara Ehrman, 71.

A Senior Advisor for the Center for Middle East Peace and Economic Cooperation, Sara Ehrman has been a powerful advocate for reconciliation among the people of the Middle East. She has served as your liaison to the Jewish community, a member of the senior staff of the America Israel Public Affairs Committee, and as a board member of several organizations. She is the Co-Founder of Americans for Peace Now, and she received the Shimon Peres Peace Award for her outstanding efforts to advance Middle East peace. She was also instrumental in the 1969 White House Conference on Food, Nutrition, and Health and has continued to be a staunch advocate against hunger. *Supported by Lynn Cutler, Maureen Shea, and NSC.*

Dr. Samuel Pizar, 71.

Scholar, international lawyer, public servant, and author, Pizar was rescued at age ten from a Nazi death camp. In the early 1960s, he was a member of President Kennedy's task force on foreign economic policy and an advisor to the State Department and several Senate committees. During the mid-60s, he practiced international law and headed an ad hoc committee of U.S. leaders to monitor ethnic and political repression in the Soviet Union. He was instrumental in freeing many "refuseniks" and dissidents. In the 1980s, Pizar, with Steve Jobs and others, helped conceive the "computer in every classroom" proposal, and he argued during this time that national wealth lies in human intellectual potential – not only the traditional economic measures of land, capital, and labor. He stressed that there should be a universal human right to education and knowledge. From the mid-90s, he has focused on the genocides, ethnic cleansings, and crimes against humanity in Central Africa, the Balkans, and the Caucasus, and he founded and has been chairman of a committee that has located and honored approximately 1,800 non-Jews who risked their lives to save Jews during World War II. *Supported by Senator Lieberman. Talked with Bob Bradtke: two connections to NSC. Related closely to Tony Blinken and also to Leah Pizar, but I don't think this shd preclude him from consideration.*

Rabbi Arthur Schneier, 70.

Founder and current president of the Appeal of Conscience Foundation, Schneier has used the Foundation to advocate mutual understanding, tolerance, and peace. He has served as an envoy for the last four presidents. In recent years, he has done extensive work to help prevent ethnic conflict and promote healing in the Balkans. *Congressional interest (Moynihan, Rangel, Lautenberg, Schumer, Carolyn Maloney). Supported by Steve Naplan, NSC.*

Robert L. Bernstein, 77.

Human rights activist and publisher, Bernstein founded Human Rights Watch, which monitors human rights in the Western Hemisphere, Asia, Africa, and the Middle East. He published the works of Eastern Bloc dissidents like Andrei Sakharov and Vaclav Havel and Chinese dissidents such as Wei Jingsheng and Harry Wu. *You awarded him The Eleanor Roosevelt Human Rights Award in 1998. Per Melanne, Citizens Medal may be appropriate.*

Louis Henkin, 82.

Specialist in – and many would argue one of the founders of – international human rights law. While at the State Department's United Nations Bureau (1948-1956), he represented the U.S. on the committee that drafted the Refugee Convention. Henkin is a professor emeritus at Columbia University and helped establish that university's Institute of Human Rights; the school has created the Louis Henkin Professorship in Human Rights in his honor. *Suggested by Sandy Berger and Bob Bradtke; per Melanne and Bob Bradtke, Citizens Medal may be appropriate.*

Education

Don Cameron, 62.

A former teacher, Cameron has devoted much of his life to American education, having worked as the executive director of the Birmingham Education Association, the director of communication at the Michigan Education Association, and the executive director of the Florida Teaching Profession National Education Association. He currently serves as the director of the National Education Association. During his 20-year tenure at the NEA, Cameron has been a driving force behind the CEO Forum on Education and Technology, a group created in 1997 to follow up on work done by your National Information Infrastructure Advisory Council. By serving as Co-Chairman of the Forum during its first year, Cameron advanced the organization's goal of integrating technology in classrooms. In your digital divide speech at Comdex, you announced that the deans of more than 200 colleges of education had agreed to measure their progress on training teachers to use technology -- using a tool developed by the CEO Forum. *Supported by Tom Kalil.*

Religious Leaders

Sister Carol Coston, 65.

Sr. Carol Coston has devoted her life to creative and innovative ways to serve the poor and achieve economic justice for all. She founded NETWORK, a highly effective Catholic social justice lobby, and she served there for 10 years. As the founding member of the Adrian Dominican Portfolio she used social criteria to make 93 "alternative" investments, totaling over 3.6 million dollars. Coston has done extensive work with farmer cooperatives around both new farming and environmentally sound methods. She now serves as director of Partners for the

Common Good where she also uses social criteria for investments, as well as evaluating the potential leverage loans could offer the borrowing partner and their involvement in shaping public policy. The first Partners for the Common Good Loan Fund (1989 - 1994) made 49 loans and deposits to benefit low-income communities in 29 states as well as in Central and South America and American Samoa. The overall rate of repayment was 99.7%. Currently, Partners for the Common Good 2000 (PCG 2000) has a lending pool of \$7,902,668 from its 99 religious institutions' investors. She has been a role model for and defender of women both in this country and around the world. *Suggested by Maureen Shea. Vetting with NSC.*

Rev. William Sloane Coffin, 76.

A Presbyterian minister, he was chaplain at Williams College where he caused a stir on campus by actively opposing fraternities that discriminated against blacks and Jews. While chaplain at Yale he became involved in the civil rights movement and was one of the "Freedom Riders." Along with six other demonstrators, he was arrested in May of 1961 in Montgomery, Alabama, for disturbing the peace following one such bus ride. He was arrested on a number of other occasions for protesting against segregated facilities. Later Coffin was a key figure in the formation of Clergy and Laity Concerned about Vietnam (CALCAV), a nationwide organization of religious leaders from many faiths who were opposed to U.S. policy there. Coffin, Spock, and three other protest leaders were arrested for advising young men how to avoid the draft and convicted in 1968. The charges were dropped after their convictions were overturned in 1970. After leaving Yale, Coffin devoted himself to a variety of human rights issues, including world hunger, poverty, overpopulation, and the arms race. From 1977 until 1987, he did so from the pulpit of New York City's Riverside Church, a multiracial and multiethnic congregation known for its commitment to social justice. Coffin resigned from his post at Riverside Church to devote himself to the cause of world peace and nuclear disarmament. *Suggested by Maureen Shea.*

Rev. Dr. James Forbes, 64.

Dr. Forbes is considered one of the best preachers in the nation. He became the first black pastor at Riverside Church in New York in 1989. Social action is a hallmark of Riverside Baptist where they operate a food pantry and a shelter for the homeless. Riverside has "task forces" that meet regularly on housing, AIDS education, American Indian justice, peace and disarmament, prison ministry, and issues in southern Africa. Fidel Castro spoke there during the recent Millennium Summit in New York.

Forbes has been helpful with the President's Initiative on Race, and both you and the First Lady have either spoken at or attended his church.

Prior to coming to Riverside, Forbes was a professor of preaching at Union Theological Seminary. And he has been a pastor at several black churches in the South, including St. John's United Holy Church of America in Richmond. *Supported by Maureen Shea and Ben Johnson.*

Environment

Former Representative John F. Seiberling (D-OH), 81.

Seiberling's record of accomplishment on environmental issues is astonishing. A Member of Congress from 1970-1987, he authored legislation that established the 30,000-acre Cuyahoga

Valley National Recreation Area, tripled the size of the Land and Water Conservation Fund, and prohibited mining in public parks. He also co-authored key amendments to the Surface Mining Control and Reclamation Act of 1977 and helped manage passage of the Alaska National Interest Lands Conservation Act, which preserved more than 100 million acres in Alaska. He is credited with saving more than 69 million acres of wilderness in 27 states, and he authored amendments to the Nuclear Waste Policy Act of 1982. *Supported by more than 20 members of Congress and former Senator Bumpers. Strongly supported by George Frampton (his 1st choice).*

William Ruckleshaus, 67.

In 1970, Ruckleshaus was appointed by President Nixon to be the first administrator of the Environmental Protection Agency. During his three years in that position, he undertook a major effort to punish illegal polluters throughout the nation. He then served as acting director of the FBI and deputy attorney general of the United States, but Nixon removed him from the latter position when he refused to fire Watergate special prosecutor Archibald Cox. His next government service came in 1983, when President Reagan appointed him acting administrator of the EPA. He restored some stability to that agency after it was rocked by allegations that the Superfund program had been mishandled. *George Frampton's second choice.*

George Hartzog, 80.

Director of the National Park Service during the Johnson and Nixon Administrations, he oversaw the addition of 69 units to the National Park System, as many as were added in the first 60 years of the Service. He created the National Register of Historic Places; organized the National Park Foundation; appointed the first Native American, African American, and female park superintendents, and the first African American to head a major U.S. police force (the U.S. Park Police). He was Director (1973-1998) and President (1995-1998) of the White House Historical Association; organized the White House Endowment Fund and served as Director from 1979 to 1987. He was Director and Treasurer of the White House Endowment Fund from 1990 to 1998, and he is currently serving a six-year term (1998-2004) as Chairman of the Trustees of the White House Endowment Trust. *Strongly supported by Robert Stanton. George Frampton's third choice.*

Gay/Lesbian

Bayard Rustin (posthumous; died in 1987).

In 1947, Rustin organized the Congress of Racial Equality's Journey of Reconciliation, a precursor of the Freedom Rides. During the 1940s, he also worked closely with A. Philip Randolph to secure the executive orders that ended hiring discrimination in the defense industry and segregation in the armed forces. In the mid-1950s, he helped create the Southern Christian Leadership Conference, and he coordinated the 1963 March on Washington. Because of a brief communist affiliation and his open homosexuality (as well as an arrest in 1953 on a public morals charge), Rustin largely concentrated on behind-the-scenes organizing and strategizing. In the late 60s, his focus shifted from organizing acts of nonviolent civil disobedience to organizing political coalitions among blacks, Jews, and labor groups. *Citizens Medal may be appropriate, per Melanne, Ben, and Karen.*

Women's Advocate

Betty Friedan, 78.

Perhaps best known for her authorship of *The Feminine Mystique*, in 1966, she helped co-found the National Organization for Women and was its first president. A co-founder in 1968 of the precursor to the National Abortion Rights Action League (NARAL), in 1971, she joined Shirley Chisholm, Gloria Steinem, and Bella Abzug to found the National Women's Political Caucus to encourage women to run for office. During the 1990s, Friedan shifted her focus to issues of aging. *She has been critical of the Administration and the VP, but is supported by Cutler and Supina.*

Disability Advocates

Patrisha Wright, 51.

Ms. Wright earned the nickname "The General" during passage of the ADA for her role in the overall strategic effort on behalf of the legislation. She has served as Director of Washington Affairs for the Disability Rights Education and Defense Fund (DREDF) since the early 1980s. Her single greatest contribution has been to establish disability issues as civil rights issues. She is the only disability community representative on the Board of the Leadership Conference on Civil Rights, and she was instrumental in obtaining LCCR's crucial support of the ADA.

Supported by Jonathan Young.

Dr. I. King Jordan, 57.

Dr. Jordan is the first deaf president of Gallaudet University. His selection in 1988 was the result of a major alumni and student protest in support of a "Deaf President Now." The student victory was a huge symbolic boost to the ADA, demonstrating how people with disabilities could be empowered to take charge of their own lives and be fully integrated into society. Dr. Jordan, who has an academic background in psychology, is known and respected across the world not only for deaf and disability issues, but as a proponent of quality higher education. He is also an elite marathon runner who won the 1996 Grand Slam of ultramarathons. *Supported by Jonathan Young.*

Labor

The Reverend Addie Wyatt, 76.

Wyatt was a major labor movement leader who pushed for equality for African Americans and women. She was the first African American woman to sit on the board of an international union, and she has held leadership roles in several labor unions and organizations at the local and national levels. She retired in 1984 and entered the ministry. Wyatt also served as an at-large member of the Democratic National Committee in 1976. *Supported by Karen Tramontano.*

Ah Quon McElrath, 83.

A union social worker from 1954 until 1981, McElrath's name is synonymous with the Hawaiian labor movement. She is credited with persuading the largely male union leadership to look beyond salary issues to standard of living improvements like occupational safety, ethnic equality, health care, and education. In the 1970s, McElrath joined the Committee on Social Welfare and began her advocacy on behalf of Hawaii's poor. *Supported by Karen Tramontano.*

Hispanic Candidates

Representative Edward R. Roybal, 84.

Elected to the House of Representatives in 1962, Edward Roybal served his congressional district in California for 30 years, overcoming the initial prejudice of his colleagues to become a powerful member of several important House committees, including the Appropriations Committee. In 1967, he authored the first bilingual education bill, and in 1968, he worked to establish a Cabinet Committee on Opportunities for Spanish-speaking people. Throughout his political career, he introduced and sponsored legislation to protect the rights of Hispanics, senior citizens, the poor, and people with disabilities. During the 97th Congress, Roybal chaired the Congressional Hispanic Caucus, where he led the opposition against the Simpson-Mazzoli immigration bill. In his last two terms, he worked to expand rural mental health care programs, establish a national mental health education program, halt age-based discrimination in employee benefits, and provide medical service to people with Alzheimer's disease.

In 1978, the House Ethics Committee recommended a censure for Roybal in connection with a House investigation on vote buying by Korean lobbyist Tongson Park. At the urging of Hispanic leaders, the penalty was reduced to a reprimand.

Maria Echaveste's first choice; Mickey Ibarra's second choice.

Dolores Huerta, 70.

Regarded as the most prominent Hispanic labor leader in our nation, Huerta co-founded the United Farm Workers of America with Cesar Chavez in 1962 and remains its Secretary-Treasurer (Note: you awarded the Medal of Freedom to Chavez posthumously in 1994.) Recognizing boycotts as a nonviolent means to improve worker rights, from 1968 to 1970, Huerta directed a table grape boycott that brought about the first collective bargaining agreement for farm workers in California. She has also lobbied legislators nationwide, and her efforts were instrumental to passage of the 1975 Agricultural Labor Relations Act in California, which granted farm workers the right to organize and negotiate for improved wages and working conditions. Another California bill that Huerta fought for removed citizenship requirements for public assistance. More recently, Huerta has worked through the Feminist Majority Fund and Foundation to develop empowerment projects for Hispanic women and other women of color. *You awarded her the Eleanor Roosevelt Award for Human Rights in 1999. Mickey Ibarra's first choice.*

Dr. Helen Rodriguez-Trias, 71.

A pediatrician for more than 30 years and a nationally recognized health care advocate, Dr. Rodriguez-Trias has served in several leadership positions in academic and clinical medicine, including as President of the American Public Health Association. Throughout her career, she has promoted women's, children's, and reproductive rights, community involvement, personal responsibility, and guidelines on sterilization procedures. A founder of the New York Latino Commission on AIDA and a charter member and former board member of the National Women's Health Network, from 1996 to 1999, she was co-director of the Pacific Institute for Women, a Los Angeles-based non-profit organization dedicated to improving women's well-being locally and globally since its founding in 1993. Currently, Dr. Rodriguez-Trias works as a

consultant to agencies and foundations, addressing the health needs of various populations, including women, children, adolescents, and HIV-infected individuals. She is focusing on the development of effective programs to serve those limited in access: members of minority communities, the uninsured, and low-income persons and families. *Maria Echaveste's second choice.*

Juan Andrade, Jr., 53.

Co-founder, president, and executive director of the United States Hispanic Leadership Institute, formerly the Midwest-Northeast Voter Registration Education Project, Juan Andrade has led his organization in conducting and organizing over 900 nonpartisan voter registration campaigns, registering over one million new voters. He has worked tirelessly on behalf of the Hispanic community, voicing its concerns to the media, striving to increase Latino political representation, and preparing Hispanic youth for leadership roles. Through numerous meetings with Latin American leaders, he has promoted democratic principles in Mexico, Guatemala, Nicaragua, Panama, and Colombia. He has authored or co-authored more than 150 articles, and a scholarship award has been established in his name. *Maria Echaveste and Mickey Ibarra's third choice.*

Government Service

Sidney D. Drell, 74.

Distinguished physicist, Stanford University professor, arms control expert, and recipient of a MacArthur Foundation fellowship, he has advised the executive and legislative branches of the federal government on national security issues. Throughout his career, he has worked tirelessly to promote peace and reduce the risk of nuclear weapons. He currently serves as a member of the President's Foreign Intelligence Advisory Board, the Non-Proliferation Advisory Panel, and the Commission on Maintaining U.S. Nuclear Weapons Expertise. A senior fellow at the Hoover Institution, he has written numerous books and papers on particle physics and on weapons of mass destruction. *Suggested by PFIAB; supported by Sandy Berger.*

Richard Schifter, 77.

Richard Schifter has held high-level diplomatic positions in the Clinton, Bush, and Reagan Administrations. For his achievements in foreign policy, he was awarded the State Department's Distinguished Service Medal and was honored by Austria with the Austrian Grand Decoration of Honor in Gold. In his home state of Maryland, he has served for 20 years on the Maryland State Board of Education, including 4 years as president. *Supported by Sandy Berger.*

Douglas "Pete" Peterson, 65.

America's first post-war ambassador to the Socialist Republic of Vietnam and a former POW during the Vietnam War, he has renewed diplomatic relations between the two nations. As a three-term member of the U.S. House of Representatives from the Second Congressional District of Florida, he served on the Appropriations, Small Business, and National Security committees--focusing on health, defense, and international issues. A former commander and highly decorated fighter pilot, he distinguished himself during his 26 years in the U.S. Air Force. *Supported by Sandy Berger.*

Warren B. Rudman, 70.

U.S. Senator from New Hampshire from 1981 to 1993, he co-authored the landmark Gramm-Rudman-Hollings deficit reduction law and served as a member of the Appropriations Committee. He was also the chair of the Ethics Committee and active on the Subcommittees on Defense and Commerce, Justice, State, and the Judiciary. As founding co-chairman of the Concord Coalition, he has continued to advocate for fiscal discipline in the federal government. Appointed as a member of the President's Foreign Intelligence Advisory Board in 1993, he now serves as Vice Chairman. In 1998, he was appointed as chair of the Special Oversight Board for Department of Defense Investigations of Gulf War Chemical and Biological Incidents. During the Korean War, he was a platoon and company commander. He was discharged with the rank of captain. *Suggested by PFIAB; supported by Sandy Berger.*

Archibald Cox, 88.

Cox was Special Prosecutor during the Watergate scandal and was fired by then-Solicitor General Robert Bork, after both Attorney General Elliot Richardson and Deputy Attorney General William French Smith resigned in protest when President Nixon asked each of them to fire Cox. An attorney and professor, Cox also served as Solicitor General from 1961 to 1965 under Presidents Kennedy and Johnson. From 1980 to 1992, he was chairman of Common Cause, a non-profit lobbying organization dedicated to campaign finance reform.

Meredith Gardner, 88.

Meredith Gardner became a legend in the intelligence community through his work on the Venona project – a secret program started in the 1940s to collect and decrypt Soviet telegrams. Gardner played a vital role in breaking the Soviet code, and his work laid the foundation for decades of counterintelligence activity. *Supported by George Tenet and NSC.*

Shirley Chisholm, 75.

Shirley Chisholm was the first African American female member of Congress and the first female or African American candidate from a major political party to run for the Presidency. In 1964, she ran for and won a New York State Assembly seat, and for four years, she was the only woman and only one of eight African Americans in that assembly. In 1984, she co-founded the National Political Congress of Black Women. You asked her to serve as Ambassador to Jamaica in 1993, but she declined, reportedly due to health reasons.

Sam Nunn, 61.

In his 24 years in the United States Senate, and particularly as Chairman of the Armed Services Committee, Sam Nunn established himself as one of our nation's foremost authorities on national security issues. Among his legislative accomplishments are the landmark Department of Defense Reorganization Act of 1986, which he drafted with Senator Barry Goldwater; the Soviet Nuclear Threat Reduction Act of 1991, which created the Nunn-Lugar program to assist republics in the former Soviet Union to dismantle and safely handle their nuclear arsenals; and the SALT II Treaty. He also participated in the successful mission to restore democracy in Haiti. He championed public education, fiscal responsibility, welfare reform, urban and rural redevelopment, and the well-being of our men and women in uniform, and, throughout his career

in the Senate, he worked in a spirit of bipartisanship, winning the cooperation and respect of his colleagues on both sides of the aisle.

Kweisi Mfume, 52.

Growing up in Baltimore, Kweisi Mfume experienced poverty and discrimination firsthand, and he has long been a strong advocate for economic justice, educational excellence, and civil rights. From his earliest days as a radio personality through his tenure on the Baltimore City Council and as a five-term Member of Congress, he has given a voice to those who have historically been excluded from political, economic, and educational opportunity. He has demonstrated his leadership ability as the Chair of the Congressional Black Caucus from 1993-1996 and as the current President and Chief Executive Officer of the NAACP, and his efforts have done much to promote empowerment.

Walter Mondale, 72.

Our nation's 42nd vice president, Mondale is credited with giving the position a new role as chief presidential advisor. He served Minnesota as that state's attorney general and, later, as United States Senator. In 1984, he was the Democratic nominee for President. *Suggested by Gene Sperling.*

Joseph A. Califano, Jr., 69.

Joseph Califano has served under Presidents Kennedy, Johnson, and Carter, and has long been an advocate for causes such as ethics in government, health care, and civil rights. He played an important role in formulating President Johnson's Great Society, and he is considered one of our nation's most successful Secretaries of Health, Education, and Welfare. In 1983, he helped to found the Institute on Social and Economic Policy in the Middle East – now a part of Harvard University's Kennedy School of Government, and he is currently working to combat substance abuse and addiction. *Strongly supported by Rangel; David Hamburg, Carnegie Corporation.*

Former Senator Frank E. Moss (D-UT), 88.

Served from 1959 to 1977; a great proponent of consumer rights legislation, Moss pushed for the laws that barred cigarette advertising from television and required the Surgeon General's warning on cigarette packs. He introduced legislation to require child-resistant packaging, sponsored legislation that established the Consumer Product Safety Commission, sponsored consumer product warranty legislation, and sought no-fault insurance legislation. *Suggested by Mickey Ibarra; huge write-in campaign, including members of Congress per kay; moved from MOF to Citizens per Melanne.*

Former Representative Parren Mitchell (D-MD), 78.

Mitchell served in the Army as an officer and company commander during World War II and was awarded a Purple Heart. In 1970, he became the first African American member of the House of Representatives elected from Maryland, and he was a founding member of the Congressional Black Caucus. Throughout his legislative career he championed small businesses. After his retirement, he founded the Minority Business Enterprise Legal Defense and Education Fund, which defends minority programs in court. *Supported by Melanne, Ben, Terry, and Congressional Black Caucus.*

Charles DeLisi, 59.

Director of the Office of Health and Environmental Research in the Department of Energy from 1985 to 1987, he set aside the first funding for human genome research and conceived of a project to sequence the human genome, which eventually led to the current revolution in genetic knowledge. As Professor of Biomedical Engineering at Boston University, he has advanced computational research on molecular structure and neural networks. He has served as a scientific advisor to both federal government agencies and private corporations, published over 180 publications, and received several awards, including DOE's Exceptional Service Award. *In final vetting with OSTP.*

PRESIDENTIAL CITIZENS MEDAL
PRESENTED BY
President Clinton

- - -

YATES, Sidney R.	10/07/93
Long-time champion of the American arts, Member of the United States House of Representatives from Illinois	
NATCHER, William H.	03/03/94
Public Servant, Member, U.S. House of Representatives, served since 1953	
PELL, Claiborne	10/14/94
Public Servant, U.S. Senator from Rhode Island, Advocate of the Arts	
FISHER, Zachary	04/21/95
Founder of Intrepid Museum in NYC, gifts to families of service members killed in the line of duty	
KICKLIGHTER, William H.	04/21/95
Executive Director of WWII Commemoration Committee, public service	
ST. JOHN, Adrian	04/21/95
WW II & Korean War hero	
MEADOWS, Major Richard	07/29/95
Special Forces Officer, Son Tay prison raid, Reconnaissance for Teheran raid Desert One	
MCCARTY, Oseola	09/23/95
Humanitarian, patron of University of Southern Mississippi	
DREW, Samuel Nelson (POSTHUMOUSLY)	12/15/95
U.S. Diplomat killed in Bosnia during peace negotiations	
FRASURE, Robert C. (POSTHUMOUSLY)	12/15/95
U.S. Diplomat killed in Bosnia during peace negotiations	
KRUZEL, Joseph J. (POSTHUMOUSLY)	12/15/95
U.S. Diplomat killed in Bosnia during peace negotiations	
JONES, Bernice Young	02/26/96
Philanthropist, patron of the arts, supporter of community and religious institutions	
GUGGENHEIMER, Elinor	12/10/97
Philanthropy and Childrens Advocate	
AUTRY, Gene	02/26/98
Humanitarian, Philanthropist, American legend	
ABRAMSON, Albert	04/29/98
Businessman, Philanthropist, mobilized the financial resources to help build the U.S. Holocaust Memorial Museum	

THE WHITE HOUSE

WASHINGTON

September 21, 2000

MEMORANDUM FOR DELIA COHEN

00 OCT 15 PM 5:02

FROM: John Wertman 
RE: Clinton Citizens Medal Winners

Attached is a list of the individuals to whom POTUS has presented the Citizens Medal. They received their Medals in the following manner:

Yates: Special presentation during the Presidential Arts Medal ceremony
Natcher: Visit by POTUS to Natcher at Bethesda Naval Hospital
Pell: Special presentation during the Arts and Humanities Awards ceremony
Fisher, Kicklighter, and St. John: Roosevelt Room ceremony
Meadows: Presented to his family posthumously
McCarty: Oval Office ceremony
Drew, Frasure, and Kruzel: Old Executive Office Building ceremony
Jones: Oval Office ceremony
Guggenheimer: Presented by First Lady in New York City
Autry: Sent to him by Fed-Ex
Abramson: Roosevelt Room ceremony

cc: Shannon Hinderliter

**RECENT INFORMATION ITEMS
FOR THE WEEK ENDING**

OCTOBER 13, 2000

TAB A - copied page 1 of cover memo and Tab A to Sperling, Currie, Podesta

OK
W
10-16 cc

10-16-00

RECENT INFORMATION ITEMS
FOR THE WEEK ENDING

October 13, 2000

10-16-00

THE WHITE HOUSE

WASHINGTON

October 14, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: LISEL LOTT
ADAM ROSMAN
JUSTIN COLEMAN

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

- (A) **Sperling memo re: proposed SEC rule on accounting firms** -- SEC Chairman Arthur Levitt has requested a meeting with you re: a pending SEC rule he believes Congress may interfere with through an appropriations rider. Levitt does not seek the Administration's support for the substance of the rule -- it would be inappropriate for us to opine on a pending rule -- but wants your support in opposing congressional interference in the regulatory process. In a detailed memo, Gene describes the proposed rule, which would identify certain non-audit services (e.g., management consulting, actuarial analysis, valuation and appraisal) that, if provided to a client, would impair an auditor's independence; the rule would require some firms to forego or spin-off some non-audit (and highly profitable) services to preserve their independent audit capacity. Gene believes the rule would cause a major restructuring of the accounting industry. It has support from four former SEC Chairmen and a number of editorial boards (e.g., *NYTimes*, *Business Week*), and Arthur considers it a signature initiative of his tenure at the SEC. The rule is opposed by three of the five largest accounting firms, as well as the American Institute of CPAs, who argue that existing firewalls between audit and non-audit services are sufficient. Congressional reaction is mixed -- Senate Democrats are split and Senate Republicans are calling for a delay in the rulemaking, with Senator Gramm repeatedly threatening to attach a rider to prevent the SEC from completing it. Reps. Dingell and Markey support SEC's efforts, but Majority Leader Arney, Commerce Committee Chairman Bliley and other Committee members (as well as 6 Democrats) appear to support delaying the process. *Jack has pledged to Levitt to vigorously oppose any rider; John, Gene and Larry have all expressed opposition to Congressional interference, and a recent SAP states we "strongly oppose" the inclusion of any rider. John does not believe a meeting is necessary and suggests a phone call may suffice.* cc [unclear] **OK**
- (B) **Berger memo re: training U.S. soldiers as peacekeepers** -- In response to your comment on a *Washington Post* article on Kosovo that we should train units as peacekeepers and wondering if the Pentagon is reconsidering its opposition, Sandy responds that the Pentagon's views have evolved considerably during your Administration: DoD has significantly expanded peacekeeping training programs;

10.16.00

✓ soldiers are exposed to peacekeeping situations as part of routine training and receive extensive specialized training prior to peacekeeping missions. However, the Pentagon still opposes designating specific units as full-time peacekeepers out of concern that increasingly "peacekeepers" may find themselves facing serious combat and units devoted exclusively to peacekeeping would be unable to respond. Sandy believes the Pentagon could do more to develop its peacekeeping doctrine and will continue to work with them.

✓ (C) **Albright memo re: technology innovation in support of your Africa trip** -- Madeleine reports on State's Office of International Information Programs' (IIP) use of innovative Internet technology, including producing an electronic poster transmitted Africa-wide and downloaded for printing in Nigeria and Tanzania, and an electronic photo album and pamphlet, in English and French, with 16 pages of color photos and excerpts from your major statements that was transmitted worldwide within days -- rather than weeks -- of your return, greatly amplifying the impact of your trip. *The pamphlet is attached.*

✓ (D) **Rhodes Trust letter (via Talbott)** -- Strobe forwards a copy of a letter from Dr. J.S. Rowett of the Rhodes Trust, which Strobe indicates he discussed with you. The letter addresses Centenary events in South Africa (2002) and England (2003) and the Trust's Africa-related initiatives. In addition to inviting you to speak at the events in England, Rowett seeks your support for the Trust's Africa initiatives. Scheduling has prepared a standard response re: post-Presidency activity/invitations, indicating you will take this up after January. OPL met with the Rhodes representatives when they were here.

Items executed on your behalf:

• ✓ **War Powers Report to Congress re: Yemen** -- As you know, the War Powers Resolution requires you to report to Congress on the deployment of combat-equipped U.S. Armed Forces in a foreign territory within 48 hours of deployment. Due to your travel schedule, we executed on your behalf letters reporting on the October 12th deployment of U.S. military personnel to Yemen to provide medical, security and disaster response assistance. Although the security personnel are equipped for combat, their presence is solely for the purpose of assisting with on-site security. In addition, 2 U.S. Navy surface combatant vessels are operating in or near Yemeni waters to provide communications and other support.

✓ **Ratification of Sea Turtle Convention** -- On October 12, we executed the ratification instrument for the Inter-American Convention for the Protection and Conservation of Sea Turtles, for which the Senate provided its advice and consent on September 20, 2000. The convention is the first environmental treaty approved by the Senate since 1996, and the first multilateral agreement to set specific standards to protect sea turtles, including requiring the use of turtle exclusion devices in commercial shrimp fisheries. All species of sea turtles in the Western Hemisphere are threatened or endangered. NSC/CEQ released a statement on your behalf.

10-16-00

THE WHITE HOUSE
WASHINGTON

October 13, 2000

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA
FROM: GENE SPERLING
SUBJECT: BACKGROUND FOR MEETING WITH
SEC CHAIRMAN LEVITT

Se - Memorandum
*Copied
Sperling
Currie
Podesta*

SUMMARY: SEC Chairman Arthur Levitt has requested a brief meeting with you. He wants to advise you personally of his deep concern that Congress may interfere with a pending SEC rulemaking through an appropriations rider. He does not seek the Administration's support for the substance of the rulemaking. It would be inappropriate for us to opine on a question pending before an independent financial regulator. Rather, he seeks our vigorous opposition to Congressional interference with the regulatory process. Your senior economic team has provided him with strong assurances. Chairman Levitt believes this to be an issue of enormous importance to the strength and fairness of the financial markets and a signature initiative of his long tenure at SEC. Thus, he has made the unusual request for a few minutes of your time to share his perspective directly.

BACKGROUND:

Chairman Levitt: Arthur Levitt is the 25th Chairman of the Securities and Exchange Commission. You first appointed him in July 1993, and then reappointed him to a second five-year term in May 1998. On September 9, 1999, he became the longest serving SEC Chairman. His current term expires on June 5, 2003.

Auditor Independence Rulemaking: On June 27, 2000, the SEC approved publication of a proposed rule designed to update the criteria for the independence of auditors. The part of the proposal that has attracted the most attention would identify certain non-audit services that, if provided to an audit client, would impair an auditor's independence (e.g., developing a financial system that would be evaluated as part of an audit). This would require some firms to forego existing lines of business or spin those off into separate firms, in order to preserve their ability to provide audit services. Millions of individuals, pension funds, and firms invest their assets in securities markets every day, in reliance on financial statements that they believe have been audited by truly independent auditors. Audit firms have increasingly been providing their base of audit clients with management and consulting, actuarial, valuation and appraisal, financial information system, and other non-audit services. In many cases, these non-audit services are far more lucrative for the accounting firms than their audit practices: an industry publication reports that auditing accounts for only 30% of audit firms' total revenues, while consulting and management services represent over half. The SEC has attempted to target those non-audit

services they believe could most undermine auditors' independence. The final rule, which Levitt hopes to issue later this year, is expected to take into account some of the concerns raised since the initial proposal was published but remains highly controversial.

Support for the SEC Proposal: Four former SEC Chairmen (Richard C. Breeden, Roderick M. Hills, David S. Ruder, and Harold M. Williams) support the proposal as "timely and necessary." The proposal has also received editorial support (New York Times, Business Week, Jane Bryant Quinn). The AFL-CIO also supports the proposal as important to safeguarding the \$7 trillion American workers hold through pensions, 401(k)s and stock ownership plans. (To give you a sense of the public's perception of this issue, I attach a *Business Week* front cover story labeling Levitt: "The Investor's Champion.")

Opposition to the SEC Proposal: Three of the five largest accounting firms (KPMG, Deloitte & Touche, and Arthur Anderson) and the American Institute of Certified Public Accountants have criticized the proposal as solving a problem that does not exist. They argue that existing firewalls are sufficient, noting that the SEC is unable to point to one audit that was compromised because the auditor also performed other services for the client. They believe that audit quality is greatly enhanced by the firm's broader business knowledge gained through the provision of management consulting and other non-audit services. Two of the five largest accounting firms (Ernst & Young and PricewaterhouseCoopers) have expressed support for the SEC's intent in issuing the proposed rule, but do not support the rule as currently written. Both have offered alternative proposals that they believe address the SEC's concerns.

The SEC's proposal would in fact cause a major restructuring of the accounting industry, both large and small firms – a process that had begun for economic reasons even before the SEC's action. The consultants are increasingly unwilling to share their earnings with their less profitable auditor partners. The consulting arms of both Arthur Anderson's and Ernst & Young were recently severed, PricewaterhouseCoopers is in the process of selling their consulting businesses, and KPMG is spinning off its consulting practice in an IPO. The restructuring that is called for in the SEC's proposal, however, may go significantly beyond what has already taken place.

Mixed Congressional Reaction: Hill Democrats are split on this issue: Senators Schumer and Bayh have issued statements questioning the need for the rules and have requested that Senator Grams (chair of the Subcommittee on Securities) hold a hearing. Minority Leader Daschle, Senators Levin and Reed, and others have urged the Administration to oppose strongly any attempt by Congress to interfere in the SEC's action. Senators Sarbanes and Dodd have been the most vocal supporters of the SEC, and favor letting them continue with their process. Sen. Dodd is trying to broker a compromise between the firms and the SEC on the substance of the rule, but not to delay the final rule.

With respect to Senate Republicans, Gramm and Shelby wrote a letter saying that they oppose the SEC moving forward on the rule until Congress returns. We understand that Senators Gramm and Enzi were both quite vocal in calling for a delay in the rulemaking and Gramm has repeatedly threatened to attach a rider to prevent its completion. Senator Bennett signed the letter with the Democrats (Schumer and Bayh) requesting a hearing.

On the House side, we understand that Representatives Daschle, Dingell and Markey are very supportive of the SEC efforts. Republican House members, including Majority Leader Arney, Commerce Committee Chairman Tom Bliley, and other Commerce Committee members have warned that the rulemaking was unacceptably rushed and warned against putting the rules in place by year end. Six Democratic members (Duetsch, Dooley, Maloney, Moran, Smith, and Tauscher) also requested as a postponement of the comment period.

Administration Position: Your economic team has assured Chairman Levitt that we would vigorously oppose any appropriations rider on the grounds that we oppose Congressional interference with any on-going rulemaking process, especially that of an independent financial regulator. Accounting standards, so essential to the transparency and smooth operation of our nation's financial markets, should be specially protected from political interference. Although no such rider has formally surfaced, we made clear in our SAP on the Commerce, State, Justice Appropriations bill that we "strongly oppose" the inclusion of any rider. We are aware that some firms are lobbying aggressively for Congressional action, however, so such a rider could well appear in the final days of this Congress. OMB Director Lew has provided Levitt with a personal pledge to watch carefully for, and vigorously oppose, any such appropriations rider. Recently, Secretary Summers made a statement that supported allowing the SEC to continue their deliberative process. Chief of Staff Podesta and I have provided similar assurances. Nonetheless, Chairman Levitt would be comforted by an opportunity to discuss the issue with you directly.

Attachment



HE CHAIRMAN

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

October 6, 2000

MEMORANDUM TO JOHN PODESTA

FROM: ARTHUR LEVITT

RE: Independence of the Accounting Profession and the SEC

Thank you for taking the time to discuss the SEC's proposed rule on auditor independence—an issue I consider to be as important as any I have dealt with in my time at the Commission. As promised, the following is a brief summary of the Commission's proposal and the public's response; I apologize for the delay in getting it to you.

As you are aware, the controversy surrounding this rulemaking initiative extends beyond the substance of the proposed rule and threatens to impede the Commission's independent rulemaking process. Three of the Big 5 accounting firms have employed considerable resources on Capitol Hill to attempt to block the SEC from moving forward with the rule. I have heard from more than one Member that a rider imposing a moratorium on, or otherwise thwarting, SEC action in this area is in the offing unless the Commission agrees to proffered compromises that we believe are unacceptable.

White House support is critical to ensuring that the independence of the Commission is safeguarded—independence which has remained steadfast throughout the Commission's 66-year history.

Background. Enactment of the 1933 and 1934 Securities Acts established the need for accountants to function as independent auditors by requiring that financial statements reported to the public be independently certified. The confluence of changing revenue streams, structural reorganizations, and industry consolidation since that time has compelled the Commission to evaluate the impact of these developments on the credibility of the audit process and on the integrity of the numbers.

Entities once devoted almost exclusively to auditing now resemble large and diversified professional practices. Where non-audit services for traditional audit firms once represented only a small portion of total revenue, today such services account for nearly *one-half*. Revenue from auditing services, in the meantime, has declined to only *one-third* of total revenue. The Commission has become increasingly concerned with the dramatic growth in the volume and nature of non-audit services that auditors provide to their SEC-registered audit clients, significantly with regard to whom the accounting firm is beholden: the auditors' obligation is to shareholders while consultants' serve management. When these two obligations come into conflict, the independent audit—dwarfed by the more lucrative consulting business—too often may be compromised.

Dependable and credible numbers, validated by independent auditors, have given investors the confidence to invest in our capital markets. The Commission's rule proposal is designed to augment the independence of the accounting profession and ensure that investor confidence continues.

The SEC's Rule Proposal. In addition to revising certain financial and employment relationship rules that are considered outmoded and unnecessary, and are largely uncontroversial, the rule proposal prohibits auditors from providing certain non-audit services to their SEC-registered audit clients.

These services, all of which are already limited or prohibited by existing SEC or profession standards, include investment banking, legal, management functions, human resources, appraisals or valuations, bookkeeping, and actuarial work. Two additional non-audit services prohibited by the proposed rule include internal audit outsourcing and financial system design and implementation. The restriction imposed by the proposed rule on these two services is especially important, because an auditor, in providing such non-audit services to his or her audit clients, is put in the position of reviewing his or her own work.

Some in the profession and on Capitol Hill have argued that implementing the Commission's proposal would force accounting firms to sell off their consulting arms. We don't believe this to be the case. The proposal does not preclude accounting firms from providing non-audit services to non-audit clients. Accounting firms would only be precluded from providing a discreet list of non-audit services to their *SEC-registered audit clients*. Research indicates that not only do 75% of SEC-registered entities, the majority of which are audited by a Big 5 accounting firm, not purchase non-audit services from their auditors, but that the Big 5 accounting firms receive 77% of their consulting revenues from non-audit clients.

We also don't believe that smaller and mid-size accounting firms will be significantly affected by the Commission's rule proposal since less than one percent of their revenue comes from consulting services provided to SEC-registered audit clients.

Support for the Rulemaking. A broad coalition, including the AFL-CIO, TIAA-CREFF, CALpers, the Consumer Federation of America, Consumers' Union, Johnson & Johnson, Dupont, Pfizer, Merck, the Federal Reserve Board, the Comptroller of the Currency, the Office of Thrift Supervision, Paul Volcker, Connecticut Attorney General Dick Blumenthal, Former Goldman Sachs Chairman John Whitehead, the former Chairmen of Deloitte & Touche and Ernst & Young and many others support the SEC rulemaking.

The Profession's Response. Three of the Big 5 accounting firms, along with the profession's trade organization, the AICPA, are vehemently fighting the rule proposal and have yet to engage the SEC in discussions about the rule proposal. I am hopeful, however, that a first meeting may take place next week. The remaining two firms, PwC and Ernst & Young, have taken a far more constructive approach. After weeks of discussion, the two firms put forth a proposal that we will seriously consider.

cc: Gene Sperling
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