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President's
time, I thought
I'd leave it
in your good
hands (smile).
It looks like
a wonderful
event honoring
some of our top
black educators,
including Ruth
Simmons.

Thanks!
Hope yours well
Leslie

1/29

Betty -
Ray Givard,
a friend in
New York, asked
me to pass
this along.
Since I don't
know who is/will
be handling
post-term
requests of the

over

POSTED BLACK CHARITIES

OF HEALTH AND HUMAN SERVICE AGENCIES

4 STREET, SUITE 915, NEW YORK, N.Y. 10010

(212) 777-6060 FAX (212) 777-7904

00 NOV 30 PM 2:45

11-30-00

To Scheduling

cc: Herrnreich

Clinton

The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500-0004

Dear Mr. President:

On behalf of the Board of Directors of Associated Black Charities, I am writing to request your participation as the keynote speaker in the Fifteenth Annual Black History Makers Awards Dinner on **Wednesday, February 7, 2001**, at the Marriott Marquis Hotel in New York City.

The Black History Makers Awards Dinner pays tribute to and honors extraordinarily outstanding African Americans and persons of African descent whose exemplary character, professional achievements, and personal service to both the African American and world communities have made an enduring imprint and are a model for emulation by young African Americans. Distinguished previous Black History Maker honorees include Vernon Jordan, United Nations Secretary-General Kofi Annan, Justice Thurgood Marshall, Wynton Marsalis, Percy E. Sutton, J. Bruce Llewellyn, Leontyne Price, Arthur B. Ashe, General Colin Powell, Gordon Parks, Mayor David Dinkins, Kenneth Clark, Dr. Clifton R. Wharton, and Governor L. Douglas Wilder.

As you know, Mr. President, America is enjoying a period of unprecedented economic growth and manifold expansion of wealth. However, our success in the marketplace has not been matched by similar achievement in our public school systems. In New York City and elsewhere in the nation, the productivity and effectiveness of too many of our public school systems have been less than stellar – a growing frailty of the country's human resources that you and your administration have worked hard to address over the past eight years.

Associated Black Charities believes a special urgency for educational improvement is needed in order to stimulate the required change in our public school systems. To symbolize its commitment to positive change in our public schools, Associated Black Charities is making public school improvement the theme of the Fifteenth Annual Black History Makers Awards Dinner.

ASSOCIATED BLACK CHARITIES

A FEDERATION OF HEALTH AND HUMAN SERVICE AGENCIES

105 EAST 22nd STREET, SUITE 915, NEW YORK, N.Y. 10010
(212) 777-6060 FAX (212) 777-7904

00 NOV 30 PM 2:45

November 21, 2000

11-30-00
To Scheduling
cc: Herrnreich

The Honorable William Jefferson Clinton
President
United States of America
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500-0004

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We will be honoring the extraordinary achievement and hard work of three outstanding African American **educators**: **Dr. Ruth Simmons**, recently appointed president of Brown University, the first African American president of an Ivy League institution; **Dr. Ben Carson**, head of pediatric surgery at Johns Hopkins University and inventor of the surgical technique for separating Siamese twins that permits each of the twins to survive the separation and **Dr. Shirley Jackson**, president of Rensselaer Polytechnic Institute, former head of the U.S. Atomic Energy Commission and the first African American female to head a major, national research university in the U.S.

In addition, Associated Black Charities plans to promote greater literacy and enhanced reading performance in public schools in New York City by sponsoring free eye and ear examinations and corrective treatment to eliminate fundamental obstacles to better educational performance.

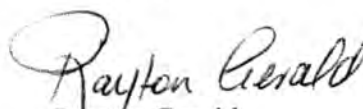
Mr. President, your long commitment to African American educational progress, and public education generally, makes you singularly able to help Associated Black Charities generate support for this most important issue in the New York City public schools and the rest of the country. Your presence and participation in the Fifteenth Annual Black History Makers Awards Dinner will also help illuminate for our youth -- in conjunction with the highly exemplary achievements and roles of our three honorees -- the very vital contributions African Americans can and are making to American educational excellence.

At the onset of the national celebration of Black History Month, we sincerely hope you will be able to join us at the Fifteenth Annual Black History Makers Awards Dinner on February 7, 2001 and help contribute to a reversal of the current erosion of a vital component of the American human resource infrastructure.

For your information and consideration, we are providing additional background information on Associated Black Charities in the enclosed information package, including last year's Black History Makers program and video.

Thank you for your consideration. We can be reached at 212-777-6060.

Sincerely,


Rayton Gerald
Chairman

cc: Vernon E. Jordan, Jr.

Encs.

National Report

The New York Times

By JACQUES STEINBERG

Ruth J. Simmons, the president of Smith College and the youngest of 12 children of a Texas sharecropper, is expected to be appointed the new president of Brown University today.

In voting yesterday afternoon to name Dr. Simmons the 18th president since the university's founding in 1764, the 54 officers of the Brown Corporation will make academic history: she will be the first black president of an Ivy League institution.

Dr. Simmons will succeed E. Gordon Gee, who left Brown's Providence, R.I., campus abruptly nine months ago, after only two years in office, to become president of Vanderbilt University, in Tennessee.

In choosing Dr. Simmons, 54, the members of the corporation said that they were impressed not only by her biography — she was raised poor in Houston, and later received a doctorate in romance languages from Harvard — but by the example that she would set for the student body, said Stephen Robert, the chancellor of the university and chairman of the presidential search committee.

"They say nothing is felt until experienced," said Mr. Robert, who graduated from Brown in 1962 and is the former chairman of the Oppenheimer Company, the investment bank and money management firm. "She's experienced the other side of this life. She knows what higher education accomplished for her."

Judith McLaughlin, who leads a seminar for new college presidents at the Harvard Graduate School of Education, said Brown's selection of Dr. Simmons represented "a wonderful statement in higher education," considering that "people look to the Ivy League as places of excellence."

"At the same time that there have been debates over whether access and excellence can coexist," Ms. McLaughlin added, "Ruth Simmons shows in her person that they can."

While at Smith, a storied women's college in Western Massachusetts whose 2,500-student campus is dwarfed by the 7,300 students who attend undergraduate and graduate classes at Brown, Dr. Simmons sought to improve academic life in a number of areas. During her five-year tenure, the endowment nearly doubled, to \$900 million from about \$450 million. She also garnered national attention by establishing the first engineering program at a women's college, instituting a curriculum-wide focus on public speaking and providing a paid internship for every undergraduate.

But in an interview yesterday, Dr. Simmons said she also took pride in less flashy accomplishments of her tenure, like creating the post of provost and simplifying the lines of administrative communication.

"That's the kind of thing I like, the hidden things," she said. "It's like cleaning. Some people clean just enough so that what you see looks good. I clean so that you can move the chair out of the way and not find dust bunnies under it."

Dr. Simmons' analogy was especially poignant because her mother, whose formal education ended in the seventh grade and who died when her youngest daughter was 15, had worked as a domestic.

Since Mr. Gee's departure, Brown has been led by an interim president, Sheila E. Blumstein. Upon Dr. Simmons's arrival on July 1, Dr. Blumstein will return to teaching linguistics and cognitive science. A spokeswoman said that she did not know Dr. Simmons's new salary but that Mr. Gee had earned about \$300,000.

Brown officials had hoped to keep Dr. Simmons's appointment a secret until today's vote was concluded, but the student newspaper, *The Brown Daily Herald*, broke the story yesterday. As word of the uncertainty in the United States presidential election spread on campus, it was tempered by welcome news: that the instability touched off by Mr. Gee's sudden exit was nearing an end.

"I think she got the job because she can do the job well," said Matthew Shechmeister, 20, a sophomore from Menlo Park, Calif., who is studying political science. "Brown was liberal enough that it was willing to take a look at her."

But Mark Scott, 21, a junior from Montreal, said Dr. Simmons' race would be an asset to a school with a reputation as being among the most liberal in the nation. "Someone will step up and notice a black woman as president of an Ivy League university," he said.

At Smith, where word of Dr. Simmons' departure next summer had barely reached the student body, Milka Dennis, president of the Class of 2004, reacted with sad disbelief.

"I would be really heartbroken," said Ms. Dennis, an economics major from Miami. "She spoke at Discovery Weekend, an information session for prospective applicants of color,

An academic who has 'experienced the other side of this life.'

and influenced me to come to Smith College. If Smith deserved a great president like her, they deserved great students like me."

Still, Rachel Leifer, the features editor of *The Sophian*, the Smith student newspaper, said she had grown weary of Dr. Simmons's railing against college students' "mail speak," specifically their overreliance on "like" and "um."

"I'm not that upset to see her go," Ms. Leifer said.

Before becoming the first black woman to lead Smith, in 1995, Dr. Simmons made several critical stops in her journey through the academy.

Brown U. Breaks Ground In Picking Black as Chief

Smith's Simmons to Be Named President

As a high school senior, she won a \$1,000 scholarship to Dillard University in New Orleans, from which she graduated, summa cum laude, in 1967. After getting her masters and Ph.D. at Harvard, Dr. Simmons taught French at the University of New Orleans.

She later served in several capacities at Princeton University: as the acting director of the Afro-American studies program and as assistant dean and associate dean of the faculty. In the early 1990's, she worked as the provost of Spelman College.

Perhaps mindful that a faculty can make or break a president's tenure before it begins — and that Mr. Gee had alienated some professors — Dr. Simmons said her priorities at Brown would include improving "faculty resources," which she defined as leaves, salaries and research support.

And even though Brown's endowment has grown to \$1.5 billion, nearly double that of Smith's, it pales among those of other Ivy League institutions. She said she worried that it was too small to accomplish what she wanted.

"I know that sounds like a billionaire complaining he's not as rich as Bill Gates," she said, laughing. "It's not a dire situation, by any stretch."



Ruth J. Simmons, the president of Smith College, is expected to be appointed today to the same post at Brown University.



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Brown University To Name President

By David Rising
Associated Press Writer
Thursday, Nov. 9, 2000; 8:32 a.m. EST

PROVIDENCE, R.I. — Brown University has chosen as its next leader Smith College president Ruth Simmons, who will become the first black to head an Ivy League school.

Brown University scheduled a news conference Thursday afternoon to announce its new president after the board of trustees votes to confirm Simmons, a university source said, speaking on condition of anonymity.

She will be introduced to students at a campus assembly later in the afternoon.

The story was first reported Wednesday by The Brown Daily Herald student newspaper. "We're very sorry to see her leave," Charles Staelin, a Smith dean for academic development, told the paper.

Brown has been seeking a president since February, when Gordon Gee announced he was resigning to take the top post at Vanderbilt University in Tennessee. He had been at Brown just two years, and his short stay was criticized by administrators, faculty, alumni and students.

Simmons, 54, became the first black woman to lead Smith, an elite 2,500-student women's college in Northampton, Mass., in 1995.

She was the youngest of 12 children of a Texas sharecropper father and a mother who worked as a domestic. Simmons earned a scholarship to Dillard University in New Orleans and graduated with highest honors in 1967.

She earned a Ph.D. in Romance languages from Harvard University, and worked several years at Princeton University as a teacher and administrator.

During her tenure at Smith, the school's endowment nearly doubled to \$900 million. Simmons also established an engineering program,

the first at a women's school.

In an interview with The New York Times, Simmons said she also took pride in her less flashy accomplishments, like creating the post of provost.

"That's the kind of thing I like, the hidden things," she told the Times. "It's like cleaning. Some people clean just enough so that what you see looks good. I clean so that you can move the chair out of the way and not find dust bunnies under it."

Brown, which has 7,000 students, has an endowment of \$1.5 billion, among the smallest endowments of the Ivy League schools. Simmons said that might be too small to accomplish what she wanted.

"I know that sounds like a billionaire complaining he's not as rich as Bill Gates," she said. "It's not a dire situation, by any stretch."

**ASSOCIATED BLACK CHARITIES
VIDEO**

FEBRUARY 2000

HELPING PEOPLE
TO HELP THEMSELVES

2000 Black History Makers Awards

ASSOCIATED
BLACK
CHARITIES

THE WHITE HOUSE

LISEL -

Dec 4.

For what its worth! This is

PART OF A campaign to seek EXEC
Clemency FOR L. FELTNER.

KRS B

67071

✓
to
counsel
@

12:4:00

PYRAMID

COMMUNICATIONS

Mrs,

Good talking with you the other
day. I thought I would send
a long & Peltier package for

your review. I appreciate your
assistance and advise. Hope all
is well.

John



printed on recycled paper



Clemency Now

Not One Day Longer Free Leonard Peltier

November 28, 2000

Dear Supporter,

We are writing to thank you for your past support of Leonard Peltier. We are also seeking your urgent assistance during the coming weeks. This time period will be critical in obtaining executive clemency for Mr. Peltier, and we very much need your help.

As you know, Mr. Peltier is a Native American who has been incarcerated for 24 years, following his highly controversial conviction for the 1975 murder of two FBI agents. Despite clear evidence of FBI misconduct throughout the prosecution, including the coercion and intimidation of witnesses, the utilization of false testimonies and the concealment of a ballistics test reflecting his innocence, Mr. Peltier has been denied a new trial. The court expressly stated that the jury might have found him innocent absent these abuses, and U.S. Attorney Lynn Crooks has admitted that no one knows who fired the fatal shots. Yet Mr. Peltier remains in prison and the Parole Commission has denied him parole again and again, because he has not "accepted responsibility" by de facto confessing to a crime he did not commit. He is now in deteriorating health.

For all of these reasons, we are now urging President Bill Clinton to immediately grant executive clemency to Mr. Peltier. The coming weeks will be critical in securing freedom and justice for this man.

We must act swiftly to assure the President that such a grant of clemency will be met with resounding and broad based support from religious, civic, human rights and civil rights circles. **We ask that you or your organization renew your support by joining others in a national call for Mr. Peltier's release, and by pledging to stand with the President and applaud his courageous decision to return Mr. Peltier to his rightful place in society.**

You or your organization can help to achieve justice for Leonard Peltier in the following ways:

- **Placing a personal call** to your contacts in the White House Administration, urging them to recommend executive clemency for Mr. Peltier.
- **Signing a letter** to President Clinton, urging him to grant clemency to Mr. Peltier.
- **Urging colleagues** to pledge their support for Leonard Peltier.

The United States' system of justice prohibits the incarceration of any person until he or she has been afforded a full and fair trial and has been proven guilty beyond any reasonable doubt. A trial based upon falsified or concealed evidence and coerced and intimidated witnesses can never constitute a fair trial in our nation. Mr. Peltier's continued incarceration runs counter to our nation's most cherished principles.

Judge Gerald Heaney, who authored the Eighth Circuit Court of Appeals' denial of a new trial, has himself written to express his full support for a grant of clemency. Heaney stated that favorable action by the President in this case would be an important step in the healing process between the United States and the Native American community.

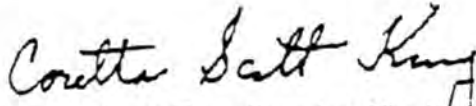
Mr. Peltier has proven to be an exemplary candidate for executive clemency. During his years behind bars, he has achieved a remarkable record of humanitarian work, including sponsoring a Native American scholarship fund; supporting battered women's centers and substance abuse programs; and sponsoring an annual clothing and toy drive for children on the Pine Ridge Reservation; amongst other efforts. Clearly this man will be a gift to our society upon his release.

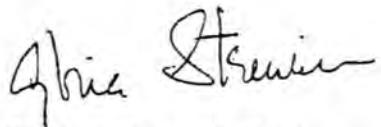
Leonard Peltier's fate now lies firmly in the hands of President Clinton. It is crucial that the President understand the importance of this clemency case to all persons committed to justice and human rights throughout the country. Should the President fail to act before leaving office, Mr. Peltier may suffer serious physical consequences in the coming years, including disablement or even premature death. Should this occur, it would only deepen the mistrust that continues to damage the relationship between the U.S. government and its indigenous peoples, and the fate of Mr. Peltier would weigh heavily upon the American conscience.

President Clinton is faced with the opportunity to build upon his historic visit to Pine Ridge and his legacy of righting the wrongs committed against oppressed peoples throughout this nation's past. Granting executive clemency to Mr. Peltier would send a powerful message to human rights defenders around the world that the U.S. government is committed to healing this painful chapter in its history with its first peoples.

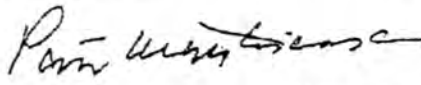
We will contact you soon to discuss your support further. In the meantime, please continue calls of support to the White House comments line at 202-456-1111 and do not hesitate to contact the Leonard Peltier Defense Committee at 785-842-5774.

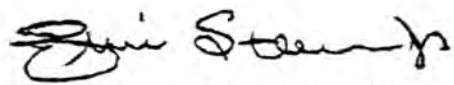
Sincerely,


Coretta Scott King, Founder, The King Center


Gloria Steinem, Activist


Rev. Thom Whitewolf Fassett
Former General Secretary, United Methodist Church
General Board of Church and Society


Peter Matthiessen, Author


Ernie Stevens, Executive Officer
National Congress of
American Indians



Leonard Peltier, Photo Credit: Serle Chapman

CLEMENCY NOW – PRESIDENT CLINTON HOLDS THE KEY

A broad-based effort is now underway to urge President Clinton to grant executive clemency to Leonard Peltier before he leaves office. The coming weeks will prove critical in securing this man's freedom.

"Executive clemency" refers to the constitutional power given exclusively to the President that allows him to grant a commutation of sentence or a pardon following a criminal conviction. It is an individual act reserved for the President, and President Bill Clinton alone will determine whether Leonard Peltier should be released from prison. As of December 24, 1999, President Clinton had granted just 74 pardons and 16 commutations; less than 4% of the total number requested and far less than any other U.S. President.

LEONARD PELTIER: AN AMERICAN TRAGEDY

Leonard Peltier is an American Indian who was convicted for the murder of two FBI agents nearly 25 years ago. Despite overwhelming evidence of FBI misconduct, including the coercion and intimidation of witnesses, the use of false testimonies and the concealment of a ballistics test reflecting his innocence, Mr. Peltier has been denied a new trial and is long overdue for parole. Despite his remarkable human rights achievements, he has been denied parole because, de facto, he will not confess to a crime he did not commit. His health is failing him—he suffers from diabetes, a heart condition, near blindness in one eye and hypertension.

Leonard Peltier's highly controversial conviction is rooted in one of the darkest chapters of civil rights abuses in recent American history. Indians at the Pine Ridge Reservation termed the period from 1973 -1976 the "Reign of Terror" as more than 60 tribal members and AIM activists were killed. The U.S. Civil Rights Commission formally requested that the U.S. Attorney General conduct an investigation into improper FBI activities on the reservation during that hostile era.



Leavenworth Penitentiary, where Peltier is currently incarcerated



Waiting; Oil on canvas; by Leonard Peltier

FREQUENTLY ASKED QUESTIONS

Q: A jury convicted Leonard Peltier of the 1975 murders of two FBI agents on the Pine Ridge Reservation. His appeals have been denied, as was his request for a new trial. Why should he be released now?

A: Mr. Peltier should be granted clemency because he never received a fair trial. Witnesses of the shoot out were severely intimidated and coerced by the FBI, false testimonies were utilized, and a ballistics test reflecting Mr. Peltier's innocence was concealed from the defense. Appeals were denied before much of this came to light. Later, Mr. Peltier was denied a new trial as a result of a technical legal standard. That appellate judge has since written to support clemency for Mr. Peltier. Even U.S. Attorney Lynn Crooks now admits that no one knows who killed the two agents. Yet Mr. Peltier remains in prison, long overdue for parole and in failing health. From behind bars he has achieved a remarkable record of humanitarian works and has received awards for his efforts.

Q: Leonard Peltier has been in prison for 24 years. Why is executive clemency now considered his only hope for justice?

A: Since Mr. Peltier has been denied a new trial, despite the fact that a jury would likely have found him innocent had they received all of the new evidence, he now has no place to go in the court system. He is long overdue for parole and has been a model prisoner, but Mr. Peltier has been denied parole again and again based on his original conviction. Until he "accepts responsibility" by de facto confessing to a crime that he did not commit, he will not be released. Meanwhile, his health is deteriorating rapidly; he now suffers from diabetes, high blood pressure, and a heart condition. Time is of the essence in obtaining justice in this tragic case.

Q: Mr. Peltier admits that he returned gunfire in self-defense that day. Why wasn't he acquitted on those grounds, as his co-defendants Dino Butler and Bob Robideau were?

A: After Mr. Butler and Mr. Robideau were acquitted of first degree murder charges by an Iowa jury during a separate trial, it became clear that Mr. Peltier represented the FBI's last chance to convict and imprison someone for the deaths of the two agents. Nearly all of the evidence that helped exonerate his co-defendants on the grounds of self-defense were prohibited from entering the record by the presiding judge in Leonard Peltier's North Dakota trial. Worse yet, much tainted and false evidence was presented in Mr. Peltier's trial including the ballistic expert's conclusion.



Chief of the Desert; Oil on canvas; by Leonard Peltier

WHAT PEOPLE ARE SAYING ABOUT LEONARD PELTIER

"The FBI used improper tactics in securing Peltier's extradition from Canada and in otherwise investigating and trying the Peltier case. Although our court decided that their actions were not grounds for reversal, they are, in my view, factors that merit consideration in any petition for leniency filed.... Favorable action by the President in the Leonard Peltier case would be an important step... At some point, a healing process must begin. We as a nation must treat Native Americans more fairly."

— **Gerald W. Heaney, United States Senior Court Judge**

"I wish to support the petition for clemency for Leonard Peltier. Mr. Peltier's health is said to be worsening. I am deeply concerned and appeal to the concerned authorities in the United States to positively consider the petition on humanitarian grounds."

— **The Dalai Lama**

"It is never too late to let the voice of truth drown out a legacy of injustice. And it is never too late to let healing begin. I am pleased to join many others across the country today supporting the petition for Leonard Peltier's clemency."

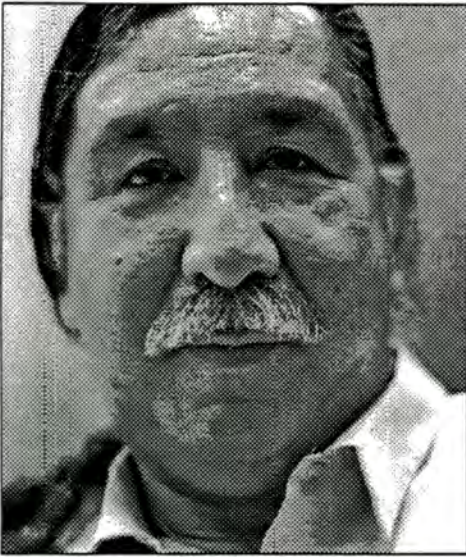
— **Congressman John Conyers, Jr.**

"What happened, happened in such a way that it gives some credence to the claim of the Indian people that the United States is willing to resort to any tactic in order to bring somebody back to the United States from Canada. And if they are willing to do that, they must be willing to fabricate other evidence. And it's no wonder that they are unhappy and disbelieve the things that happened in our courts when things like this happen."

— **Judge Ross, Eighth Circuit Court**

"He (Leonard Peltier) has no reason to be in prison. It would seem that his innocence has been proven many times already."

— **Danielle Mitterand, President, France Libertes**



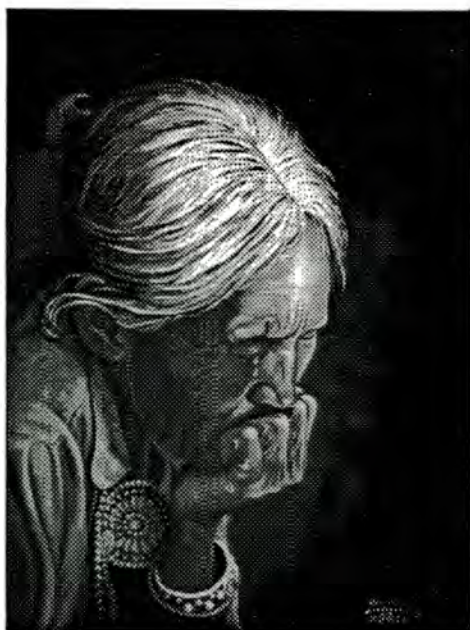
Leonard Peltier, Photo Credit: Gwendolen Cates

FIVE THINGS YOU CAN DO TO HELP LEONARD PELTIER'S CLEMENCY EFFORT

1. **Meet with President Clinton or key White House officials** to discuss and support the grant of clemency for Mr. Peltier.
2. **Place a personal call to your contacts in the White House and Administration**, urging them to recommend executive clemency for Mr. Peltier.
3. **Send a letter to President Clinton**, urging him to grant clemency to Mr. Peltier.
4. **Urge your colleagues to pledge their support for Leonard Peltier** by sending fax and email alerts to their memberships, announcing the clemency campaign at meetings, triggering phone trees, etc.
5. **Notify Pyramid Communications about your outreach** so that we can track all correspondence being sent to the White House during these critical days. 206-374-7788 ext. 39 (Kathleen Russell)

TALKING POINTS FOR YOUR WHITE HOUSE OUTREACH

- **Mr. Peltier should be granted clemency because he never received a fair trial.** The witnesses were severely intimidated and coerced by the FBI, false testimonies were utilized, and a ballistics test reflecting his innocence was concealed from the defense. Appeals were denied before much of this new evidence came to light.
- **Granting clemency to Mr. Peltier would be a crucial step towards national reconciliation and healing between the United States government and its indigenous peoples.** The time has come to move towards reconciliation that will benefit all Americans, both native and non-native alike.
- **It is the President's constitutional duty to mitigate injustices within the United States justice system**, and granting executive clemency to Leonard Peltier would be a historically consistent use of the remedy.



Big Mountain Lady; Oil on canvas; by Leonard Peltier

CURRENT AND PAST SUPPORTERS OF CLEMENCY FOR LEONARD PELTIER

NOBEL LAUREATES

Jose Ramos Horta
The Dalai Lama
Mearaid Maguire
Nelson Mandela
The Late Mother Teresa
Rigoberta Menchu Tum
Archbishop Desmond Tutu
Betty Williams

SCHOLARS

Liz Aaronsohn, Professor, Central Connecticut State University
Dennis Brutus, Professor of Africana Studies, University of Pittsburgh
Yvonne Bushyhead, Professor, University of Minnesota
Kevin Cassidy, Professor of Political Science, Fairfield University
Robert H. Cataliotti, Ph.D., Associate Professor, Coppin State College
Leonard L. Cavise, De Paul University, College of Law
Ward Churchill, Associate Professor of Communications and Coordinator of
American Indian Studies at the Center for Studies of Ethnicity and Race in
America (CSERA), University of Colorado at Boulder
Don Cooney, Professor of Social Work, Western Michigan University
Chuck Culhane, Professor of American Studies, University of Buffalo
Angela Davis, Professor, History of Consciousness, University of California,
Santa Cruz
Vincent Davis, Chair, United Federation of Teachers at School
Connie De La Vega, Professor, University of San Francisco
Peter Derrico, Professor, University of Massachusetts, Amherst
Simon Harak, Professor of Religious Studies, Fairfield University
Lennox Hinds, Professor of Criminal Justice, Rutgers University, served as
Legal Counsel to Nelson Mandela
Jacquelyn C. Miller, Associate Professor, Seattle University
Glen Morris, Associate Professor of Political Science, University of Colorado
at Denver
Fred Morton, Ph.D., Professor and Chair, Loras College
Joan Nagel, Professor of Sociology, Kansas University
Cornel Pewewardy, Professor, Department of Teaching & Learning,
Kansas University
Laura Riskin, Principal, Well Springs Community School
Natania Rosenfeld, Assistant Professor of English, Knox College
Jim Schneeweis, Educator, Bishop Ward Catholic High School
William R. Snow, Ph.D, Well Springs Community School



Untitled; Oil on canvas; by Leonard Peltier

Rodney Grant
 Indigo Girls
 Kris Kristofferson
 Peter Matthiessen
 N. Scott Momaday, The Buffalo Trust
 Shawn Mullens
 Michael O'Keefe
 Bonnie Raitt
 Rage Against the Machine
 Robert Redford
 Robbie Robertson
 Winona Ryder
 Steven Seagal
 Pete Seger
 Joanne Shenandoah
 Gloria Steinem
 Little Steven
 Rose Styron
 William Styron
 Buffy St. Marie
 Oliver Stone
 Kurt Vonnegut, Jr.
 Tom Waits
 Alice Walker

CIVIL RIGHTS LEADERS

Warren Allmand, The International Centre for Human Rights and
 Democratic Development
 Blase Bonpane, Director, Office of the Americas
 Rubin 'Hurricane' Carter
 Rev. Jesse L. Jackson, President and Founder, Rainbow/PUSH Coalition
 Coretta Scott King, The King Center
 William F. Muldrow, Former Director (retired), Rocky Mountain Regional
 Office, U.S. Commission on Civil Rights
 Geronimo Ji Jaga Pratt
 Ted Ross, Texas Civil Rights Project
 Jim Silk, Director, Robert F. Kennedy Memorial Center for Human Rights
 Roger Warham, International Association Against Torture and December
 12th Movement

CIVIL RIGHTS ORGANIZATIONS

50 Years is Enough Campaign
 Amnesty International
 Center for Constitutional Rights
 Committee for International Human Rights Inquiry
 El Centro De La Raza
 France Libertes, Danielle Mitterrand



Native Still, Oil on canvas; by Leonard Peltier

NATIVE AMERICAN AND TRIBAL LEADERS

Assembly of First Nations of Canada
 Chemehuevi Indian Tribe
 Cherokee Nation
 Chief Arvol Looking Horse
 Coyote Valley Tribal Council
 Duckwater Shoshone Tribe
 Forest County Potawatomi Community
 First Nations School Association
 Great Lakes Inter-Tribal Council, Inc.
 Greenville Rancheria Tribal Council
 Honor the Earth
 Howonquet Indian Council of the Smith River Rancheria
 Indian Treaty Council
 Kaw Tribe of Oklahoma
 Lac Courte Oreilles Tribal Governing Board
 Lakota/Dakota/Nakota General Council
 Los Coyotes Reservation
 Lower Brule Sioux Tribal Council
 Mashpee Wampanoag Indian Tribal Council, Inc.
 National Congress of American Indians
 Navajo Nation
 Nez Perce Tribal Executive Committee
 Northern Arapaho Business Council
 Oglala Sioux Tribe
 Oneida Tribe of Indians of Wisconsin
 Ponca Tribe of Oklahoma
 Prairie Band Potawatomi Tribal Council
 Prairie Island Indian Committee
 Prairie Island Tribal Council
 Puyallup Tribal Council
 Rohnerville Rancheria Tribal Council
 Saginaw Chippewa Indian Tribe of Michigan
 San Pasqual Band of Mission Tribal Council
 Schaghticoke Tribal Nation of Kent, Connecticut, Inc.
 Smith River Rancheria Tribal Council
 Standing Rock Sioux Tribe
 Tohono O'Odham Legislative Council
 Tonkawa Tribal Council
 Turtle Mountain Band of Chippewa Indians
 United Auburn Indian Community of the Auburn Rancheria
 Upper Sioux Community
 Wampanoag Tribe of Gay Head
 Westbank First Nation
 Winnebago Tribal Council

UNIONS AND ASSOCIATIONS

Brian McWilliams, President, International Longshore & Warehouse Union
National Association of Social Workers
National Union of Public and General Employees
United Food and Commercial Workers AFL-CIO
Native American Journalists Association
New York Mail Handlers Union
United University Professions
UNITY: Journalists of Color, Inc.
The Committee of Concerned Scientists, Inc.

OTHER

Linda W. Kettlehut, Psychologist to Mr. Peltier
Wesley Swearingen, Former FBI Agent

"Peltier's continued

*imprisonment is more than
an injustice to one man.*

*It is an injustice to Native
Americans and a scar on
American history,
reminding us of the
attempts to silence the
rising voices of Native
American peoples
protesting their plight."*

*— Congressman John
Conyers, Jr.*

CLEMENCY FACTS AND FIGURES

WHAT IS EXECUTIVE CLEMENCY?

"Executive clemency" refers to the constitutional power given exclusively to the President of the United States which allows him, following a criminal conviction or juvenile adjudication, to grant a pardon or commutation of sentence.

A commutation is a reduction in sentence for persons currently incarcerated. A commutation, which does not forgive an individual, can be granted for an entire sentence or any part thereof.

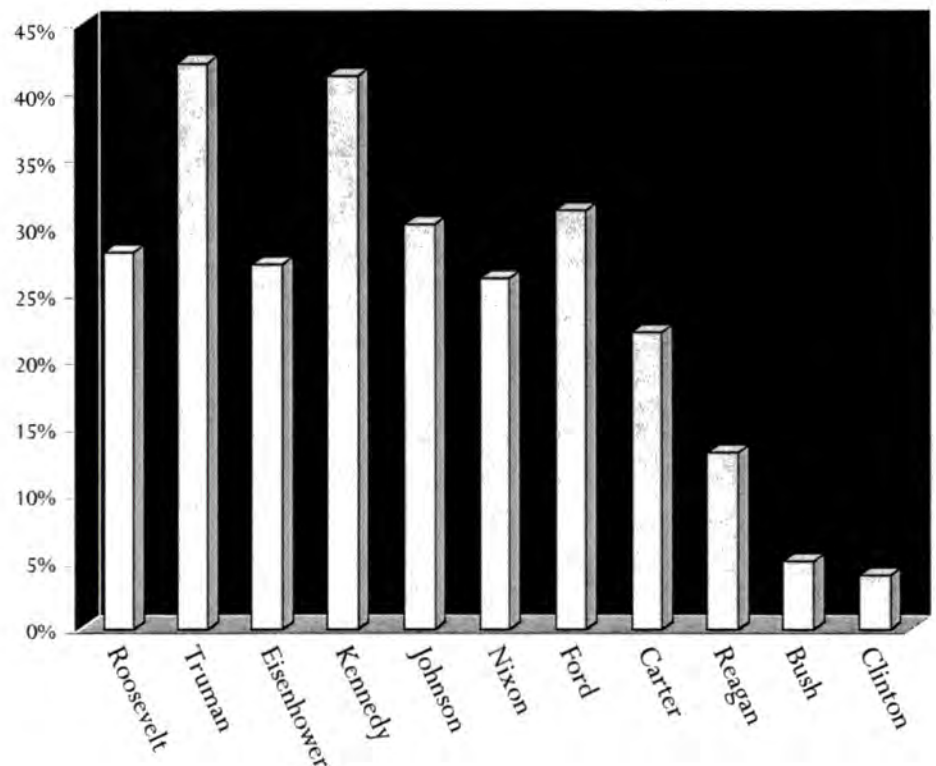
A pardon forgives an individual for his or her crime. Generally considered only after sentence completion, a pardon restores basic civil rights and may aid in the reinstatement of professional or trade licenses that may have been lost as a result of the conviction.

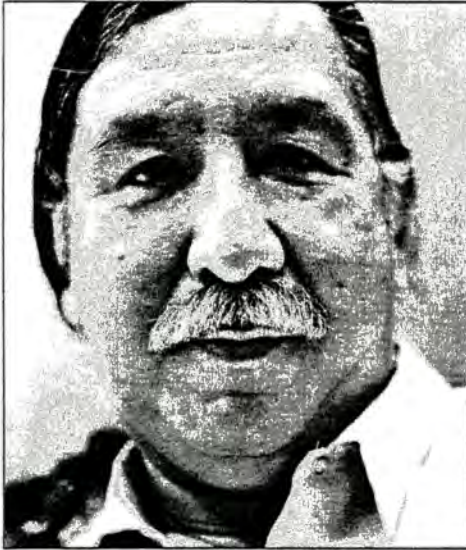
Clemency is a personal act from the President. The Justice Department and the White House counsel provide advice, but the decision is made solely by the President.

"I urge you (President Clinton) to please grant executive clemency to Leonard Peltier, who has already served over twenty years of unjust imprisonment."

— Rev. Jesse Jackson

PERCENTAGE OF REQUESTED CLEMENCIES GRANTED BY U.S. PRESIDENTS





Leonard Peltier, Photo Credit: Gwendolen Cates

TALKING POINTS FOR WHITE HOUSE OUTREACH

- **Mr. Peltier should be granted clemency because he has never received a fair trial.** The witnesses were severely intimidated and coerced by the FBI, false testimonies were utilized, and a ballistics test reflecting his innocence was concealed from the defense. Appeals were denied before much of this new evidence came to light.
- **It is the President's constitutional duty to mitigate injustices within the United States justice system,** and granting executive clemency to Leonard Peltier would be a historically consistent use of the remedy.
- **This is a profound opportunity to build upon your historic visit to the Pine Ridge Reservation last summer** and further your legacy of righting the wrongs committed against oppressed peoples throughout this nation.
- **Even U.S. Attorney Lynn Crooks now admits that no one knows who killed the two agents.** From behind bars he has achieved a remarkable record of humanitarian works, and has received awards for his efforts.
- **Mr. Peltier has now been imprisoned for over twenty-four years.** Yet Mr. Peltier remains in prison, long overdue for parole and in failing health. It is clear that he will not be released until he "accepts responsibility" by confessing to a crime that he did not commit.
- **Granting clemency to Mr. Peltier would be a crucial step towards national reconciliation and healing** between the United States government and its indigenous peoples. The time has come to move towards reconciliation that will benefit all Americans, both native and non-native alike.



Oglala and Proud; Oil on canvas; by Leonard Peltier

KEY CONTACTS

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LEONARD PELTIER DEFENSE COMMITTEE

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RELIGIOUS/SPIRITUAL COMMUNITY

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OUTREACH COORDINATORS

Kathleen Russell
Pyramid Communications
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kathleen@pyramidcom.com

THE WHITE HOUSE
WASHINGTON

November 28, 2000

MR. PRESIDENT:

In choosing Medal of Freedom recipients for the August, 2000 ceremony, you indicated you would like to discuss the option of awarding the Medal to Nelson Mandela, Archbishop Tutu and Aung San Suu Kyi; as you may recall, John and Melanne recommended holding off and making these awards as part of a human rights ceremony in the fall with the First Lady.

In a separate memo (attached), Melanne outlines a proposed human rights event for next week at which you would present the Eleanor Roosevelt Human Rights Awards. If you choose to do this event, it would provide an opportunity for you to make one or more of these three Medal of Freedom awards, along with the Eleanor Roosevelt awards. The Medal of Freedom could also be awarded at a separate event.

Brief descriptions of the three candidates are attached. If you approve, we would notify the recipients as soon as possible and begin preparing their medals and citations.

Nelson Mandela

Approve _____ Disapprove _____ Discuss _____

Archbishop Tutu

Approve _____ Disapprove _____ Discuss _____

Aung San Suu Kyi

Approve ☒ Disapprove _____ Discuss _____

Lisel Loy. *LL*

copied
Podesta
Bradtke
Staff SEC
Verveer
Graham
Streett

*Let's go
w/ the 1st
Mandela
get it done
w/ the 1st*

THE WHITE HOUSE
WASHINGTON

July 10, 2000

MR. PRESIDENT:

For the August 9th Medal of Freedom ceremony, you have indicated you would like to award the Medal to 17 people from the list you received (copy attached). From that list, John recommends that you consider Cox, Motley and Greenberg for the Citizens Medal instead; if you approve, that would leave the following 14 recipients: Taylor, Edelman, Clark, Burke, Higgins, Jackson, Krim, Galbraith, Wiesenthal, Crowe, McGovern, Chafee, Moynihan, and Jeffrey. Maria is working to identify 1-2 Hispanic candidates to add to the list.

For the major international human rights candidates (Mandela, Suu Kyi and Tutu), John and Melanne recommend you postpone your decision until after the August ceremony and consider making one or more of those awards separately, perhaps as part of a major human rights event with the First Lady in the fall.

We recommend moving the remaining names from the original list to the Citizens Medal list we're preparing for your review.

If you approve, we would like to notify the core group of 14 of your decision and the upcoming ceremony and begin preparing their medals and citations.

Approve ☒ Disapprove ☐ Discuss ☐

Lisel Loy 

00 OCT 16 PM 5:02

File - 8/14/00 - 2/1/01

to redefine relations between Washington and New Delhi. He also was chairman of Americans for Democratic Action from 1967-69 and taught economics at Harvard College for nearly 30 years.

Approve ☒

Disapprove ☐

Discuss ☐

International Human Rights

Given the high profile and important contributions of Mandela, Suu Kyi, and Tutu, you may wish to hold a separate ceremony if you choose one or more of these first 3 international candidates. For your information, from the total list of 5 candidates in this category, Dr. Pizar is the only U.S. citizen.

Nelson Mandela, 81.

Freed after serving 27 years of a life sentence imposed for sabotage and treason, Mandela became South Africa's first democratically elected president and held the position from 1994 to 1999. In 1993, he shared the Nobel Peace Prize with F. W. de Klerk, his Vice President, for their efforts to end apartheid.

Approve ☐

Disapprove ☐

Discuss ☐

Aung San Suu Kyi, 54.

Co-founder of the National League for Democracy, Suu Kyi is the leader of Burma's opposition force and pro-democracy movement. In 1989, she was placed under house arrest for violating a government ban on political activity, and she was awarded the Nobel Peace Prize in 1991 for her efforts to bring democracy and human rights to Burma through peaceful means. In 1995, the junta finally released her from confinement. She refuses to travel outside Burma for fear that if she leaves, the junta will not let her back into the country. NSC recommends that Secretary Albright receive the Medal on Suu Kyi's behalf should you choose to make the award.

Approve ☐

Disapprove ☐

Discuss ☐

Archbishop Desmond Tutu, 68.

The first black Anglican bishop of Johannesburg and archbishop of Cape Town, Tutu has devoted his career to the pursuit of human rights. He is the former Secretary-General of the South African Council of Churches, and he chaired South Africa's Truth & Reconciliation Commission after the election of the African National Congress in 1994. Tutu has worked extensively to ease racial tensions in South Africa, emphasizing nonviolent means of protest and encouraging economic pressure by countries dealing with South Africa, and his efforts in combating apartheid earned him the 1984 Nobel Peace Prize.

Approve ☐

Disapprove ☐

Discuss ☐

* * *

2000 Medal of Freedom

7-5-00

Nominee	Approve	Disapprove	Discuss
Monsignor George G. Higgins	✓		
The Reverend Jesse Jackson	✓		
Constance Baker Motley	✓		
Jack Greenberg			✓
Daisy Bates			✓
John Sengstacke			✓
Dr. Mathilde Krim	✓		
Hank Aaron			✓
Muhammad Ali			✓
John Kenneth Galbraith	✓		
Nelson Mandela			✓
Aung San Suu Kyi	✓		✓
Archbishop Desmond Tutu			✓
Simon Wiesenthal	✓		
Dr. Samuel Pizar			✓
Admiral William Crowe	✓		✓
John F. Seiberling	✓		✓
George McGovern	✓		
John Chafee	✓		✓
Shirley Chisholm			✓
Senator Daniel Patrick Moynihan	✓		
Mildred "Millie" Jeffrey	✓		✓
The Reverend Addie Wyatt			✓

THE PRESIDENT HAS SEEN

12-4-00

Rhoda and Mark Berenson
320 East 25 Street
New York, NY 10010
Tel: 212-689-3868 and Fax: 212-689-9572

Family

November 24, 2000

FAX - 3 pages total

URGENT MEETING AND IMMEDIATE ACTION REQUESTED

To: Melanne Vervieer

From: Rhoda and Mark Berenson

Re: Letter about Lori Berenson in Peru

Attached is a letter to President Clinton. We have sent it to two White House fax numbers but fear it will be lost amongst many others.

We are asking if you could please ensure that President Clinton receives this urgent letter. We are grateful for the First Lady's assistance in the past and would appreciate any additional assistance she could provide at this crucial time.

Rhoda Berenson
Mark Berenson

BC

copied
Berger
Podestg

Rhoda and Mark Berenson
320 East 25 Street
New York, NY 10010
Tel: 212-689-3868 and Fax: 212-689-9572

November 24, 2000

URGENT MEETING AND IMMEDIATE ACTION REQUESTED

President William Jefferson Clinton
The White House
Washington DC 20500

Dear President Clinton:

Recent events in Peru provide an opportunity for real democracy to develop and flourish in that country. And they also provide a real opportunity to secure Lori's immediate release. Time is of the essence.

The new and interim government of Valentin Paniagua has called for healing and reconciliation. In that spirit, and to solidify relations with the United States, now is the time for Lori to be released. With your leadership the people of Peru will surely realize that Lori was a victim of the discredited and disgraced dictator Alberto Fujimori's deceptions and demagoguery for his own political gains. Both the new government and the people of Peru are very anxious to establish a normal and healthy relationship with the United States and, as you can explain, this will only be possible when Lori, who has already suffered five years of debilitating imprisonment without a fair trial and despite her innocence, is free.

Peru is anxious to act justly now that it is free from the repression of Mr. Fujimori and Mr. Montesinos and we ask that you personally direct your National Security Advisor Sandy Berger, Secretary of State Madeleine Albright, and Ambassador John Hamilton to request of President Valentin Paniagua and Prime Minister Javier Perez de Cuellar that they release Lori now.

The new Peruvian leadership can be shown that the illegal civilian investigation of Lori presently concluding its work has failed to develop any evidence of wrongful conduct by her and that the investigation itself is illegal and prohibited by decisions of the Inter-American Court for Human Rights on grounds both of double jeopardy and the present incapacity of the Peruvian judicial system to provide a fair trial. In fact, you will recall that in June 1998, President Fujimori's own Prime Minister Javier Valle Riestra had proclaimed Lori's conviction illegal and declared she must be set free.

Re: Lori Berenson

It is essential that Lori be rescued prior to the public phase of her civilian "show trial" that is scheduled to occur in mid December. As Reverend Jesse Jackson said this week, "the current political turmoil in Peru now threatens to prolong Ms. Berenson's imprisonment." He expressed the hope that Lori would not get caught up in Peruvian politics. This happened in the runoff election when Mr. Fujimori attacked the opposition candidate Alejandro Toledo as threatening to release the "evil gringa terrorist Lori Berenson." And it surely will happen again when the new Peruvian election process unfolds in the next few weeks.

There is now a growing chorus of demands from well-respected members of the Peruvian community for release of many political prisoners, including amnesty for an army officer who recently led an insurrection, taking hostages at gunpoint. Failure by the United States government to make its position clear to the new Peruvian leadership at this time can be extremely damaging to the struggle for Lori's freedom.

This week marks five years that Lori has been wrongfully held during your tenure as President of the United States. In the name of justice and human rights, we ask for your help now to secure her immediate release.

We will be in Washington this week and urgently request the opportunity to meet with you before it is too late.

Sincerely,

The block contains two handwritten signatures. The first signature, on the left, is written in cursive and appears to read 'Rhoda Berenson'. The second signature, on the right, is also in cursive and appears to read 'Mark Berenson'. Both signatures are written in dark ink.

Rhoda and Mark Berenson

cc: National Security Advisor Samuel Berger

THE PRESIDENT HAS SEEN

12-4-00

THE WHITE HOUSE

WASHINGTON

November 22, 2000

00 NOV 27 AM 9:13

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: TERRY EDMONDS
JEFF SHESOL
JOSH GOTTHEIMER

SUBJECT: POST-ELECTION SPEECHES

We have convened a small working group to discuss options for speeches you might deliver between now and the Inauguration. We believe that you have an opportunity to deliver one or more "summing-up" speeches that outline your accomplishments and offer your vision for the future – not only the nation's future, but the ideas you plan to pursue in the years ahead.

We believe you should deliver a series of three or four such speeches. These would be in addition to several other major speeches, as well as a formal Farewell Address from the Oval Office.

As you know, summary speeches have been something of a tradition among outgoing, two-term Presidents. President Eisenhower, of course, delivered a major address on the military-industrial complex and disarmament. President Reagan delivered four major wrap-up speeches in December 1988: one each on domestic and foreign policy, one on the state of the economy, and one on the presidency and the role of government. (Please see attached survey of recent presidencies.)

Below, we briefly describe several speech topics that emerged in our meeting with John Podesta, Steve Ricchetti, Maria Echaveste, Karen Tramontano, Gene Sperling, Sid Blumenthal, Joel Johnson, Jake Siewert, Loretta Ucelli, and Stephanie Streett.

We will continue to consider appropriate sites for such speeches. We look forward to hearing your ideas.

I. GLOBALIZATION

This would be your defining statement on the central reality of this new century: globalization. This speech could fill in the contours of your argument in this year's State of the Union Address – for America's leadership as a force not only for open trade, but for labor rights and environmental protection around the world. As you did at Davos and in other speeches, you could emphasize the growing importance of debt relief, development, and health initiatives, and the potential of trade and technology to lift lives in all nations.

II. NATIONAL SECURITY IN THE 21ST CENTURY

A thorough and thoughtful review of America's security interests in this new century and the progress we have made toward a safer world. You could speak to America's role both as a peacekeeper and a peacemaker (Northern Ireland, the Balkans, the Middle East). You could describe the foundations you have built for our changing relationships with Russia, China, and other nations; and address the new challenges to America's security in a global, information age.

III. SOCIAL PROGRESS (THE NEW COVENANT REVISITED)

This speech would revisit the themes of your New Covenant speeches of 1991, and build on your argument that America is not only better off, but also a better country. In addressing the progress we have made – from welfare to crime, from education to the environment – you could define the “Third Way” approach that informs these efforts.

Additionally, in describing your ethic of social responsibility, you could make the case for public service and civic activism – for fulfilling our democratic duty to our communities and our nation.

IV. OTHER POSSIBLE SPEECH TOPICS

- A. New Economy
- B. Race
- C. Environment

POST-ELECTION SPEECHES: TRUMAN THROUGH REAGAN

President Harry S. Truman

- Major address on civil liberties, National Archives, December 15.
- Major wrap-up address on the military, Alumni Association of Industrial College of the Armed Forces, December 16.
- A major wrap-up on world peace, the National War College, December 19.
- Final State of the Union, on economic accomplishments and Communist aggression, January 7.
- Farewell Address to the American People focusing on the Cold War, January 15.

President Dwight D. Eisenhower

- Final State of the Union Speech summarizing administration's accomplishments in foreign affairs, defense, the economy, agriculture, civil rights, natural resources, health & welfare, and veterans, January 12.
- A Farewell Radio and Television Address to the American people on the military-industrial complex and disarmament, January 17.

President Lyndon B. Johnson

- A speech at a Farewell Dinner in New York City summarizing policies affecting the poor, elderly, and minorities, January 13.
- Final State of the Union Speech, summarizing Great Society reforms, January 14.

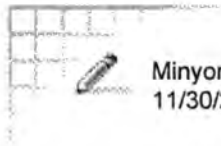
President Ronald Reagan

- Major address on the state of the economy, the National Chamber Foundation, November 17.
- Major wrap-up speech on foreign policy, American Enterprise Institute, December 7.
- Major wrap-up address on domestic policy, December 13.
- Major speech on the presidency and the role of government, University of Virginia, December 16.
- Four Farewell events, including: one radio address, one farewell address from the Oval, one White House ceremony, one dinner.

THE PRESIDENT HAS SEEN

12-4-00

cc: Sarah E. Gegenheimer
done 12/1
copied
Gegenheimer
Podesta



Minyon Moore
11/30/2000 02:21:31 PM

Record Type: Record

To: Sarah E. Gegenheimer/WHO/EOP@EOP
cc: Nancy V. Hernreich/WHO/EOP@EOP, Jennifer H. Smith/WHO/EOP@EOP
Subject: GQ profile of Casey Wasserman

The President does know Casey well and has on occasion played golf with him. To the best of my knowledge he likes him. candidly, I think this is something the President might want to comment personally because of the unique relationship he enjoys with Casey's grandfather

----- Forwarded by Minyon Moore/WHO/EOP on 11/30/2000 02:19 PM -----



Sarah E. Gegenheimer

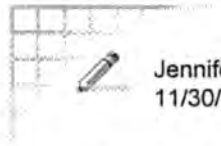
11/30/2000 02:13:35 PM

Record Type: Record

To: Minyon Moore/WHO/EOP@EOP, Nancy V. Hernreich/WHO/EOP@EOP
cc: Jennifer H. Smith/WHO/EOP@EOP
Subject: GQ profile of Casey Wasserman

Should we grant this request? If yes, what type of comment would be appropriate?

----- Forwarded by Sarah E. Gegenheimer/WHO/EOP on 11/30/2000 02:12 PM -----



Jennifer H. Smith
11/30/2000 02:01:41 PM

Record Type: Record

To: Sarah E. Gegenheimer/WHO/EOP@EOP
cc:
Subject: GQ profile of Casey Wasserman

Cliff Rothman from the New York Times is doing a profile of Casey Wasserman (Lew Wasserman's grandson) for GQ, and would like to get a comment from the President. He says the President knows Casey very well, and is sure he would be willing to contribute to the piece. I've done a search, and haven't found any comments from the President about him. Let me know if this is something we want to help out with. (Their deadline is tomorrow.) Attached is an AP article on Casey for reference.

The Associated Press

Casey Wasserman is an exceptional
young man - smart, mature, ambitious
One of the best men, the only one I can think of
would surprise me, of course, he has
been into good genes, but he's very much
his own man. He's also a good golf partner!

View Related Topics

The materials in the AP file were compiled by The Associated Press. These materials may not be republished without the express written consent of The Associated Press.

September 5, 1999, Sunday, BC cycle

ADVANCED-DATE: August 23, 1999, Monday, BC cycle

SECTION: Domestic News

LENGTH: 824 words

HEADLINE: From AP Newsfeatures

BYLINE: APN SUNDAY ILLUSTRATIONS: Subscribers get 1 photo, NY371 of Aug. 24., By JEFF WONG, Associated Press Writer

DATELINE: LOS ANGELES

BODY:

Many college graduates are beginning the long climb up the corporate ladder, debating a career change or even a return to grad school. Others might be living at home, still relying on their parents' good will.

Not Casey Wasserman, believed to be the youngest owner of a major professional sports team in history.

Armed with business savvy, connections and a Hollywood pedigree, he has a good chance to make his fledgling Arena Football League team one of the better stories in the gloomy Los Angeles sports scene in years.

He's 25 going on 50, and he's having fun.

"I love it. It doesn't feel like work to me," the grandson of former MCA/Universal chief Lew Wasserman says.

The Los Angeles Avengers haven't signed one player yet. They don't even have a coach. But Wasserman knows what he wants them to look like.

His office in the city's Westwood area is decorated with the artifacts of a work-in-progress - prototypes of the team jersey and helmet, sketches of the team logo, drawing boards of yet-to-be aired TV commercials. Two framed pictures sit on his desk - one showing him and his girlfriend, the other of him in the middle of his golf swing with President Clinton looking on.

Breaks are rare for this busybody. So, Wasserman sits in a chair and breaks into an easy smile, tufts of his brown hair sticking up like sticks of hay.

He looks like he should be an intern, not hiring them, until he begins talking like an investment banker, which he did at Waterton Management until about a year ago.

The Avengers were born when he read a story in the Sports Business Journal about the NFL possibly buying a stake in the Arena Football League. He called good friend

Roger Goodell, NFL executive vice president of league development, and Goodell set up a one-on-one meeting with Arena Football League commissioner C. David Baker.

"After a few meetings, I went to see a couple of games," Wasserman says. "What sold me was the product. When you see a game, you really become intrigued."

Unlike its 100-yard parent, arena football is played on a 50-yard field in an indoor stadium surrounded by padded walls. Most players play offense and defense. Games are usually high-scoring affairs.

Wasserman has brought Los Angeles its first arena football team since 1989, paid the \$ 5 million franchise fee, persuaded Staples Center to open its doors, organized radio, print and TV ads, and hired a front-office staff.

Not a bad resume for most people. Wasserman did it in a year - before turning 25 in July - while running the Wasserman Foundation, his family's charitable organization.

It's not much of a surprise to those who know him.

"I think there's probably a great deal of responsibility that Casey bears," Baker says. "I'm 46 and commissioner of the league, and I deal with Casey as a peer."

Wasserman graduated from UCLA with a political science degree but says he picked up much of his business knowledge from hanging out with his 86-year-old grandfather, who built MCA/Universal into an entertainment powerhouse.

Since Wasserman was 3, they've had breakfast together on Saturdays and Sundays at about 8 a.m. at the same Beverly Hills deli, Nate-N-Al. They speak by phone three or four times a day, the first call at 6 a.m.

"He's probably my closest friend," the younger Wasserman says.

Like many grandsons and grandfathers, they often talked about sports. Unlike most, they also discussed buying teams.

The elder Wasserman, close friends with the late NFL commissioner Pete Rozelle, was interested in buying teams as a way to diversify MCA/Universal's portfolio and add to its collection of theme parks, record labels and production companies.

Various attempts to buy minor league baseball teams never panned out. He came closest in spring 1986, when a deal to purchase the New York Mets fell apart at the last minute. By October, the Mets were World Series champions.

"I know," Casey Wasserman says, laughing. "Don't start."

The Avengers' first game is more than eight months away, yet the team's promotional blitz is in full swing.

With game tickets starting at \$ 7, the team hopes to tap into an audience that can't afford the rising ticket prices of teams like the Lakers, which start at \$ 20.

Several weeks ago, he gave 140 Los Angeles-area contest winners a chartered-plane ride to Phoenix, where they watched an arena football game featuring the Arizona Rattlers.

"It took serious money to get the team. With all that's happened in our league, we're getting those quality people now with the financial wherewithal to succeed," Rattlers vice president Gene Nudo says.

The NFL agreed in February to buy a minority stake in the arena league in the next three years, stoking interest among potential advertisers and sponsors.

The 12-hour work days don't bother Wasserman. Play time, he says, can come later.

"I know if we do a great job it'll be that much sweeter." LOS ANGELES, CA, USA (54%);

LANGUAGE: ENGLISH

LOAD-DATE: September 5, 1999

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Like many grandsons and grandfathers, they often talked about sports. Unlike most, they also discussed buying teams.

The elder Wasserman, close friends with the late NFL commissioner Pete Rozelle, was interested in buying teams as a way to diversify MCA/Universal's portfolio and add to its collection of theme parks, record labels and production companies.

Various attempts to buy minor league baseball teams never panned out. He came closest in spring 1986, when a deal to purchase the New York Mets fell apart at the last minute. By October, the Mets were World Series champions.

"I know," Casey Wasserman says, laughing. "Don't start."

The Avengers' first game is more than eight months away, yet the team's promotional blitz is in full swing.

With game tickets starting at \$ 7, the team hopes to tap into an audience that can't afford the rising ticket prices of teams like the Lakers, which start at \$ 20.

Several weeks ago, he gave 140 Los Angeles-area contest winners a chartered-plane ride to Phoenix, where they watched an arena football game featuring the Arizona Rattlers.

"It took serious money to get the team. With all that's happened in our league, we're getting those quality people now with the financial wherewithal to succeed," Rattlers vice president Gene Nudo says.

The NFL agreed in February to buy a minority stake in the arena league in the next three years, stoking interest among potential advertisers and sponsors.

The 12-hour work days don't bother Wasserman. Play time, he says, can come later.

"I know if we do a great job it'll be that much sweeter." LOS ANGELES, CA, USA (54%);

LANGUAGE: ENGLISH

LOAD-DATE: September 5, 1999

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12-4-00

YALE Bulletin & Calendar

November 17, 2000 Volume 29, Number 11

**Strobe Talbott to head Center
for Study of Globalization**

Strobe Talbott, the deputy secretary of state and a key architect of U.S. foreign policy for the past eight years, will direct the new Yale Center for the Study of Globalization.

The University will also launch an innovative fellowship program for emerging leaders of other countries and establish the first of three new interdisciplinary professorships in international studies.

The announcements underscore the determination of Yale, which celebrates its 300th birthday in 2001, to become a thoroughly global institution of higher education as it enters its fourth century. ([See related story.](#))

Talbott, a 1968 graduate of Yale College and a former trustee of the University, will begin work in July 2001 as director of the new center and professor in the field of international relations.

"Strobe Talbott's contributions to international relations have spanned the worlds of scholarship, journalism and diplomacy," President Richard C. Levin said. "He is superbly qualified to direct an effort that will draw on Yale's distinguished faculty to understand globalization, promote on-line dialogue about its implications, and facilitate the resolution of global and regional conflicts."

Talbott became deputy secretary of state in early 1994 after serving for a year as ambassador-at-large and special adviser to the secretary of state on the new independent states. He entered public service after 21 years as an award-winning journalist for Time magazine, where he was editor-at-large, foreign affairs columnist, Washington bureau chief, State Department correspondent and White House correspondent.

A Rhodes scholar, Talbott is the translator and editor of Nikita Khrushchev's memoirs and the author of six books on diplomacy and U.S.-Soviet relations. Since becoming deputy secretary, he has written articles for The New York Times, The Washington Post, The Economist, The Financial Times, Foreign Affairs, Foreign Policy, The New York Review of Books, The Wall Street

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Journal, World Policy Journal and Slate.

Talbott has served as a director of the Council on Foreign Relations and the Carnegie Endowment for International Peace, a trustee of the Trilateral Commission and a member of the Aspen Strategy Group.

Brooke Shearer

"In moving from government to Yale, I'm coming home to a community that has always upheld the highest intellectual standards while actively engaging in the affairs of the world," said Talbott. "That tradition makes Yale a natural leader in the quest to understand, explain and shape the forces that are changing our lives and defining our era. The mission of the center is to help the University meet that challenge."

The Center for the Study of Globalization and the fellowship program for emerging global leaders will be housed in the Davies Mansion, a recently restored Victorian mansion of nearly 20,000 square feet that sits on a hilltop at the north end of the Yale campus.

Details of each initiative follow.

The Yale Center for the Study of Globalization

The center will serve as a catalyst for research, writing, and teaching on globalization, utilizing Yale faculty and bringing to Yale distinguished scholars and practitioners of international affairs. Initial funding for the center has been provided by a generous grant from the William and Flora Hewlett Foundation and a gift from an individual donor.

The center will also engage in "Track II diplomacy" -- privately sponsored efforts to promote dialogue between opposing sides in crises and disputes. The center will conduct Track II projects drawing on University faculty and the center's visitors for expertise on the ethnic, national, religious, cultural and economic issues that underlie regional conflicts.

Recognizing the Internet's status as an engine of globalization, the center will develop a premier website on all dimensions of the subject. The website will host an on-line journal of opinion for scholars and practitioners. Along with the center's teleconferencing facility, the website will carry the proceedings of the center's conferences and seminars; it will publish articles and papers produced by Yale scholars and visitors and establish links among institutions and individuals working on globalization worldwide.

Among leading scholars of globalization at Yale are historians John Gaddis and Paul Kennedy; political scientists Geoffrey Garrett, Bruce Russett and James Scott; economists William Nordhaus, T.N. Srinivasan, and Gustav Ranis, who is director of the Yale Center for International and Area Studies; Law School professors Paul Gewirtz and Harold Koh; James G. Speth and Daniel C. Esty, dean and deputy dean respectively of the School of Forestry and Environmental Studies; public health experts Ilona Kickbusch and Michael Merson; and Jeffrey Garten, dean of the Yale School of Management.

The World Fellows Program

To extend Yale's traditional mission of educating future leaders in all fields of human endeavor, the University will inaugurate a new program, sponsored by the Office of the President, to bring to campus promising young leaders from around the world for an intense one-semester period of study focused on global problems.

Candidates for the program will come from government, law, and business, as well as academe, religious bodies and non-governmental organizations on every continent. The fellows would be several years beyond the completion of their formal education and would have distinguished themselves in their fields.

The executive director of the Yale World Fellows Program will be Brooke Shearer, who currently conducts international programs for the U.S. National Park Service, and the faculty supervisor for the program will be Daniel C. Esty, deputy dean of the School of Forestry and Environmental Studies (F&ES), who heads Yale's Center for Environmental Law and Policy;

Shearer was director of the President's Commission on White House Fellowships from 1993 to 1997. She administered all aspects of the prestigious non-partisan program, implemented an outreach campaign that greatly diversified the applicant pool and expanded fundraising for the fellowships to its highest level ever. Shearer has worked at the Interior Department since 1997, initiating and conducting projects to help emerging nations develop cultural-heritage sites and national parks.

"I am excited at the prospect of helping Yale add a new dimension to its education of global leaders," Shearer said. "The program will sharpen the fellows' skills, broaden their perspectives, and enhance their abilities to shape their lives and the future of their counties."

Esty, an expert on the relationship between environmental issues and international trade policy, served in the Environmental Protection Agency as its deputy assistant and administrator for policy, deputy chief of staff, and special assistant to Administrator William Reilly. At the EPA, he negotiated the environmental provisions of the North American Free Trade Agreement, the 1990 amendments to the Montreal Protocol and 1992 Climate Change Convention.

Esty said, "I am so pleased to be part of Yale's expanding globalization efforts. The World Fellows Program positions Yale to play an important role in understanding the problems that arise at the global-scale and in building the personal relationships and networks needed to manage interdependence."

Interdisciplinary professorships in international studies

To support Yale's expanded commitment to international students and programs, Levin announced the creation of three new senior professorships in international studies. Yale already has established the first; Levin will seek donor support to endow the remaining two.

The University allocated the new positions to the Yale Center for International and Area Studies (YCIAS), which will seek to identify scholars whose interests span the work of at least two of Yale's academic departments or professional schools.

"The solutions to many of our most important global problems require knowledge that spans two or more disciplines, yet academic departments tend to favor specialists," Levin said. "The University's excellence in international studies will be enhanced by the addition of these special positions, designed to attract scholars and teachers who can make interdisciplinary contributions to our understanding."

YCIAS, directed by Gustav Ranis, oversees Yale's nine area studies councils, the master's program in international relations, undergraduate majors in international studies and ethnicity, race and migration, as well as numerous research and teaching programs including the Academic Council on the United Nations System, Genocide Studies, Agrarian Studies, the Leitner Program in International Political Economy, the European Union Studies Program, and the Gilder Lehrman Center for the Study of Slavery, Resistance, and Abolition.

12-4-00

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Foreign Affairs
THOMAS L. FRIEDMAN

Clinton's Syria Memo

Memo to: Bashar al-Assad,
president of Syria
From: Bill Clinton
Dear Bashar,

Since I will be leaving office soon, time is short, and I need to be blunt. I think you're playing with fire and are perilously close to making the biggest mistake of your short political life. I'm talking about Shabaa Farms. I told my National Security Council staff yesterday that whoever my successor is needs to know that the most dangerous spot in the world today, the most likely stage for a big war, is not the Taiwan Strait, not the DMZ between North and South Korea, not Kashmir. It's Shabaa Farms.

You know what I'm talking about. Israel unilaterally withdrew all its troops from Lebanon last spring in accordance with U.N. Resolution 425. The Lebanon-Israel boundary line Israel withdrew to was personally certified by U.N. Secretary General Kofi Annan. And the U.N. stated clearly that Shabaa Farms — this little stretch of frontier at the intersection of the Israeli, Lebanese and Syrian borders — was part of the Syrian Golan Heights, now occupied by Israel. Therefore, it should not have been returned to Lebanon by Israel, but should be returned to Syria as part of any Israeli-Syrian Golan peace deal.

Despite that U.N. verdict, you have encouraged the Lebanese Shiite militia, Hezbollah, to keep launching raids against Israel at Shabaa Farms, claiming it's Lebanese territory, even though your official maps always showed it as part of Syria.

Bashar, I know you're taking advice from your dad's old adviser Farouk Sharaa, from your tutor from the General Intelligence Directorate, Bahajjat Suleiman, and from your brother-in-law, Gen. Asef Shawkat, who all believe that the only way to get the Israelis to do a deal on the Golan, on Syria's terms, is to keep bleeding them from Lebanon. And I also know that you think you're actually behaving in a very controlled

fashion. You've told the Palestinians in Lebanon they're not allowed to operate in the border area, so they don't do something crazy. And you've told Hezbollah that all their attacks must be confined to Shabaa Farms.

And Hezbollah is very disciplined. I even noticed at the Cairo Arab summit you publicly used the word "Israel," which your father never liked to do, and you referred directly to Prime Minister Ehud Barak. I'm not deaf.

I know you think you're signaling Barak, in your brutal Syrian way, that you want to resume negotiations — but you are using totally unstable chemicals. And if one of these Hezbollah raiding parties somehow slips through Shabaa Farms and into northern Israel, Israel will not let you change the rules of the game and move the war from southern Lebanon into northern Israel. Here's what the Israelis told me they would do in response: Israel will attack every Syrian tank and missile battery inside Lebanon. But in order to do that Israeli jets will also have to destroy the Syrian radar and missile batteries just inside Syria that also cover Lebanese airspace. That means a Middle East war. Goodbye, Syria. Goodbye, Nasdaq. Hello, oil crisis.

Bashar, did your late father ever tell you what Barak did last year? One night, it was about 3 a.m., Israeli F-15 fighter jets, using Israeli-designed electronic countermeasures and laser-guided smart rockets, flew into Lebanon in the dark of night and blew up 10 tanks belonging to your Palestinian guerrilla pal Ahmed Jibril. Do you know how many rockets the Israeli jets fired in the dark to knock out those 10 tanks? Eleven. Do you know how accurate that is? You couldn't score that high in Nintendo.

I know you think the Israelis have gone soft, Bashar, but you could be dead wrong. Barak is in a tense political battle. Many Israeli generals believe Israel's deterrence capability has been badly eroded and they may need to put on a real sound and light show that will demonstrate to the whole region just how sophisticated its air force has become. You could suffer a huge blow. And with you now moving closer to Iraq — reopening the Iraqi oil pipeline through Syria, renewing trade with and flights to Baghdad and holding secret discussions with Saddam Hussein about Iraqi backing for Syria in the event of an Israeli attack — neither George W. Bush nor Al Gore will protect you.

Bashar, your dad was a master at manipulating people around him. Be careful that you don't become the puppet of your father's puppets. It will end badly for you, and even worse for Syria.

Gail Collins is on vacation.

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THE PRESIDENT HAS SEEN IN

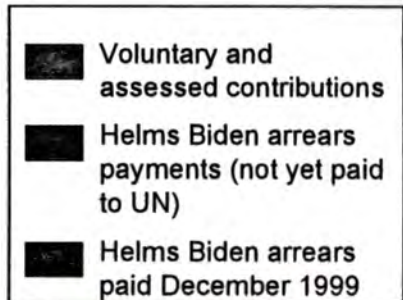
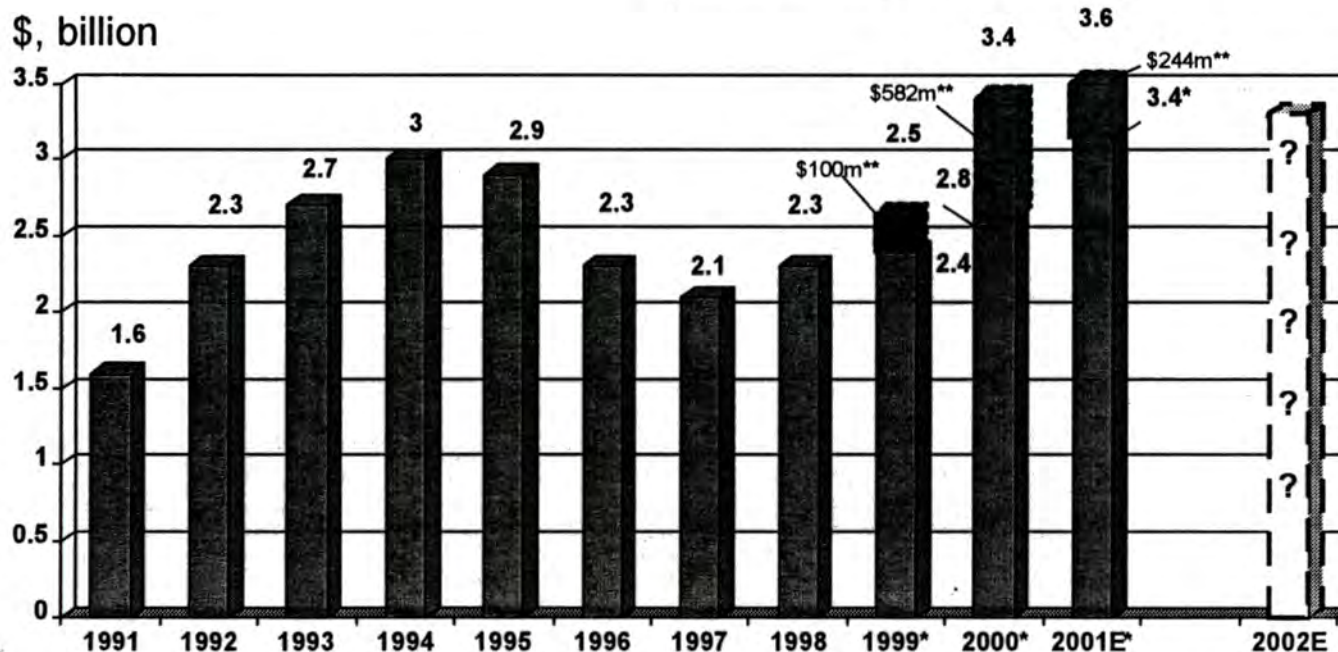
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US VOLUNTARY AND ASSESSED CONTRIBUTIONS TO THE UN SYSTEM, 1991-2001E

1991-2001E total estimated contributions = \$28.7 billion

71% increase between 1997 and 2001E;
includes 70% increase in Peacekeeping funding
in 2001 over 2000
(based on FY 2001 CJS appropriations bill)

\$, billion



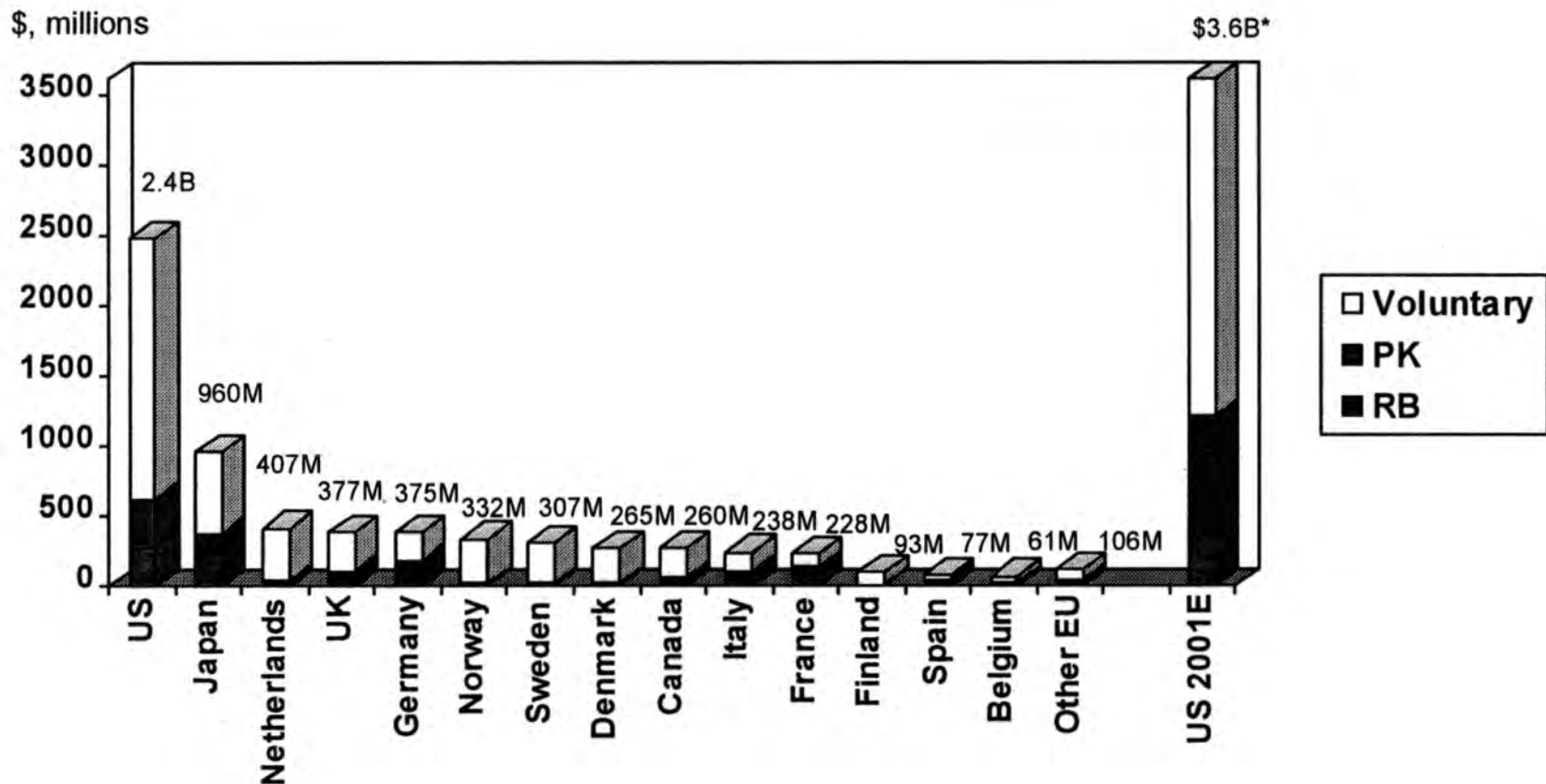
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*: This figure accounts for an estimated additional \$500 million in expected AIDS and food aid funding.

** Helms Biden arrears payments

Note: US voluntary contributions were made to the following agencies/accounts -- Trust Funds, UNEP, UNCHS, UNICEF, UNDP, UNFPA, UNRWA, UNHCR, WFP, ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, UNIDO, IAEA, Peacekeeping, and Habitat. Assessed contributions were to regular and peacekeeping budgets, ILO, FAO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, UNIDO, and IAEA.

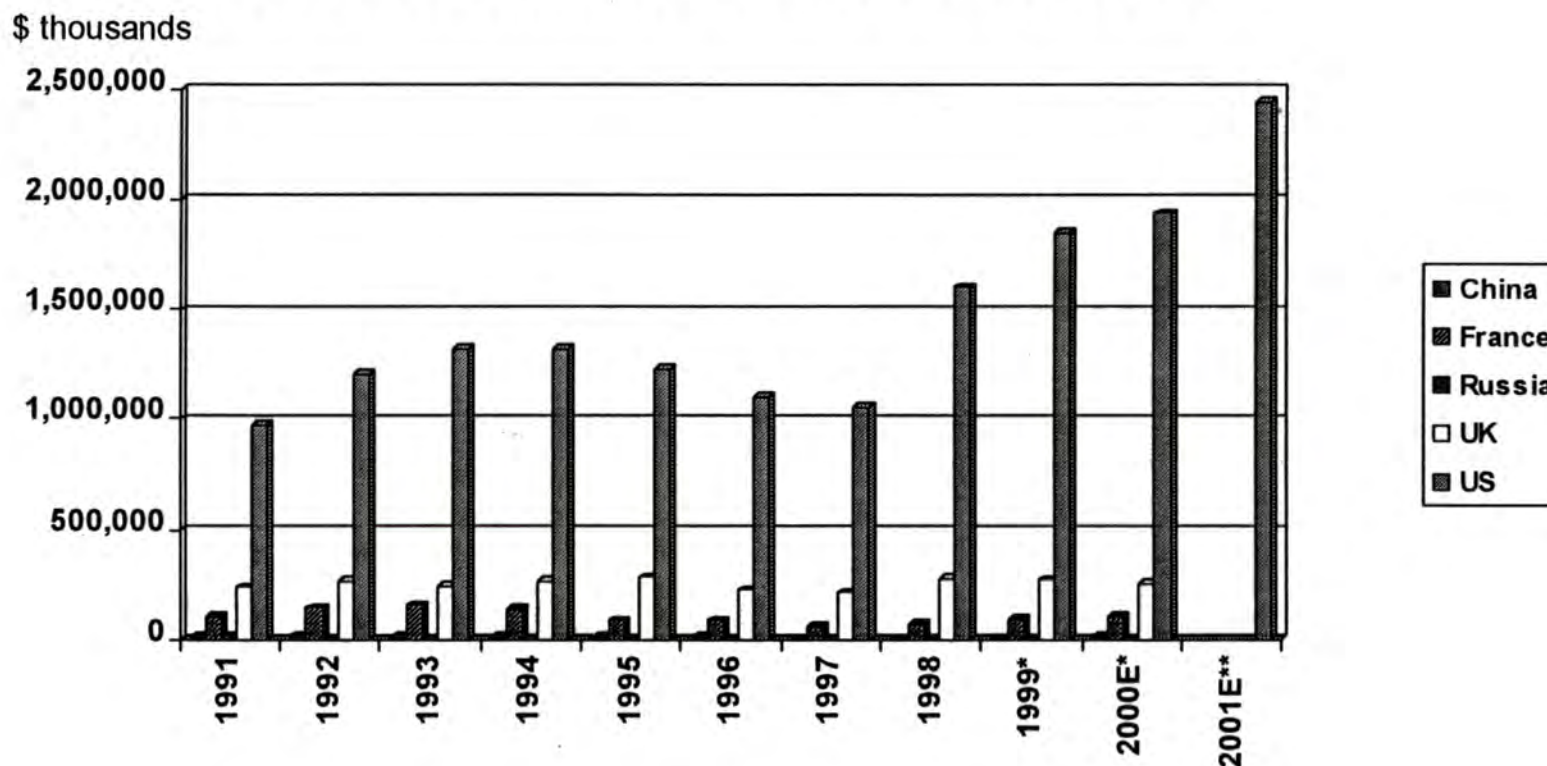
VOLUNTARY AND ASSESSED CONTRIBUTIONS TO THE UN SYSTEM: US, EU AND SELECTED OTHERS, 1999



*: Estimated U.S. voluntary and assessed contributions (including arrears payments)

Source: Budgetary and Financial Situation of Organizations of the United Nations System, 1998 and 1999 (A/55/525)

VOLUNTARY CONTRIBUTIONS OF THE P5: 1991-2000



1991-2000E Country Totals:

• China:	\$.129 billion	} \$3.8b
• France:	\$ 1.1 billion	
• Russia:	\$.045 billion	
• UK:	\$ 2.5 billion	
• US:	\$13.5 billion	

1998 % of world GNP:

• China:	3.862%	} 14.615%
• France:	5.248%	
• Russia:	1.192%	
• UK:	4.313%	
• US:	26.757%	



In 1999 the total P5 voluntary contribution amounted to \$17.3 billion, of which the US paid 78% and the other P4 collectively paid 22%.

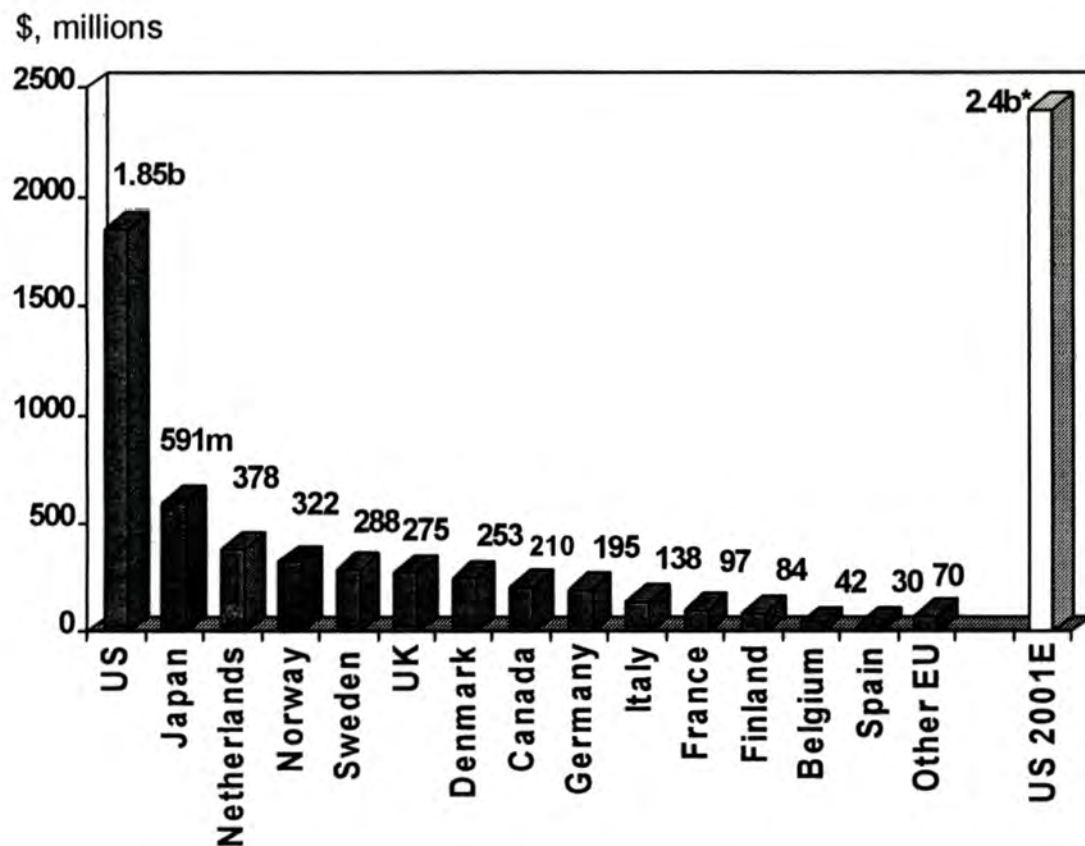
*: USG figures

** : US only

Source: A/55/525 Budgetary and Financial Situation of Organizations of the United Nations System

Note: 2000 figures for China, France, Russia and the UK are estimates.

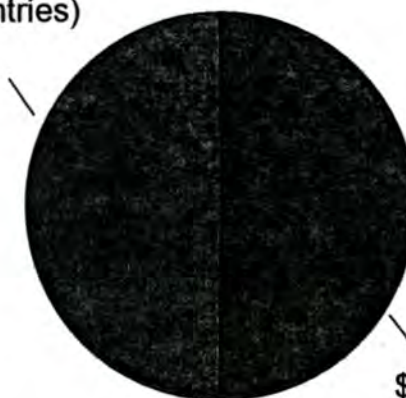
VOLUNTARY CONTRIBUTIONS TO THE UN SYSTEM: US, EU AND SELECTED OTHERS, 1999



1999 Total US and EU contribution = \$3.7 billion

EU = 50%
(15 countries)

\$1.85b



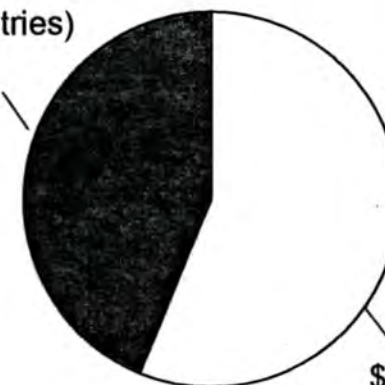
\$1.85b

US = 50%

2001 Expected US* and EU contribution = \$4.25 billion

EU = 44%
(15 countries)

\$1.85b



\$2.4b

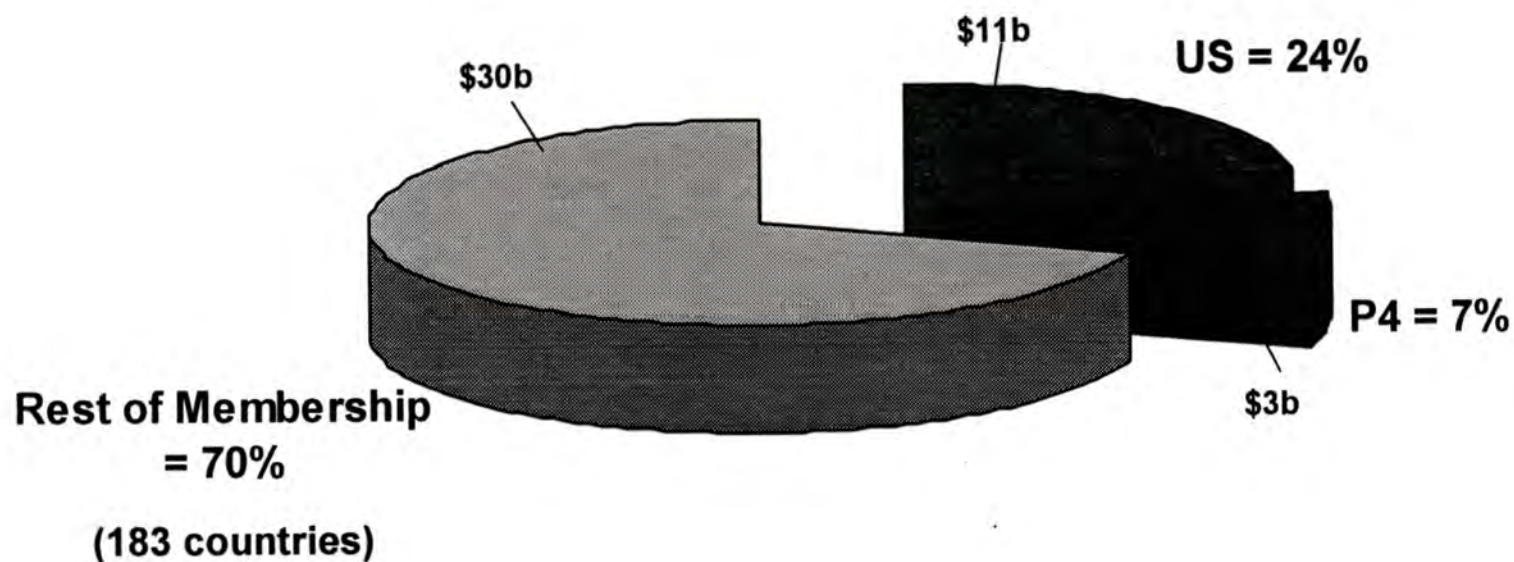
US = 56%

*: Estimated US voluntary contribution for 2001

Source: Budgetary and Financial Situation of Organizations of the United Nations System, 1998-1999 (A/55/525)

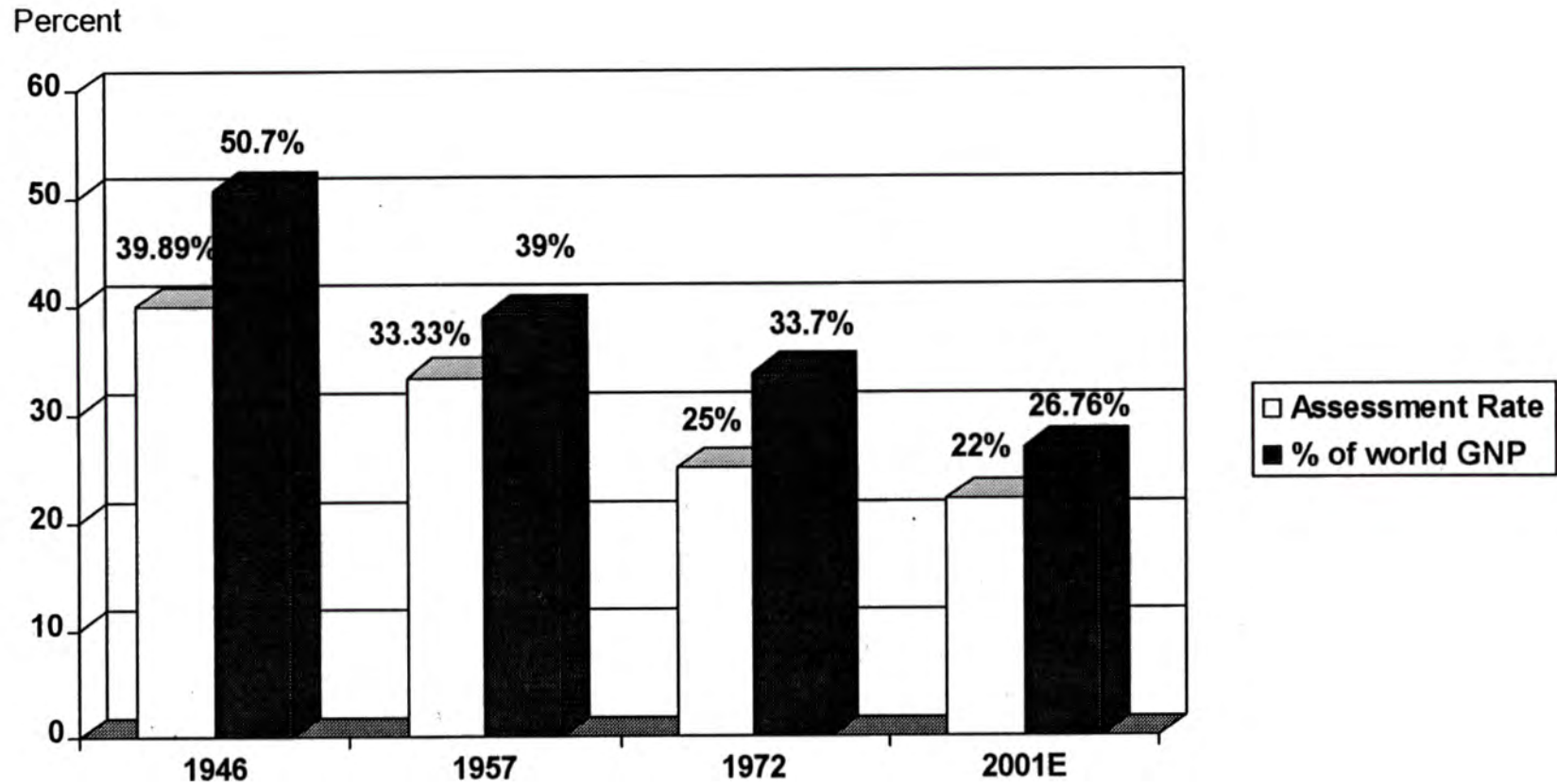
VOLUNTARY CONTRIBUTIONS TO THE UN SYSTEM, 1991-1999

Between 1991 and 1999, Member States contributed over \$48 billion in voluntary funds to the UN system. Of this, the US contributed more than \$11 billion, accounting for 24% of the total contributions. The remaining P4 (China, France, Russia, UK) contributed just over \$3 billion, or approximately 7%.

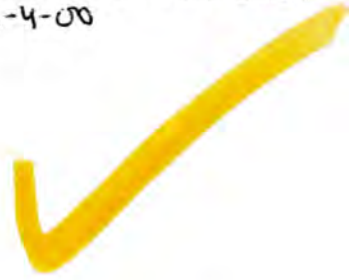


Source: Budgetary and Financial Situation of Organizations of the United Nations System, 1998 and 1999 (A/55/525)

U.S. ASSESSMENT RATE COMPARED WITH U.S. PERCENTAGE OF WORLD GNP



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WEEKLY REPORTS
FOR THE WEEK ENDING
December 1, 2000

Weekly Reports for the Week Ending

December 1, 2000

Tab A -	copied Baily, Podesta
Tab C -	copied Sperling, Podesta
Tab D -	copied Reed, Chow, Jennings, Podesta
Tab F -	copied Ibarra, Podesta, page 2 to Echaveste
Tab G -	copied Marshall, Balderston, Podesta copied page 3 to Reed, Chow, Counsel and Frampton
Tab J -	copied Cahill, Podesta
Tab K-	copied Moore, Podesta

12-4-00

THE WHITE HOUSE
WASHINGTON

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December 2, 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) Intergovernmental
- (G) Cabinet Affairs
- (H) Communications
- (I) Legislative
- (J) Public Liaison
- (K) Political Affairs

Adam Rosman

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WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

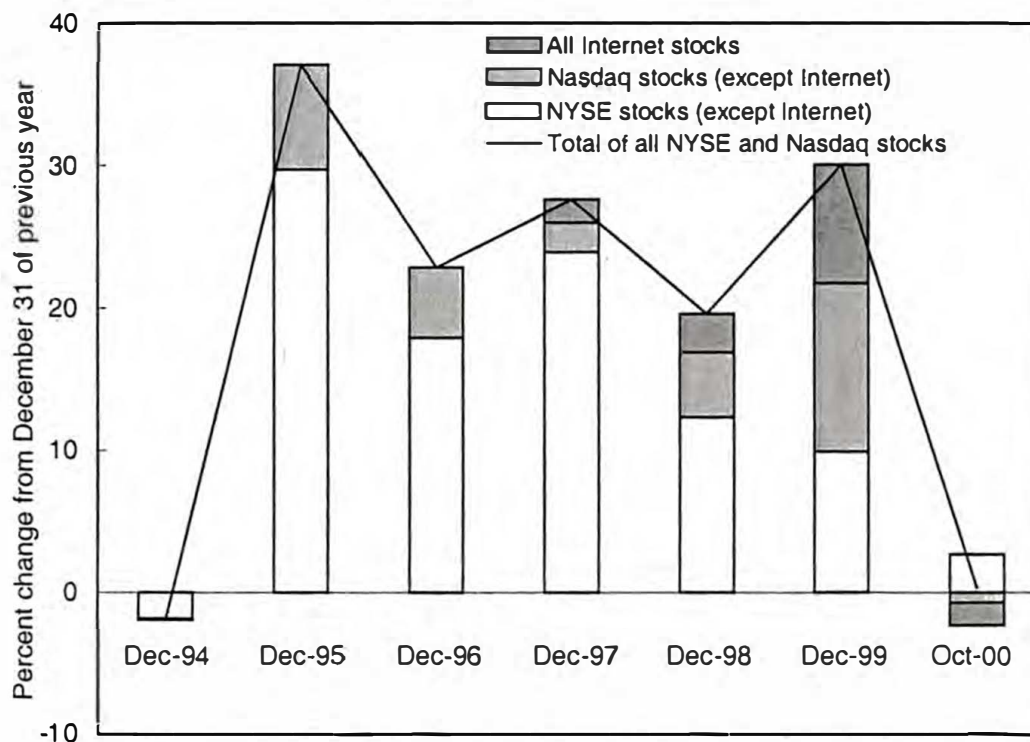
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

December 1, 2000

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Bailey
Podesta

CHART OF THE WEEK

Changes in Stock Market Capitalization



At the end of October the total market capitalization of stocks traded on the New York Stock Exchange (NYSE) and the Nasdaq Stock Market was largely unchanged from its level at the end of 1999. Increases in the market value of non-Internet NYSE stocks offset declines in Internet and other Nasdaq stocks—in contrast to 1998 and 1999 when Internet and other Nasdaq stocks were important sources of growth in stock market capitalization.

CONTENTS

SPECIAL ANALYSES

Real Incomes Growing Strongly, Even After Taxes	1
Local Telephone Markets: Whither Competition?	3

ARTICLE

The New Economy Helps the Old Economy	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



"If you would like to press one, press one now. If you would like to press two, press two now. If you would like to press no numbers, you may press no numbers and hang up if you wish and have a nice day."

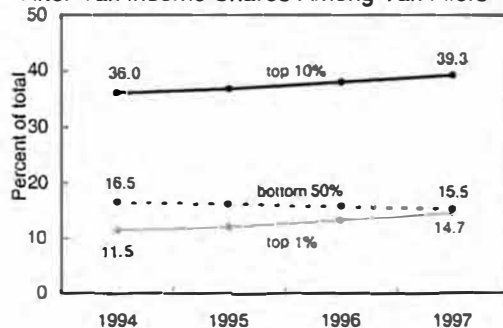
SPECIAL ANALYSIS

Real Incomes Growing Strongly, Even After Taxes

As the economy has boomed, household incomes have grown substantially, even in real terms. But tax revenues have surged as well, leading to questions of whether gains in *after-tax* incomes can be large, especially for highest-income households who pay a large fraction of individual income taxes. Recent Federal tax return data provide some evidence about what has happened to real, after-tax incomes through tax year 1997. In contrast to Census data that measure a wide range of income concepts but lack complete information on the very highest-income households, tax return data contain detail on the reported incomes (including capital gains) of all tax filers and are thus particularly useful for examining trends at the top end of the income distribution.

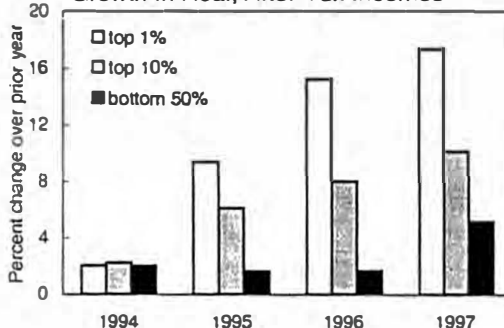
Tax shares have risen at the top, but so have after-tax income shares. Tax return data show that higher-income households do indeed pay a large share of Federal income taxes and that over the 1990s, their share of taxes has grown. The fraction of total individual income taxes paid by the top 1 percent of tax filers (those with adjusted gross incomes (AGI) of at least \$250,736 in 1997) increased from one-fourth in 1990 to one-third in 1997. The tax shares paid by the top 5 percent (AGI over \$108,048) and the top 10 percent (AGI over \$79,212) grew as well, almost entirely because of the top 1 percent's contribution. In contrast, the share of individual income taxes paid by the bottom 50 percent of filers (AGI below \$24,393 in 1997) was 5.8 percent in 1990 and fell to 4.3 percent in 1997.

After-Tax Income Shares Among Tax Filers



Despite the higher shares of taxes paid by the rich, their shares of after-tax, real incomes have increased as well. After-tax income shares have grown significantly at the top, such that the top 1 percent of tax filers now receive nearly as much after-tax income as the bottom 50 percent (see upper chart).

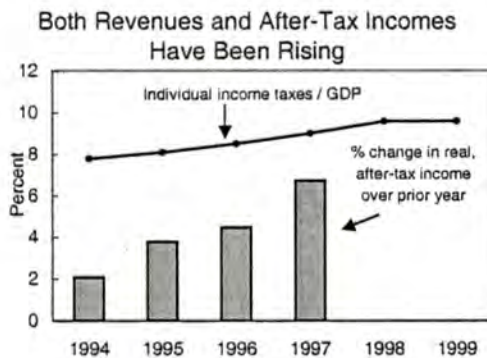
Growth in Real, After-Tax Incomes



But real, after-tax incomes have grown for all tax filers. Although the after-tax income share of highest-income households has increased, this has not come at the cost of reductions in incomes for other people. Between 1993 and 1997, all tax filing groups—including the bottom 50 percent—experienced real, after-tax income growth (see lower chart). In contrast to an average annual growth rate in real, after-tax income of only 0.4 percent for

this group over 1986-93, the annual growth rate averaged 2.6 percent over 1993-97. The increased skewness of after-tax income shares is due to even faster growth in real, after-tax incomes for the highest-income households; from 1996 to 1997 alone, real, after-tax income rose over 17 percent for the top 1 percent of tax filers.

Even as revenues have surged. Because the income tax system is progressive, overall increases in before-tax real incomes—and the particularly high growth at the top—have contributed to a rise in individual income tax revenues as a share of GDP. This has occurred without any increase in statutory tax rates. It is



noteworthy that both revenues as a share of GDP and *after-tax* incomes rose over the 1993-97 period (see chart). The last time real, after-tax incomes grew by more than 5 percent in 1 year (1987-88), the gains across households were much more skewed, and individual income taxes as a share of GDP *fell*. In the early 1990s, real, after-tax incomes and revenues relative to GDP *both* fell.

Conclusion. When incomes grow, so do taxes paid. The income gains of the highest-income households have far more than offset their increased tax liabilities. Their real incomes, *even after taxes*, have been growing at an accelerating pace. The rest of tax filers have seen growth in real, after-tax incomes as well, albeit more modest. In fact, the unique experience of the 1993-97 period is that we have seen strong growth in revenues relative to GDP, while real, after-tax income growth appears to be quite widespread.

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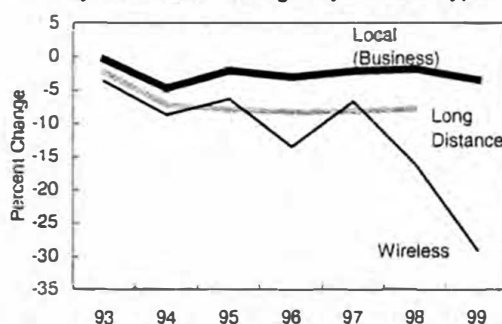
SPECIAL ANALYSIS**Local Telephone Markets: Whither Competition?**

Local telephone markets are starting to become open to competition. In 1993 there were 20 "competitive local exchange carriers" (CLECs) challenging the incumbent carriers; in 1999 there were 298. However, introducing competition into local wireline markets is among the most difficult challenges facing telecommunications policymakers. CLEC share prices have fallen sharply this year, leading to fears that local-market competition will never be viable. While these fears are unwarranted, significant challenges remain.

The challenges. Competition has not emerged as quickly as many had hoped, but this should not be entirely surprising. Of all telecommunications markets, local wireline markets are probably the most difficult to open. For many years, a single monopoly carrier had served each local market. Building a brand-new network from scratch is expensive and inefficient, so entrants must arrange to share existing facilities. The regulatory structure is complex, with authority shared between the FCC and the states. Given these constraints, no piece of legislation could make strong competition emerge overnight. However, progress is being made. Despite the recent drop, the market capitalization of the CLEC sector remains large, suggesting that investors still perceive them to be viable alternatives to the incumbent local carriers.

The 1996 Telecommunications Act. The Telecommunications Act encouraged incumbents to open their networks to competitors by prohibiting them from entering the long-distance market until the FCC deemed their local markets to be sufficiently open. The Act provided three specific channels for CLECs to access local customers by using parts of the existing network infrastructure. First, incumbents were required to separate, or "unbundle," their components (lines, switches, etc.) and make any or all available for leasing to CLECs at cost-based wholesale prices. Second, CLECs were allowed to buy and resell the incumbents' existing retail services. Third, CLECs that constructed or purchased their own lines or other equipment were allowed to connect to the incumbents' existing networks at "reasonable" prices.

Yearly Real Price Change, by Service Type

**Consequences for local competition.**

Evidence on local-market competition is mixed. While prices for highly competitive long-distance and wireless devices have fallen sharply, prices for local wireline service have declined only slightly (see chart). Many new CLECs have emerged, but they serve relatively few customers. At the end of 1999, CLECs claimed only about 4 percent of local telephone lines. Still,

this represents considerable progress. Local service revenue of CLECs nearly doubled from \$2.4 billion in 1998 to \$4.5 billion in 1999. Moreover, given the increasing availability and affordability of wireless service, along with the potential for competition from cable TV providers (who already have their own rival networks), these figures understate the actual degree of competition in local markets.

Why isn't local-market competition emerging faster? Companies seeking to enter local wireline markets face several challenges. One is incumbent compliance. So far, incumbents in only 8 states have sought to demonstrate compliance with Section 271 of the 1996 Act. More generally, the Telecommunications Act left in place a complex layer of regulation involving 50 state authorities, the FCC, and the Federal courts. Universal-service requirements keep residential prices artificially low, giving CLECs the incentive to focus instead on more lucrative business customers. The use of cost-based wholesale prices (as opposed to price caps) for unbundled incumbent services may also have discouraged incumbents from investing in cost-reducing innovations. Finally, the rapid pace of technological change in the telecommunications industry and the emergence of strong competitors such as wireless communications have made CLECs reluctant to invest in the necessary equipment.

Future prospects. Over the past 3 years, the strong financial market performance of CLECs suggests that investors expect these competitors to make additional inroads into local markets. However, the market for CLEC shares has been extremely volatile. In 1998 and 1999 the CLEC sector rose roughly 295 percent, handsomely outperforming the broader market. But since the beginning of this year, CLEC shares have declined roughly 65 percent. By comparison, the telecom sector as a whole has fallen nearly 55 percent for the year. Some industry analysts suggest that the CLEC sector is entering a "shakeout" period, with some consolidations and bankruptcies, as is typical in emerging industries.

12-4-00

ARTICLE

The New Economy Helps the Old Economy

While much has been written about the IT sector and the dot.coms of the New Economy, little has focused on how the “old economy” has benefited from the IT revolution. The machine tool industry is one of the most basic and long-lived of our manufacturing industries. Using IT embedded in its capital equipment, this industry has consistently reduced production costs over the 1990s, thus retaining its levels of employment. However, the increasing use of IT has resulted in a need for more highly trained machinists.

Performance gains in the machine tool industry. This industry makes the machines used in manufacturing production, and thus improvements in the quality and capability of its products can result in productivity gains for all of manufacturing. Annual productivity growth for the industry averaged -0.2 percent from 1979 through 1990, and rose to about 2.5 percent from 1990 through 1998. But these figures underestimate the performance gains from improvements in factors such as reduced inventories and higher quality products.

One small component of the industry is valve production. Used to control the flow of liquids or gases in pipelines, valves are used extensively throughout industry. Manufacturing data described below from a typical valve-making firm document pronounced productivity gains in three primary areas of the firm: new product design, production, and inspection.

New product design. Product design is a primary element of production, because valve producers often make very specialized products. In the 1990s, valve-producing firms switched from two-dimensional CAD/CAM software programs to three-dimensional CAD/CAM software that shows a solid model of the valve rather than a 2-D representation, thus enormously facilitating rapid design. The 3-D software also allows all properties of the valve—such as stress loads and the center of gravity—to be calculated automatically, eliminating the need to produce extensive manual calculations. It also eliminates the need to produce demonstration prototypes and significantly improves design quality. A typical firm can reduce the design period by more than 50 percent and cut the number of required engineers and draftsmen on each new product design by 30 percent—or achieve more work with the same staffing levels.

New production methods. Numerically controlled (NC) machines were introduced about 30 years ago, but the latest models of Computer Numerical Control (CNC) machines are much more efficient. They are run by sophisticated software with a simple graphical user interface that enables operators to produce typical complicated parts in a day, compared to the 4 days it would take prior to adopting these new machines.

High-tech inspection. Each dimension of a complicated valve often must be produced to an accuracy rate of 1/1000 of an inch, so inspection is a critical part of the production process. For many years, inspection was done with time-consuming manual measuring devices. In the past few years, probe technology has been incorporated into inspection machines. Using these machines the operators touch each surface (interior, exterior, holes, etc.) of the valves with probe, producing a 3-D image that allows precise measurement of all dimensions. Using this technology, the inspection time for a typical, complicated valve part fell from 20 hours to 4 hours.

The importance of IT. The new machines used in valve production are run by sophisticated software programs requiring high-speed computing and extensive data storage. These machines are now available and affordable because the costs of computing have plummeted, and because capital goods makers have developed software to harness this inexpensive computing power. Thus, the performance improvement in valve production is partly the result of high levels of specific new investments, but is also due to broader improvements in IT.

Conclusion. The machine tool firms most likely to flourish in the United States are those that produce customized products using sophisticated IT-based production techniques and skilled labor. Firms producing commodities have an incentive to move abroad seeking lower costs. Employment in machine tools pays well and has grown modestly in the 1990s. However, the industry now requires more skilled machinists with problem-solving skills and some computer knowledge, which are taught at community colleges and technical institutes. Individuals usually pay for this training themselves, because many firms are unwilling to make such investments given the possibility that employees could leave before returns are fully realized. Skills of machine operators or draftsmen are in less demand.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Student Loan Debt Not a Big Burden for College Grads. When surveyed in 1997, 39 percent of students who had received bachelor's degrees in 1992-93 were still paying off their college loans. Another 16 percent had finished paying back their loans, and 46 percent never had such loans. Of debtors who had not pursued further education by 1997, 90 percent were employed full-time, and their loan payments amounted to an average of 5 percent of income each month. Those who had borrowed at least \$5,000 for their undergraduate education were less likely to undertake further education within a year of graduating, even after controlling for age, sex, race, GPA, major, and type of undergraduate school. By 1997, however, there were no significant differences in graduate enrollment, marriage rates, car ownership, or homeownership between undergraduate borrowers and non-borrowers, although those still enrolled in graduate school and not repaying debts were less likely to own a home. While debt burdens associated with obtaining bachelor's degrees appear low, they are substantially higher for students who borrow in pursuit of graduate or professional degrees.

House Prices Rise When Schools Get Good Grades. A recent analysis examines the effect of school ratings on housing values, focusing on the experience in Florida with their new report-card grading system. Based on a detailed data set on house prices from the Gainesville metropolitan area, the authors find that the letter grade received by a school is capitalized into neighborhood housing prices, even after controlling for other publicized measures of school quality (such as students' test scores) and other factors affecting housing value. The analysis reveals that in the Gainesville area, the distinction between a grade of "A" and a grade of "B" translates into a house price differential of over \$9,000 on average (or roughly 8 percent of the average house price in Gainesville). The effects are stronger for larger houses and houses in higher-valued neighborhoods.

Labor Markets Are Absorbing Former Welfare Recipients Without Displacing Other Less-Educated Workers. Despite the increasing number of former welfare recipients looking for work, labor demand has been strong enough that unemployment rates for single mothers have actually fallen sharply. A new study finds this trend has held even in large metropolitan areas, and that in these areas the increased labor-force participation of single mothers did not reduce employment or wages of other less-educated workers. The authors speculate that along with the boom of the economy, demographic factors have played an important role in providing jobs for former welfare recipients. Young entrants into the labor market are more highly educated (and thus unlikely to be competing for low-skill jobs), while relatively less-educated, older workers are retiring.

INTERNATIONAL ROUNDUP

OECD Predicts Slowing World Economy. A preliminary edition of the OECD Economic Outlook projects that output growth for OECD countries will slow to about 3.3 percent in 2001, down from approximately 4.3 percent this year. The U.S. economy is expected to weaken considerably, from a GDP growth rate of 5.2 percent in 2000 to 3.5 percent in 2001. Next year, output growth in the European Union is projected to drop by 0.4 percent to 3.0 percent, while Japan's nascent recovery picks up, boosting growth to 2.3 percent. Inflation is predicted to remain moderate across the OECD. Unemployment rates are expected to fall in most regions, but the rate in the United States is projected to rise 0.2 percent to 4.2 percent in 2001. The United States will also likely keep its large current account deficit, while world trade is expected to grow 9.7 percent next year (compared to a 13.3 percent increase this year). The OECD cautions that its predictions rely on oil prices moderating somewhat and continuing stability in financial markets.

Economic Conditions Affect Filings for Trade Relief. New research finds that macroeconomic factors—specifically the growth rate of GDP and the real exchange rate—have significant impacts on antidumping filings. The analysis looked at Australia, Canada, the European Union, and the United States (all substantial users of antidumping relief) over the period 1980-98. A one-standard-deviation real appreciation of the domestic currency was associated with a 33 percent increase in filings. A two-standard-deviation appreciation was correlated with a 77 percent rise. This suggests that firms believe they are injured by relatively cheap imports and thus seek antidumping action. In addition, the paper found that a one-standard-deviation decrease in real GDP growth led to a 23 percent increase in filings. A slowing economy clearly damages firm profits, potentially leading to more antidumping complaints. Moreover, a weaker importing economy might cause foreign firms to reduce prices on shipments to that economy.

New Economy Is Starting to Lift EU Growth. A European Commission report finds that the New Economy is having an increasingly positive effect on growth in the European Union. Information and communications technology (ICT) added less than 0.3 percentage points to output growth over the 1992-94 period, but 0.5 percentage points over 1995-99. The contribution to growth in the later period exceeds that of the United States in the earlier period, suggesting that the European lag in ICT diffusion may be less than 5 years. However, the growth effects of ICT in the EU still remain substantially below those in the United States where ICT accounted for nearly 0.9 percentage points of output growth over 1995-99. There remains substantial variation across EU countries. The New Economy added an astounding 1.9 percentage points to growth in Ireland over 1995-99, making it the only European country in which ICT contributed more than in the United States. However, Ireland is truly an exception, as its ICT contribution is about three times greater than in Sweden, which ranked second in this measure. At the other extreme, ICT added just 0.2 and 0.4 percentage points to growth in Greece and Denmark, respectively.

RELEASES THIS WEEK

NAPM Report on Business

****Embargoed until 10:00 a.m., Friday, December 1, 2000****

The Purchasing Managers' Index fell 0.6 percentage point to 47.7 percent in November, the fourth consecutive month below 50 percent. (A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent that it is generally declining.)

Gross Domestic Product

According to revised estimates, real gross domestic product grew at an annual rate of 2.4 percent in the third quarter.

Advance Durable Orders

Advance estimates show that new orders for durable goods fell 5.5 percent in October, following an increase of 2.4 percent in September.

Consumer Confidence

Consumer confidence, as measured by The Conference Board, fell 2.3 index points in November, to 133.5 (1985=100).

MAJOR RELEASES NEXT WEEK

Leading Indicators (Monday)
Productivity (Wednesday)
Employment (Friday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1999	2000:1	2000:2	2000:3
Percent growth (annual rate)					
Real GDP (chain-type)	2.9	5.0	4.8	5.6	2.4
GDP chain-type price index	5.2	1.6	3.3	2.4	1.9
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.7	4.1	1.9	6.1	3.8
Real compensation per hour:					
Using CPI	1.0	2.2	-0.2	2.2	3.2
Using NFB deflator	1.5	3.3	1.1	4.0	4.3
Shares of Nominal GDP (percent)					
Business fixed investment	11.4	12.9	13.4	13.7	13.9
Residential investment	4.5	4.3	4.3	4.2	4.1
Exports	8.2	10.6	10.8	11.0	11.3
Imports	9.2	13.4	14.2	14.6	15.1
Personal saving	6.6	1.6	0.1	0.2	-0.2
Federal surplus	-2.8	1.3	2.4	2.4	2.5

	1970- 1993	1999	August 2000	September 2000	October 2000
Unemployment Rate (percent)	6.7**	4.2**	4.1	3.9	3.9
Payroll employment (thousands)					
increase per month			-79	195	137
increase since Jan. 1993					22358
Inflation (percent per period)					
CPI	5.8	2.7	-0.1	0.5	0.2
PPI-Finished goods	5.0	2.9	-0.2	0.9	0.4

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

New or revised data in **boldface**.

FINANCIAL STATISTICS

	1998	1999	October 2000	November 2000	Nov. 30, 2000
Dow-Jones Industrial Average	8626	10465	10441	10666	10414
Interest Rates (percent per annum)					
3-month T-bill	4.78	4.64	6.11	6.17	6.03
10-year T-bond	5.26	5.65	5.74	5.72	5.48
Mortgage rate, 30-year fixed	6.94	7.43	7.80	7.73	7.65
Prime rate	8.35	8.00	9.50	9.50	9.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level November 30, 2000	Percent Change from	
		Week ago	Year ago
Euro (in U.S. dollars)	0.869	3.7	-13.7
Yen (per U.S. dollar)	110.9	-0.4	9.0
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	102.9	-1.6	10.3

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	5.3 (Q3)	3.9 (Oct)	3.4 (Oct)
Canada	5.0 (Q3)	6.8 (Sep)	2.8 (Oct)
Japan	0.8 (Q2)	4.7 (Sep) ^{2/}	-0.8 (Sep)
France	3.1 (Q3)	9.5 (Sep) ^{2/}	1.9 (Oct)
Germany	3.4 (Q3)	8.2 (Sep)	2.4 (Oct)
Italy	2.4 (Q3)	10.6 (Jul)	2.6 (Oct)
United Kingdom	2.9 (Q3)	5.3 (Jul)	3.1 (Oct)

1/ For unemployment data, rates approximating U.S. concepts as calculated by the U.S. Department of Labor, Bureau of Labor Statistics, except as noted in footnote 2.

2/ Data from OECD standardized unemployment rates.

THE PRESIDENT HAS SEEN
THE PRESIDENT HAS SEEN
12-1-00



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

'00 DEC 1 PM7:38

SECRETARY OF THE TREASURY

December 1, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: Lawrence H. Summers *LHA*
SUBJECT: Update on Global Markets
The Week Ending December 1, 2000

Financial markets this week were dominated by continuing concerns about the extent of the slowdown apparently emerging in the U.S. and around the world, by increasing risk in oil markets, and by further deterioration in some emerging markets.

- Bond markets rallied around the world on the prospect of slower growth, with 10-year sovereign yields hitting their lowest levels of the year. Futures markets now imply nearly a 100% chance that the Federal Reserve will reduce rates at least a quarter point by next March.
- Equity markets continue to be hit hard by lower earnings forecasts. The Nasdaq fell almost 9% this week, and has now lost over 50% of its value since peaking in March.
- Corporate credit conditions continue to tighten, though, with even the best borrowers paying significantly higher rates for new issuances. High yielders are paying spreads wider than those seen in the fall of 1998.
- The euro appreciated significantly against the dollar this week, rising 4.5% to near 88¢, 5.5% higher than its lowest levels in late October. The yen, however, fell late in the week on macroeconomic concerns and implications for the economy of the ongoing political uncertainty.

Oil prices fell this week, despite Iraq's decision to halt oil shipments on Thursday. After rising to \$35.54 on November 21, West Texas Intermediate has fallen to below \$33 at the end of this week. Markets have apparently been reassured by promises that Saudi Arabia would make up shortfalls, and that the U.S. stood ready to tap the SPR if necessary.

Many emerging markets have also been brought under pressure as concerns about a global slowdown have prompted a decline in risk appetite. J.P. Morgan's Emerging Market Bond Index has shown spreads over U.S. Treasuries have widened 20 bp this week to 788.

- Growing troubles in **Turkey**'s banking sector have prompted a crisis of confidence there and a run on the government's foreign exchange reserves. The Turkish government is eleven months into an IMF-endorsed program to stabilize inflation that has included a crawling peg of the exchange rate to a dollar/euro basket. The stock market has fallen dramatically and interest rates have spiked. IMF Managing Director Koehler made a statement last night supporting the

Turks' policies. IMF missions are traveling to Ankara this weekend. We are working closely with the IMF and others to help the Turkish authorities stabilize the situation.

- We are continuing to watch the situation in Argentina closely. The Brady bonds have stabilized this week, but local markets continued to decline, with the Merval stock index down over 4%. The government is working to implement the measures announced by President De La Rúa on November 10. An IMF mission is in Buenos Aires this week to negotiate a program that would accompany an IMF-led support package.

Weekly Market Indicators for the Week Ending:

December 1, 2000

4:07 PM

Major International Markets							
Changes are Friday to Friday						Ten-Year Government	
Exchange Rates			Equities			Bond Yields	
	Level	% change	Index	Level	change	%	BP change
Japan	111.31	0.1%	Nikkei	14835	3.6%	1.63	-4
Euro	0.88	-4.8%					
Euro-yen	97.87	4.8%					
Germany			Xetra-Dax	6513	-2.3%	4.98	-14
U.K.			FT-SE 100	6170	-2.5%	4.88	-4
France			CAC-40	5929	-3.5%	5.11	-12
Italy			MIB 30	46590	-2.6%	5.38	-12

^ U.S. dollar depreciation/appreciation

Emerging Markets							
Exchange Rates			Equities			Emerging Market	
	Level per USD (local ccy)	% change	Index	Level	change	Sov. Bond Spread*	
						BP	BP change
Korea	1209.50	-1.7%	Kospi	514	-3.1%	254	6
Indonesia	9505.00	-0.5%	JSE	428	-1.5%	557	13
Thailand	43.72	0.1%	SET	274	-4.1%	195	-1
Hong Kong	7.80	0.0%	Hang Seng	14441	0.4%	214	13
Brazil	1.97	-0.7%	Bovespa	13437	-6.0%	802	30
Argentina	1.00	0.0%	Merval	402	-3.9%	834	-7
Mexico	9.40	-0.1%	Bolsa	5653	-6.5%	429	-7
Russia	27.86	0.1%	RTS	142	-15.3%	1171	78
India	46.85	-0.1%	BSE 200	448	4.4%	n/a	n/a
Turkey	681675.00	1.5%	ISE 100	7978	-26.2%	817	169
South Africa	7.62	2.6%	JSE	7783	-1.9%	390	7

* spread on U.S. dollar-denominated sovereign debt to 10-year U.S. Treasuries

Source: Reuters

1 PRESIDENT HAS SEEN
12-4-00

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

December 1, 2000

'00 DEC 1 PM7:41

MEMORANDUM FOR THE PRESIDENT

FROM: MARTIN N. BAILY *MNB*

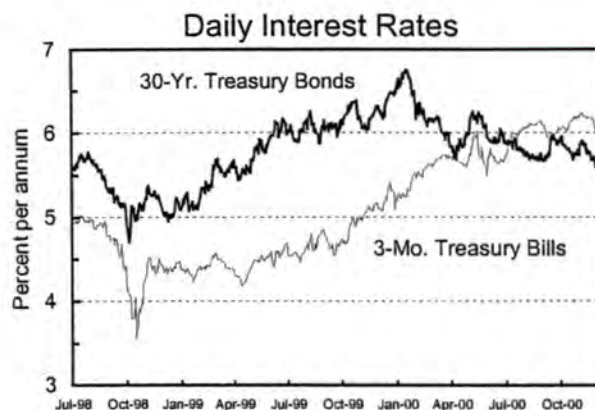
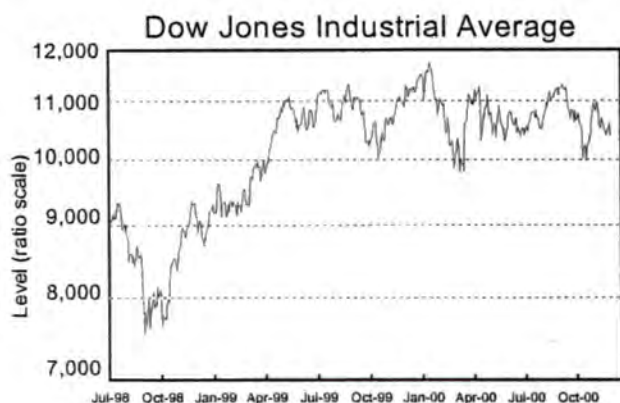
SUBJECT: Stock Prices and Interest Rates for the Week Ending Friday, December 1, 2000

Major stock indexes fell again this week, despite a slight rebound on Friday in technology stocks. Computer stocks plunged on Thursday, after Gateway and Altera announced that sales will not meet forecasts. Larger-than-expected sales during the Thanksgiving holiday boosted shares of retailers, while financial stocks also posted gains for the week, mitigating some of the losses from the technology sector. For November, the NASDAQ suffered its greatest monthly decline since the stock market crash of October 1987.

Index	Change from 11/24/2000 (percent)	Change from 12/31/99 (percent)
Dow Jones Industrial Avg.	-0.9	-9.8
S&P 500	-2.0	-10.5
NASDAQ Composite	-8.9	-35.0

Treasury yields declined this week, as investors continued shifting funds from declining stocks to Government securities. Additional reports pointing to a continuing slowdown in the economy also contributed to declining yields. Investors predict that the Fed will keep interest rates unchanged, or cut them, in the near future.

Treasury securities	Close 12/1/2000 (percent)	Change from 11/24/2000 (percentage points)	Change from 12/31/99 (percentage points)
3-month bills	6.05	-0.13	+0.88
10-year notes	5.52	-0.11	-0.93
30-year bonds	5.64	-0.03	-0.84



THE PRESIDENT HAS SEEN
12-4-00

THE WHITE HOUSE
WASHINGTON

00 DEC 2 PM 12:03

December 1, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: NEC WEEKLY REPORT

✓
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Sperling
Rohde

Digital Opportunity Taskforce: Tom Kalil of my staff attended the first meeting of the Digital Opportunity Taskforce (dot force) which you and the other G8 leaders called for at the Okinawa Summit. Although the Japanese had originally proposed having the dot force be composed of solely G8 government and private sector representatives, the U.S. was able to convince G8 sherpas to include 9 developing countries and non-profit representatives. The U.S. industry and non-profit representatives are Carly Fiorina (HP) and Zoe Baird (Markle Foundation). We think there will be growing interest in the U.S. private sector in this issue because there is evidence that growth in the U.S. IT market is beginning to slow down. Our next step is to develop some concrete recommendations that the G8 leaders could embrace at the Genoa Summit, such as support for developing country entrepreneurs to spread the benefits of the new economy, or a Global Corps to encourage volunteers with IT skills to volunteer in developing countries.

Energy Prices: Following up on Secretary Richardson's comments Thursday evening, State arranged a statement by the IEA Executive Director that was instrumental in calming markets Friday morning after the Iraqi decision to suspend shipments became known. State has also been in touch with the Japanese, Germans, Venezuelans, Saudis, and Kuwaitis to encourage similarly supportive statements. We will be following the situation closely when markets reopen Monday, and are making contingency preparations for use of the SPR in coordination with stock releases by IEA partners.

The one month forward price for crude oil closed at \$32.02 per barrel, down \$3.38 from the closing price on Wednesday, November 22nd of \$35.40. (No price was reported on Thanksgiving or the following day.) Despite the interruption of Iraqi exports at the end of the week, the price of crude oil fell 81 cents on Thursday and another \$1.80 on Friday based on market assumptions that the Saudis would increase production and that the United States and its allies would draw on strategic stocks if necessary following a supply interruption. The nationwide average price of regular self-service gasoline held steady at \$1.51 per gallon. The nationwide price of diesel fuel rose 1.8 cent from \$1.627 to \$1.645. The nationwide average price of residential heating oil rose 1.9 cent from \$1.545 to \$1.564.

THE PRESIDENT HAS SEEN

12-4-00

✓
Singapore and Chile Free Trade Agreements: Principals and deputies met this week to discuss strategy with respect to free trade area negotiations with Singapore and Chile. Singapore is sending a team to begin negotiations early next week is committed to keeping it here until late December if need be. There is a soft target of completing the negotiations by the end of the year; however, Ambassador Barshefsky is clear that we will not agree to a weak agreement out of expediency. NEC will work with USTR to develop our negotiating strategy and to consult intensively with agencies on our positions in sensitive areas such as services, investment, rules of origin, labor and environment, dispute settlement, customs enforcement, agriculture, intellectual property rights, and textiles. It has already approved a Federal Register notice seeking public comment. In addition, we and Singapore will do environmental reviews; however, we may have to do ours in two steps in light of the tight negotiating timeline.

As for Chile, after considerable give and take, we agreed with the Chileans on Wednesday to announce that negotiations on a bilateral FTA will begin soon. In the end, we could not agree on text for a joint statement and issued separate statements. Ours referred to the Jordan FTA as the guide for treatment of labor and environment. The Chileans did not mention the Jordan FTA in their statement and appear to remain uncomfortable with it as a model for labor and environment despite your conversation with President Lagos. We have agreed to begin discussion within the next two weeks. The most sensitive areas will track those in the Singapore negotiation with one important addition: agriculture. Our wine, fruit, and vegetable producers concentrated in California and Florida have long been concerned about free trade with Chile, which is highly competitive in these areas. In addition, there is a special opportunity to engage in environmental cooperation in a way that could have a salutary effect on the FTAA process. Indeed, the Chile negotiation presents opportunities in a number of areas to prod the FTAA in the right direction given Chile's relatively open economy and progressive policies.

✓
U.S.-EU Bananas/Beef Disputes: Resolution of the bananas dispute may be somewhat closer, but now a compromise deal on beef is looking less likely. After consulting with Chiquita, Dole and Latin exporting nations, USTR's Greg Frazier has sent the EU a letter outlining a possible bananas settlement. The letter gives detail to four important concessions recently offered by the EU, including the abandonment of a problematic proposal championed by EU Trade Commissioner Pascal Lamy. USTR expects the four concessions will restore to U.S. operators (Chiquita and Dole) licenses for banana imports equivalent to the pre-1993 tonnage. I spoke Friday with Lamy to affirm our serious willingness to close out the banana dispute in this way. If we can reach a meeting of the minds with the EU, a last obstacle will be to persuade Ecuador to abandon its support for the EU's previous import licensing proposal.

PK Hey to Greg Frazier!
Done!

On beef, EU officials are aware that U.S. industry may be backing off from a compromise deal, taking advantage of an unfortunate public misstatement by Lamy in early November. I told Lamy that we still want to pursue this compromise and I asked him to state publicly that the EU is open to giving permanent access to non-hormone beef in exchange for settlement of our WTO case on hormone-treated beef. Lamy said he understood the need to correct the public record. Meanwhile, U.S. industry representatives implied to USTR this week that they are more interested in provoking carousel retaliation against the EU, presumably in hopes that this would win the industry a better settlement next year. USTR and USDA will ask House Agriculture Chairman Combest and Rep. Stenholm, the ranking minority member, whether they see any basis for reaching a settlement with the EU over the next two weeks. They are the members who have taken the closest interest in this dispute. The EU, of course, has threatened to renege on the FSC procedures agreement and immediately seek WTO authorization for FSC retaliation if we take carousel action on bananas or beef. Additionally, Lamy volunteered to me that he would even be willing to call Members of Congress if we felt that it would be helpful.

Steel: A senior interagency team, led by Sue Esserman of USTR and Robert Lawrence of CEA, met on Monday 11/27 with two integrated steel makers (USX and Bethlehem), their attorneys and a USWA representative. While the USWA was forceful in support of Section 201 action, the firms indicated that anti-dumping measures in force and recently requested could provide comprehensive relief with respect to hot-rolled steel imports, which account for 20-25% of all imports. The discussion further identified potential difficulties in winning an affirmative finding by the International Trade Commission regarding a Section 201 action on cold-rolled and semi-finished steel, the other major import categories of concern to the integrated firms. USWA President George Becker subsequently met with Ambassador Barshefsky to express disappointment with the stance taken by the firms, and to get a better understanding of the potential difficulties the firms cited. (A Section 201 case cannot be brought successfully without extensive cooperation and data from the firms.) The interagency team will meet soon with representatives of other steel industry subsectors (mini-mills, pipe manufacturers and specialty steel makers) to get their views before beginning an interagency process on how to respond to the request for a comprehensive relief strategy including Section 201 action. In an unrelated development, the EU on Friday asked for WTO consultations with the United States, a necessary prelude to dispute settlement, regarding your Section 201 decisions earlier this year on steel line pipe and wire rod. The EU claimed, in a press release, that increased imports of these two products were not causing or threatening to cause serious injury to U.S. producers, and that the United States should not have excluded Canadian and Mexican imports from coverage under the safeguard measures. We issued press guidance indicating we intend to fully defend these measures.

Turkey's Financial Problems Mount: NEC is working with the Treasury Department in running an inter-agency process to monitor financial developments in Turkey. Concerns about the poor health of the banking system, fears that the pegged exchange rate system cannot be maintained, and worries that the government might be backsliding on its privatization schedule—especially efforts to sell a stake in the telecommunications monopoly, Turkish Telecom--have combined to cause a sharp loss of confidence among investors. Authorities have raised short-term interest rates to 300 percent or higher to defend the Turkish lira and the Istanbul Stock Exchange has nose-dived 30 percent in the past two weeks. The country is losing about \$1 billion a day in international reserves and only has about \$19 billion in reserves remaining. (It started with about \$25 billion before the crisis broke.)

Turkish authorities are in negotiations with the IMF here in Washington about a rescue package that would be an enhancement of its current \$3.7 billion program. The IMF is pushing for a staged, managed currency depreciation as a condition for any major new release of funds, but Turkish authorities are still trying to figure out a way to relieve pressures without letting the lira's value decline. G-7 finance ministries appear to have little appetite for a major IMF bailout to support the pegged currency arrangement, but foreign policy considerations are still being evaluated. Your advisers all agree that the USG should be as supportive as possible while encouraging them to deal with the IMF. Treasury's Truman will travel to Ankara on Tuesday and we will be closely monitoring progress with the IMF negotiations over the weekend.

'00 DEC 1 PM5:49

THE PRESIDENT HAS SEEN

12-4-00

THE WHITE HOUSE

WASHINGTON

'00 DEC 1 PM4:53

December 1, 2000

*Copied
Reed
Chow
Podesta
Jenning S*

MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed
Barbara Chow

SUBJECT: DPC Weekly Report

1. Education -- 25th Anniversary of the IDEA: Wednesday marked the 25th anniversary of the Individuals with Disabilities Education Act (IDEA). In addition to your photo op with community leaders, the Department of Education had a press conference to release a new report on the status of education for students with disabilities. The report shows that the percent of students with disabilities who are educated in regular classrooms increased from 26 in 1986 to 46 percent in 1997. Furthermore, most states are now showing 50 to 65 percent IDEA student participation in statewide assessments today, compared with less than a ten percent participation rate a decade ago. Data also shows that the rate of disabled students graduating from high school with a regular diploma has increased four percentage points over the past four years, while there has been more than a four percent decrease in the drop-out rate.

2. Education -- California Schools Sue State Over School Construction Bonds:

A group of California school districts and organizations sued a state board Monday, saying the new state bond distribution method for school construction hurts growing school districts. The lawsuit, filed in Sacramento Superior Court, contends the new rules are illegal because they hurt school districts that have had their construction plans and matching funds set aside before September. The suit states that the new system will delay funds until there are "no more state funds" left for school construction.

3. Welfare -- Florida Welfare Reform Results: The Manpower Demonstration Research Corporation recently released the final report on Florida's Family Transition Program (FTP), highlighting long-term results from one of the first states to implement time limits. The study found that over a four-year period, FTP significantly increased employment and income and reduced long-term welfare receipt without causing hardship or impacts on child well being. Seventeen percent of families actually reached their time limit and had their benefits cancelled; about three-quarters left welfare before hitting the

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time limit and the remainder received an exemption for medical or other reasons. Those who hit the time limit were a diverse group and were not necessarily the most disadvantaged. Less than half of those who reached the time limit worked steadily in the next 18 months, relying on supports like family, friends, food stamps, and housing assistance. However, families who hit the time limit did not appear worse off than families who left welfare for other reasons, many of whom struggled to make ends meet. FTP began under a welfare reform waiver and operated from 1994 to 1999 in the Pensacola area. It combined a time limit of 24 months in any 60-month period (or 36 out of 72 months for the least job ready) with a variety of requirements, incentives and services to help recipients find work.

4. Physical Activity -- Olympic-Paralympic Event: Last Wednesday's White House program on physical activity was well-received by the advocacy community and the other interested groups who attended both the roundtable led by Secretaries Riley and Shalala and the subsequent Olympic-Paralympic event. Participants expressed appreciation for the steps you have taken, including the July 23rd directive and the report you released last Wednesday, to highlight the need for physical activity among young Americans. The Secretaries' roundtable at the White House before your Olympic-Paralympic remarks was also successful in promoting working relationships among the diverse group of interested stakeholders in this area, and in spurring ongoing momentum for action on this issue.

5. Health Care -- Update on Arkansas UAMS Plan Amendment: Following up on concerns raised by UAMS, HHS decided to permit the medical school to access increased Medicaid funding. As a consequence, Arkansas will see their Medicaid payment increases for UAMS increase by over \$30 million this year and next year. Senator Bumpers, UAMS, and Ray Hanley expressed great gratitude.

6. Health Care -- Update on Medicare Solvency and New Technology Cost Projections: On Thursday, the New York Times accurately reported that the Technical Review Panel on the Medicare Trustees' Reports made their preliminary report to Secretary Shalala, stating that Medicare projected costs should be increased to reflect a more accurate measure of new health care technologies. They determined that such a modification to cost projections would reduce the projected Medicare solvency date from 2025 to 2021. While this would represent a notable decline in the solvency status, it is important to note that in the last 25 years, the Medicare Trust Fund has never been in a stronger financial position than it is today, even if the insolvency date was determined by the Trustees to be 2021. Moreover, the most recent data we have available indicates that spending in 2000 has declined below previous projections. As a result, it appears unlikely that the next Medicare Trustees report would reduce its annual solvency projection by four years even if they used this new methodology.

7. Guns -- Brady Event Follow Up: In response to your request, the Justice and Treasury Departments expect to have an implementation plan ready within 30 days for a system to notify state and local law enforcement when criminals and other restricted persons illegally attempt to purchase firearms in their communities. We will continue to work closely with them on their plan. Next week, the Attorney General will take further

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action to strengthen Brady background checks by sending letters to the governors announcing her plans to improve the collection of certain mental health records. Under federal law, persons who have been committed to a mental institution or were adjudicated as mentally "defective" are not permitted to possess a firearm. Currently, however, many restricted mentally ill persons could pass NICS checks because a number of states have strict privacy laws which prevent them from sharing relevant mental health records with NICS. To address this problem, the Justice Department plans to create a confidential NICS file that will allow more states to share appropriate mental health records without violating state privacy laws.

8. Children and Families -- Child Care: Two complementary reports on child care will be released next week that make the case for a greater investment in child care. These reports can be used to call on Congress to finish their business and make the needed investments in child care, namely the \$817 million increase in CCDBG and the \$1 billion increase in Head Start. The first study is a U.S. Department of Health and Human Services interim report, part of a five-year research effort to explore how states and communities implement policies and programs to meet the child care needs of families moving from welfare to work. This interim report shows that in the three-years since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act, the states have provided child care subsidies to 30% more children in 12 of the 15 states studied. The report demonstrates, however, that even with this increased investment in child care there remains a significant unmet need for child care subsidies – most states were only serving 15-20 % of eligible children from all federal and state sources. The second study, a report by the Children's Defense Fund, shows that the cost of child care makes child care prohibitive for many low-income families or forces low-income families to choose child care that is low cost and low quality. In fact, the report showed that the average annual cost of child care for a 4-year old in an urban area is more than the average annual cost of public college tuition.



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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

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December 1, 2000

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. *GTFjr*

SUBJECT: CEQ WEEKLY REPORT

RESOURCE STEWARDSHIP

Anniversary of the Arctic National Wildlife Refuge

Next week marks the 20th anniversary of the Alaska Lands Act signed by President Carter (creating the current level of protection for the Arctic National Wildlife Refuge) and the 40th anniversary of the designation of the Arctic National Wildlife Range through executive action by President Eisenhower. The environmental community plans several public events celebrating these anniversaries, including a press conference to announce that over one million postcards will be delivered to you urging you to designate the Arctic National Wildlife Refuge a national monument.

Such a designation would not significantly increase the current level of protection or change the management of the area under current law. However, the environmental community believes that it would increase the chance of preventing expected congressional action to overturn the current protections and permit oil exploration in the area. We are likely to get press inquiries about this issue in the next couple weeks. To date, our response on this issue has been very neutral and we have not signaled either active consideration or rejection of the idea of a monument in ANWR.

EPA Determination on Mercury Control

EPA is under a court-imposed deadline of December 15 to issue a determination required by the Clean Air Act as to whether mercury poses sufficient danger to human health to begin a rulemaking process controlling mercury emissions from utilities. This determination is in the clearance process and we expect it to be ready for issuance as early as next week. It will likely contain a finding that regulation of mercury is required, which would trigger a regulatory process setting specific emission control requirements.

While the follow-on regulatory process will not be completed by this Administration, the finding will be viewed by environment and public health groups as necessary to addressing mercury pollution and a very important step in cleaning up dirty power plants and protecting public health. We expect to accompany the announcement with a reiteration of your earlier statement that the most effective means of addressing power plant pollution is an integrated system

regulating all four pollutants – Nox, SO₂, mercury and CO₂ – and permitting banking and trading where appropriate, and that work with Congress toward that end should also continue.

Pipeline Safety

Next Monday, the Department of Transportation is expected to sign a new pipeline safety regulation to define “unusually sensitive areas,” as required by statute and as called for in the directive you sent to Secretary Slater last month. This definition of unusually sensitive areas will be used to determine where hazardous liquid pipeline operators must apply the new inspection and maintenance requirements that were put in place by the Department last month. This new definition identifies those areas that are particularly susceptible to environmental damage from pipeline accidents, including areas that contain threatened and endangered species and drinking water resources.

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THE WHITE HOUSE

WASHINGTON

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DECEMBER 1, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: MICKEY IBARRA

SUBJECT: OFFICE OF INTERGOVERNMENTAL AFFAIRS WEEKLY REPORT

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EDUCATION & HEALTH BRIEFING

On November 29, IGA convened a briefing for staff representing state and local elected officials, as well as the U.S. Alliance (formerly the Big Seven). Barbara Chow and Jeanne Lambrew conveyed the Administration's strong desire to return to the bipartisan agreement on Labor/HHS that Republican leaders abandoned in late October. They also stressed how underfunded programs would be if the Departments operated on a Continuing Resolution.

GOVERNORS

The Fox Inauguration: Governor Pedro Rosselló and Lt. Governor Bustamante are members of your delegation to the Inauguration of Vincente Fox today in Mexico City. Both Maria Echaveste and Director McCaffrey also agreed to meet with the California Delegation members led by Lieutenant Governor Bustamante.

Governor Frank Keating: On November 27, Governor Keating was notified of your approval of his disaster declaration request resulting from storms and flooding on October 21-29, 2000. He expressed appreciation.

Governor Jeanne Shaheen: On November 29, Governor Shaheen wrote to you requesting more LIHEAP assistance due to the dramatic rise in home heating oil prices, which she claims have surpassed earlier projections. She also urges you to support increases in the LIHEAP program for FY 2001. IGA contacted the Governor's staff and indicated that the Administration may consider a LIHEAP release in December and that we strongly support passage of the Labor/HHS appropriations bill that would provide additional funding for LIHEAP.

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IN THE NEWS

Governor Roy Barnes: Georgia Governor Roy Barnes is considering two reforms to provide care for Georgia's 1.3 million uninsured residents through expansion of some existing community-based programs, the *Augusta Chronicle* reports. One such program is Access Emanuel, which provides the chronically ill with case managers who help monitor and manage disease to prevent costly emergency room visits and hospital stays. Access Emanuel screens patients to determine whether they qualify for government programs like Medicaid.

A second program, MedBank, is a volunteer organization that helps patients, particularly low-income people on Medicare, take advantage of drug company access programs. Holly Smith, MedBank executive director, said that many drug manufacturers provide free drugs, but require complicated application forms that cause many physicians to not use the program. Smith said MedBank was able to provide about \$3.9 million in drugs last year, saving care providers and patients about \$3.8 million by helping people avoid getting sick and showing up at the emergency room.

THE PRESIDENT HAS SEEN
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THE WHITE HOUSE
WASHINGTON

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December 1, 2000

MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Summary of Cabinet Weekly Reports
November 18 – December 1, 2000

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DEPARTMENT OF THE TREASURY

- **Foreign Sales Corporation:** On December 4, Treasury staff will consult with European Commission officials in Geneva on the U.S. Foreign Sales Corporation tax replacement legislation, which the EU claims is not consistent with WTO obligations. It is likely that immediately following these consultations, the EU will request the establishment of a WTO compliance panel to assess whether the new legislation is WTO-consistent. As the U.S. and EU agreed at the end of September, Treasury would then jointly request that the EU's existing retaliation request be suspended pending the outcome of the WTO's review. On December 5, Deputy Secretary Eizenstat will address the National Association of Manufacturers' Tax and Budget Policy Committee on the Foreign Sales Corporation tax replacement legislation.
- **Turkey:** On December 5, Assistant Secretary for International Affairs Truman will meet with Turkish officials in Ankara. He will discuss the recent turmoil in Turkey's financial markets with officials responsible for economic policy and banking oversight.
- **Nigeria:** On December 5, Secretary Summers will meet with Nigeria's Chief Economic Advisor. Discussion topics will include the Paris Club and Nigeria's general performance under its IMF program. On December 6-7, Deputy Assistant Secretary Radelet will participate in the U.S.-Nigeria Joint Economic Partnership in Washington, DC. Participants will discuss key impediments to economic growth and address issues ranging from export growth and foreign investment to poverty alleviation and HIV/AIDS.
- **Holocaust:** On November 29, Deputy Secretary Eizenstat traveled to Vienna to meet with Chancellor Schuessel and chair a plenary negotiation with the Austrians on Nazi-era property restitution. At this meeting, the representatives for the victims presented their

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initial proposal for compensation to settle all property restitution claims against the government of Austria and Austrian private-sector. Other participants in the meeting included the Claims Conference, the Austrian Jewish community and the Austrian private sector representatives. In addition, Deputy Secretary Eizenstat hopes to bring the recently concluded slave and forced labor agreement into force. The next round of talks with Austria will take place in Washington, DC, on December 21.

- **Money Laundering:** On November 17, at the suggestion of the Colombian Tax and Customs Administration (DIAN), 40 Colombian companies were added to Treasury's Office of Foreign Assets Control's Specially Designated Narcotics Trafficker list due to their ties to money laundering. An official press release from the DIAN Director stated that the companies' "inclusion on the list implies that no one can either give credit or have commercial ties with these companies upon penalty of economic sanctions in Colombia as well as the United States." Separately, on November 16, Secret Service agents and members of the Colombian National Police raided an underground facility in Colombia, seizing more than \$3M in counterfeit Federal Reserve Notes along with an offset printing press and other counterfeiting materials. The counterfeiting facility was capable of printing \$3M per week, and law enforcement authorities believe it has been in operation for approximately ten years. The Police stated that much of the counterfeit money was probably destined for Ecuador, which adopted the U.S. dollar as its official currency in September.

DEPARTMENT OF JUSTICE

- **Medicinal Marijuana Case:** On November 27, the Supreme Court granted DOJ's request to hear a case that presents the question whether medical necessity is a legally cognizable defense to a charge of distributing drugs in violation of the Controlled Substances Act. DOJ's petition contends that the Ninth Circuit, in recognizing a common law defense of medical necessity, approved the use of marijuana for medicinal purposes, contrary to Congress's express finding. It further contends that the Ninth Circuit's decision is inconsistent with the Act's prohibition on the distribution of Schedule I controlled substances, except in connection with research projects registered with the Drug Enforcement Administration and approved by the Food and Drug Administration, and with the Act's exclusive procedures for seeking the removal of a substance from Schedule I.
- **Church Arson Sentencing:** On November 15, a defendant was sentenced to over 42 years imprisonment after he pleaded guilty to 26 church arsons in eight states, 11 of them in southern IN. The defendant was also ordered to pay over \$3.5M in restitution to the victim churches. The defendant still faces Federal charges in GA for setting five church fires in December 1998 and January 1999, including one in which a firefighter was killed.

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THE PRESIDENT HAS SEEN

12-4-00

- **Drug Organization Leaders Charged:** On November 21, a Federal grand jury in DC returned a 158-count indictment charging 17 individuals with Racketeer Influenced and Corrupt Organization charges, murder, and numerous narcotics related offenses. Included among the charges are 31 murders. Two of the defendants were the alleged leaders of a successful drug organization that protected and expanded its territory with ruthless violence space. One defendant is personally charged in 22 homicides.
- **Youth Gang Report:** DOJ's Office of Juvenile Justice and Delinquency Prevention will soon release *Highlights of the 1999 National Youth Gang Survey*, which is the fifth annual gang survey conducted by DOJ's National Youth Gang Center. Results from the 1999 survey suggest that the youth gang problem continues to be substantial and widespread across the nation.

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Capital Punishment Report: On December 10, DOJ's Bureau of Justice Statistics plans to release *Capital Punishment 1999*, which presents characteristics of persons under sentence of death on December 31, 1999, and of persons executed in 1999. The report summarizes the movement of prisoners into and out of death sentence status during 1999, as well as numerical tables on offenders' sex, race, Hispanic origin, education, marital status, age at time of arrest, legal status at time of capital offense, methods of execution, trends, and time between imposition of death sentence and execution. Historical tables present executions since 1930 and sentencing since 1973.

DEPARTMENT OF THE INTERIOR

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- **Possible Monument Designations:** On November 29, Secretary Babbitt visited Pompeys Pillar near Billings, MT, to discuss the possibility of designating a national monument on 431 acres of public land there. There is broad support in MT for such a designation. Babbitt also toured the Sonoran Desert area near Phoenix, AZ, including "Area A" of the Goldwater Military Range, to determine whether it should be considered for monument designation. Area A is in the northeast portion of the Military Range and will revert to management by DOI's Bureau of Land Management in November 2001 because it is no longer needed by the Air Force.
- **Missouri River:** On November 30, DOI's Fish and Wildlife Service delivered the final biological opinion on the Missouri River operations to the Army Corps of Engineers. Construction of dams, levees, and river stabilization structures support navigation, flood control, water supply and hydropower generation, and recreation along the river, but have also reduced habitat and altered river flows needed for native river fish and birds. Annual operations and the bank stabilization and navigation project have adversely affected endangered species. After determining that its current river operations are likely to adversely affect the endangered pallid sturgeon and least tern and the threatened piping plover, the Corps requested this consultation under the Endangered Species Act.

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DEPARTMENT OF THE INTERIOR

Let's do as much as possible

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- **Giant Pandas Imports:** DOI's Fish and Wildlife Service (FWS) has issued a permit to allow the Smithsonian Institution's National Zoological Park in Washington, DC, to import two giant pandas from China. The giant panda is highly endangered with probably fewer than 1,000 surviving in the wild in China. Under FWS' Giant Panda Import Policy, such imports may be allowed if the requesting institution has fully satisfied the policy's criteria and the long-term loan will contribute to the conservation and survival of pandas in the wild in China. Under the policy, all money paid to China by the importing institution as a condition of the loan must be used for on-the-ground conservation projects in China, specifically at some of China's giant panda reserves. Currently, there are five giant pandas in the U.S., three at the San Diego Zoological Park in and two at Zoo Atlanta in GA.

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Homestead AFB: On December 8, the final environmental report on the disposal of portions of the former Homestead Air Force Base is scheduled for release. DOI's National Park Service is a cooperating agency on the document (the Air Force and FAA are co-leads) and is concerned about potential impacts of a commercial airport on nearby Biscayne and Everglades National Parks. Secretary Babbitt is on the record as supporting the Mixed-Use Alternative. The Record of Decision could be signed 30 days after the publication of the environmental statement in the *Federal Register*, which is expected on December 15.

DEPARTMENT OF AGRICULTURE

- **Livestock Price Reporting Rule:** On December 1, USDA will publish in the *Federal Register* a new rule requiring large cattle, swine, and lamb packers and importers to provide contract information, including pricing, for public dissemination. The new reporting will provide information on 80 to 95 percent of all cattle, boxed beef, slaughter hog, sheep, lamb meat, and imported lamb meat transactions. Under the new rule, packers who annually slaughter an average of 125,000 cattle or 100,000 swine, as well as those who slaughter or process an average of 75,000 lambs, are required to report to transaction details involving purchases and sales of livestock, boxed beef, boxed lamb, and lamb carcasses. Importers who annually import an average of 5,000 metric tons of lamb meat products also must report. The new rule becomes effective 60 days after its publication.
- **Bioenergy Program:** During the entire month of December, USDA will hold sign-up for the Bioenergy Program. Payments will be based on bioenergy production increases from eligible commodities, compared to the same time period a year earlier. USDA will make up to \$150M in payments to commercial bioenergy (ethanol and biodiesel) producers in the U.S. who increase their bioenergy production from eligible commodities.

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- **FL Anthrax Contamination Threat:** FBI is continuing an investigation into a November 24 incident in which a FL meat plant was the target of an anthrax scare that is now believed to have been a hoax. When an employee of Cameron's British Foods of Cape Coral, FL, opened a mail package, part of a fine tan powder inside escaped into the room. A note inside the package warned that recipients had been exposed to anthrax. Thirteen people who were exposed to the powder were transported to the hospital and treated for anthrax contamination, with no resulting illness. A CDC lab later reported that the substance was not anthrax or any other biological threat. The plant has been cleaned and products that were exposed have been destroyed.
- **Commodity Markets:** Concerns over Australia's crop and poor weather in the U.S. winter wheat belt sent wheat prices higher for the week. Corn cash prices were up on a favorable U.S. export report, and futures held steady despite Starlink worries. Improved export prospects to the European Union led soybean prices, sharply higher. Favorable mill demand boosted rice cash prices but futures dropped on news of lower global prices. Worsening crop conditions in Australia and problems in Uzbekistan raised cotton prices. Higher wholesale beef prices boosted cattle. Pork prices rose as marketings slowed during the holiday week. Broiler prices were little changed as turkeys dominated featuring for the week. Cheese prices were slightly lower in light trading. Butter prices remained at \$1.80 per pound.

DEPARTMENT OF COMMERCE

- **Brunei/Singapore Trip:** During the APEC Ministerial in Brunei last month, Secretary Mineta promoted U.S. commercial policies, advocated on behalf of a number of U.S. companies, and gained a better understanding of trade concerns U.S. companies face in the region. Mineta also held a number of meetings with his counterparts, including one with the Chinese Minister of Foreign Trade and Cooperation to discuss a range of trade issues including advocacy in support of several commercial projects, the total value of which is estimated at more than \$10B, with an estimated U.S. export content of \$3B. On November 15, Mineta traveled to Singapore and met with senior Singaporean government officials and members of the U.S. and Singaporean business communities to discuss bilateral and regional trade issues. Secretary Mineta also participated in a roundtable with the Singapore IT Federation.

DEPARTMENT OF LABOR

- **Seattle Times Strike:** On November 22, some 1,000 employees of the *Seattle Times* and *Seattle Post-Intelligencer* went on strike. The employees are members of the Newspaper Guild. The dispute centers on pay, retirement benefits, sick leave, and a compensation system that pays reporters in suburban areas less than those who work downtown. The *Times* is owned by Knight-Ridder, which has been involved in a heated labor dispute in the Detroit newspaper industry. Delivery drivers, members of the Teamsters union, have

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- **Commodity Markets:** Concerns over Australia's crop and poor weather in the U.S. winter wheat belt sent wheat prices higher for the week. Corn cash prices were up on a favorable U.S. export report, and futures held steady despite Starlink worries. Improved export prospects to the European Union led soybean prices, sharply higher. Favorable mill demand boosted rice cash prices but futures dropped on news of lower global prices. Worsening crop conditions in Australia and problems in Uzbekistan raised cotton prices. Higher wholesale beef prices boosted cattle. Pork prices rose as marketings slowed during the holiday week. Broiler prices were little changed as turkeys dominated featuring for the week. Cheese prices were slightly lower in light trading. Butter prices remained at \$1.80 per pound.

DEPARTMENT OF COMMERCE

- **Brunei/Singapore Trip:** During the APEC Ministerial in Brunei last month, Secretary Mineta promoted U.S. commercial policies, advocated on behalf of a number of U.S. companies, and gained a better understanding of trade concerns U.S. companies face in the region. Mineta also held a number of meetings with his counterparts, including one with the Chinese Minister of Foreign Trade and Cooperation to discuss a range of trade issues including advocacy in support of several commercial projects, the total value of which is estimated at more than \$10B, with an estimated U.S. export content of \$3B. On November 15, Mineta traveled to Singapore and met with senior Singaporean government officials and members of the U.S. and Singaporean business communities to discuss bilateral and regional trade issues. Secretary Mineta also participated in a roundtable with the Singapore IT Federation.

DEPARTMENT OF LABOR

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honored picket lines. No negotiations have taken place since the beginning of the strike, although a Federal mediator continues to work with both parties.

- **Amazon.com Union Drives:** Three union groups recently announced their intent to conduct organizing drives among workers at Amazon.com. The Washington Alliance of Technology Workers, a unit of the Communications Workers of America, has circulated a union-recognition petition among 450 Seattle-based customer service representatives at the online retailer. Separately, the Prewitt Organizing Fund has launched an effort to unionize all 5,000 warehouse workers at Amazon's seven distribution centers. The United Food and Commercial Workers Union has also been recruiting at warehousing centers.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Consumer Roundtable:** On December 13, FDA will sponsor an all-day Consumer Roundtable Public Meeting in Washington, DC. The meeting will include a discussion between senior FDA officials and consumers on key public health and consumer protection priorities for the agency. Senior officials will discuss their vision and current consumer protection priorities for each FDA center. A specific time will also be set aside for consumer organizations to respond to these priorities that should be considered by the agency.
- **South Dakota SCHIP:** On November 29, SD's second amendment to its SCHIP plan was approved. This amendment will eliminate cost sharing in the state's existing Medicaid expansion program for 18-year-old children effective July 1, 2000. SD has also submitted a third SCHIP amendment that would expand eligibility by insuring children from birth to age 19 in families with incomes up to 200 percent of the Federal Poverty Level. This third amendment is still under consideration.
- **West Nile Virus (WNV):** CDC's November 24 *Morbidity and Mortality Weekly Report* indicates that data reported through the WNV Surveillance System have shown an increase in the geographic range of WNV activity in 2000 compared with 1999, the first year that WNV was reported in the Western Hemisphere. In response, 18 States along the Atlantic and Gulf coasts, conducted WNV surveillance, which included monitoring mosquitoes, sentinel chicken flocks, wild birds, and potentially susceptible mammals. In 1999, WNV was detected in four States (CT, MD, NJ, and NY). In 2000, epizootic activity in birds and/or mosquitoes was reported from 13 States (CT, DC, DE, MD, MA, NH, NJ, NY, NC, PA, RI, VT, and VA) and DC. Of the 13 states, seven also reported severe neurologic WNV infections in humans, horses, or other mammal species.

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THE PRESIDENT HAS SEEN

12-4-00

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Ethnic Harassment Reduction in Boston:** HUD recently released a report finding that the Boston, MA, Housing Authority has made "substantial progress" in acting on recommendations made by HUD to address racial and ethnic harassment in housing authority properties. The report documents progress made in the area of civil rights violations and housing discrimination that have become a major focus at HUD during the past four years as a result of your One America Initiative. The report also noted that some of the recommendations, have not been completed. HUD will continue to review the Authority's practices and procedures until all the recommendations are completed. HUD will also continue to provide technical assistance to the Authority.
- **HUD E-MAPS:** Secretary Cuomo recently unveiled an upgraded version of HUD E-MAPS, HUD's highly popular environmental mapping site that provides users with more mapping options and greater access capacity. With the new site, users can find out whether EPA is monitoring a site near a home they want to buy, what Federal resources are available to redevelop an abandoned factory, or if there are any environmental hazards on the way to their children's school. The upgraded version can create up to 8,000 environmental maps each hour and provide U.S. Census data for any and every neighborhood in the country.
- **Drug- and Crime-Fighting Grants:** As part of the Federal effort to stamp out illegal drug use and drug-related crime in public housing, Secretary Cuomo recently awarded \$27M in grants to owners and operators of government and nonprofit-subsidized low-income multifamily housing. The funds will be used to solve security problems, help investigate and prosecute drug-related criminal activity in and around the developments, and provide for capital improvements that will enhance security at the developments. The New Approach Anti-Drug Program, formerly the Safe Neighborhoods Grant Program, provides funds that will significantly contribute to the betterment of both the housing development as well as its surrounding neighborhoods. Activities funded under the NAAD grant include reimbursing law enforcement agencies for assigning extra police officers to patrol housing developments, hiring private security guards and investigators to assist police in keeping developments safe, and enhancing security at housing developments by funding such improvements as fencing, lighting, and improved locks.
- **Community and Faith-Based Summit II:** The HUD Center for Community and Interfaith Partnerships is currently planning the Community and Faith-Based Summit II to be held at HUD Headquarters on December 13. The Summit will bring together 50-70 representatives of national organizations, financial institutions, and foundations to reflect upon the present state and future direction of faith-based community development in the nation.

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DEPARTMENT OF TRANSPORTATION

- **Union Pacific Railroad (UP) Safety Audit:** During the week of December 4, DOT's Federal Railroad Administration (FRA), acting on concerns about the quality of locomotive inspections and other safety issues, will commence a focused inspection at the three largest UP locomotive maintenance facilities in Houston, TX, North Platte, NE, and Taylor, CA. Additional inspections are planned for smaller shops, such as those at North Little Rock, AR, Fort Worth, TX, Kansas City, MO, and Proviso, IL. The purpose of the audit is to raise UP's awareness of FRA's safety concerns and to demonstrate FRA's resolve that the conditions be corrected. Labor and management officials will be notified of this forthcoming activity.
- **TREAD Act Implementation:** On November 30, Secretary Slater will announce the first rulemaking action to implement requirements of the recently-enacted Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act. In this rulemaking action, DOT's National Highway Traffic Safety Administration is seeking responses from the public to a broad array of questions on such matters as the Tire Identification Number (TIN) content, readability and location of the TIN, load rating, speed rating, tire inflation pressure labeling, tread wear indicators, and the Uniform Tire Quality Grading information. The TREAD Act requires the Secretary of Transportation to initiate rulemaking to improve the labeling of tires so consumers can more easily identify tires that may be the subject of a safety recall. An Advance Notice of Proposed Rulemaking in the December 1 *Federal Register* seeks public comments on tire labeling and safety information.

DEPARTMENT OF ENERGY

- **Russian/U.S. Plutonium Disposal in Canada:** As part of a joint U.S.-Russian-Canadian experiment, mixed oxide (MOX) test fuel fabricated from surplus U.S. and Russian weapons plutonium is scheduled to be inserted into a Canadian research reactor at Chalk River in Ontario, Canada, in mid-December. This experiment will provide information on the viability of using Canadian reactors for disposing of surplus Russian plutonium.
- **Nevada Test Site Anniversary:** December 18 will mark the 50th anniversary of the establishment of the Nevada Test Site (NTS) by President Truman. A site dedication of the Nevada Atomic Testing History Institute is planned for December 18 to commemorate the establishment of the NTS. The facility will house the Public Reading Facility, Coordination, and Information Center, which manages the radiation exposure database, along with the archaeological collection maintained by the Desert Research Institute. The facility will also provide for the preservation and availability of historical information, artifacts, and records from the NTS and other U.S. test site weapons testing programs.

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- **Snake River Dam Breach:** Several major environmental organizations last week began running full-page ads in Portland, Eugene, and Salem, OR, and Seattle and Tacoma, WA, daily newspapers to muster political support for breaching the lower Snake River dams. The ads ask readers to fill out and mail a coupon calling on you to "tell your agencies to improve their recovery plan by committing to remove the four lower Snake River dams in five years if salmon population doesn't show dramatic recovery with other methods." Spokesmen for the group have expressed concern that the transition to a new Administration will lose time and momentum on salvaging a salmon recovery plan from the National Marine Fisheries Service that the groups believe is inadequate. Sponsors include the Save Our Wild Salmon Coalition, Trout Unlimited, the National Wildlife Federation, Patagonia, Earth Justice Legal Defense Fund, American Rivers, and the Natural Resources Defense Council.
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DEPARTMENT OF EDUCATION

- **Individuals with Disabilities Education Act Case:** The Supreme Court has affirmed a decision upholding an OR regulation allowing services for disabled students to be provided only for those attending public school and non-religious private schools.
- **Regional Education Conferences:** On December 13-15, DOEd will close the seventh annual regional conferences on Improving America's Schools. These conferences provide state and local participants with information about how to coordinate Federal programs, integrate Federal programs with state and local efforts, access DOEd's technical assistance network, and use resources to implement comprehensive school reform.

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DEPARTMENT OF VETERANS AFFAIRS

- **CA Pollution Study:** Contamination of CA groundwater is the focus of a recently announced research project involving VA's Loma Linda Medical Center and the Loma Linda University Medical Center. The contaminate under study is "perchlorate," an ingredient in both rocket fuel and thyroid medicine. Volunteers are being given daily doses that are 83 times higher than the California health department's recommended consumption of perchlorate, but 100 times lower than the dosage for thyroid illnesses. National and local media devoted considerable attention to the study on November 27-28.
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ENVIRONMENTAL PROTECTION AGENCY

- **Starlink Corn Review:** On November 28, EPA held a meeting of the Federal Insecticide, Fungicide and Rodenticide Act Scientific Advisory Panel (SAP) to review EPA's evaluation of new information submitted by Aventis Crop Science on whether its Starlink protein produced by a line of genetically modified corn plants poses a risk to humans as a potential food allergen. The role of the SAP is to provide EPA with guidance and recommendations on technical and scientific issues. The issue before the SAP was whether or not the presence of the Starlink protein in the human food supply, in finite quantities and for a limited time duration, poses an unacceptable risk of allergenicity. The SAP met in closed session on November 29 to further discuss the findings and prepare its final recommendations to EPA. EPA will use the SAP recommendations to determine whether or not to grant Aventis a limited tolerance for human food consumption of Starlink. A final report is expected on December 1.
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UNITED STATES MISSION TO THE UNITED NATIONS

- **The Middle East:** The Palestinian resolution on a UN Monitoring Force was tabled in the Security Council this week. USUN opposed the resolution.
- **Iraq:** The British and French are working on a rollover text for the Iraq humanitarian program. It will be discussed in Security Council informals on December 4 and in a formal meeting currently scheduled for December 5.

UNITED STATES TRADE REPRESENTATIVE

- **WTO Banana Ruling:** On December 11, USTR expects to receive a WTO Appellate Body report in a case brought by the European Union to challenge the Customs bonding requirements that the U.S. imposed on importers of products from the EU in March 1999, in anticipation of U.S. banana retaliation, before the U.S. obtained WTO authorization to retaliate. As expected, a WTO dispute settlement panel found that the U.S. violated WTO rules by acting prior to obtaining WTO authorization. However, it rejected the EU claim that the WTO improperly granted that authorization. The EU has appealed on that issue.
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OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Emerging Technological Alternatives to Incineration:** The Secretary of Energy Advisory Board's Panel on Emerging Technological Alternatives to Incineration will hold an open meeting from December 5-6 in Jackson, WY to review and finalize their final

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SMALL BUSINESS ADMINISTRATION

- **Disadvantaged Businesses:** SBA is continuing to work with OMB to coordinate implementation of your Executive Order on Increasing Opportunities and Access for Disadvantaged Businesses. Administrator Alvarez and Director Lew issued a joint memorandum on November 17 to agency heads.

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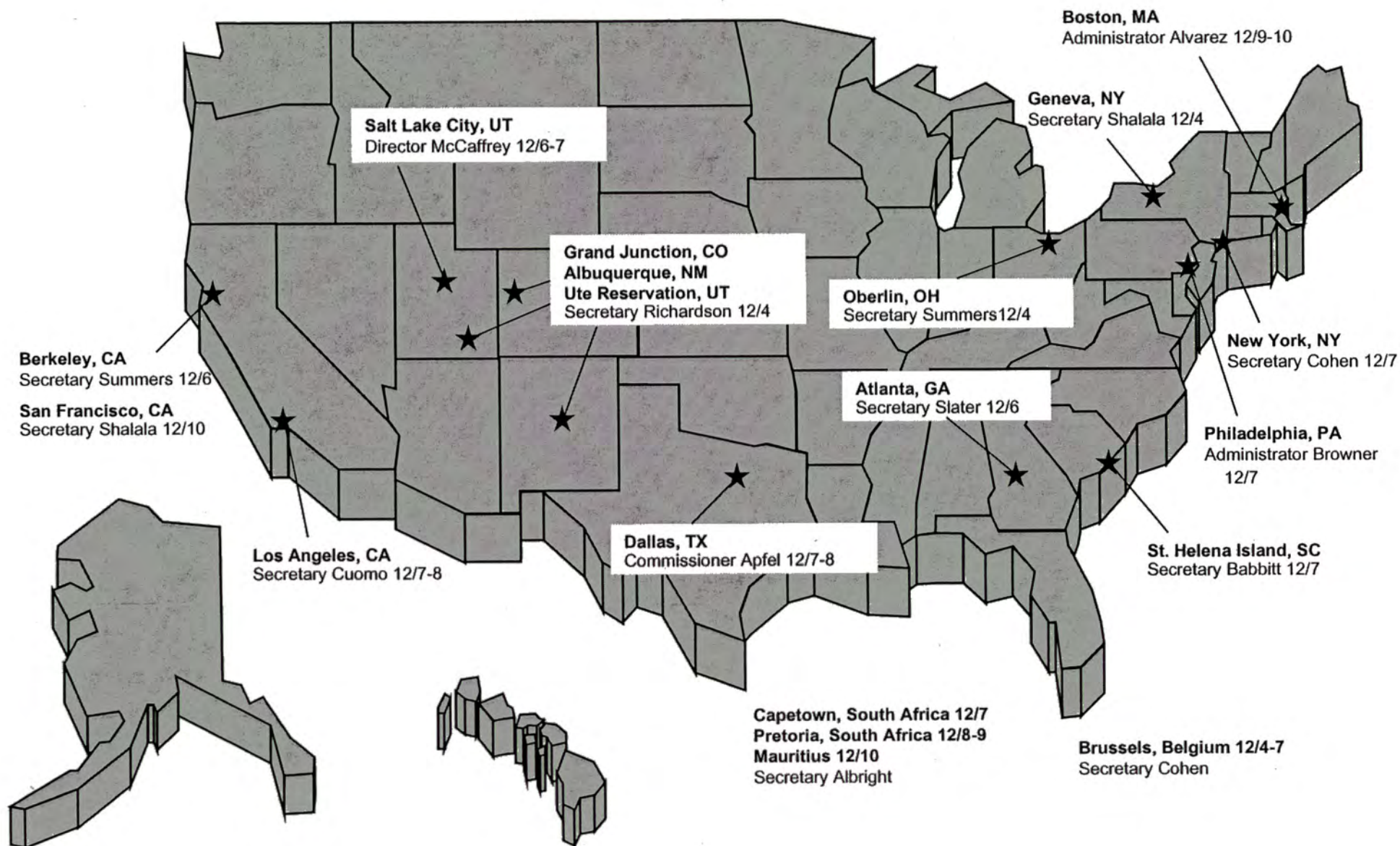
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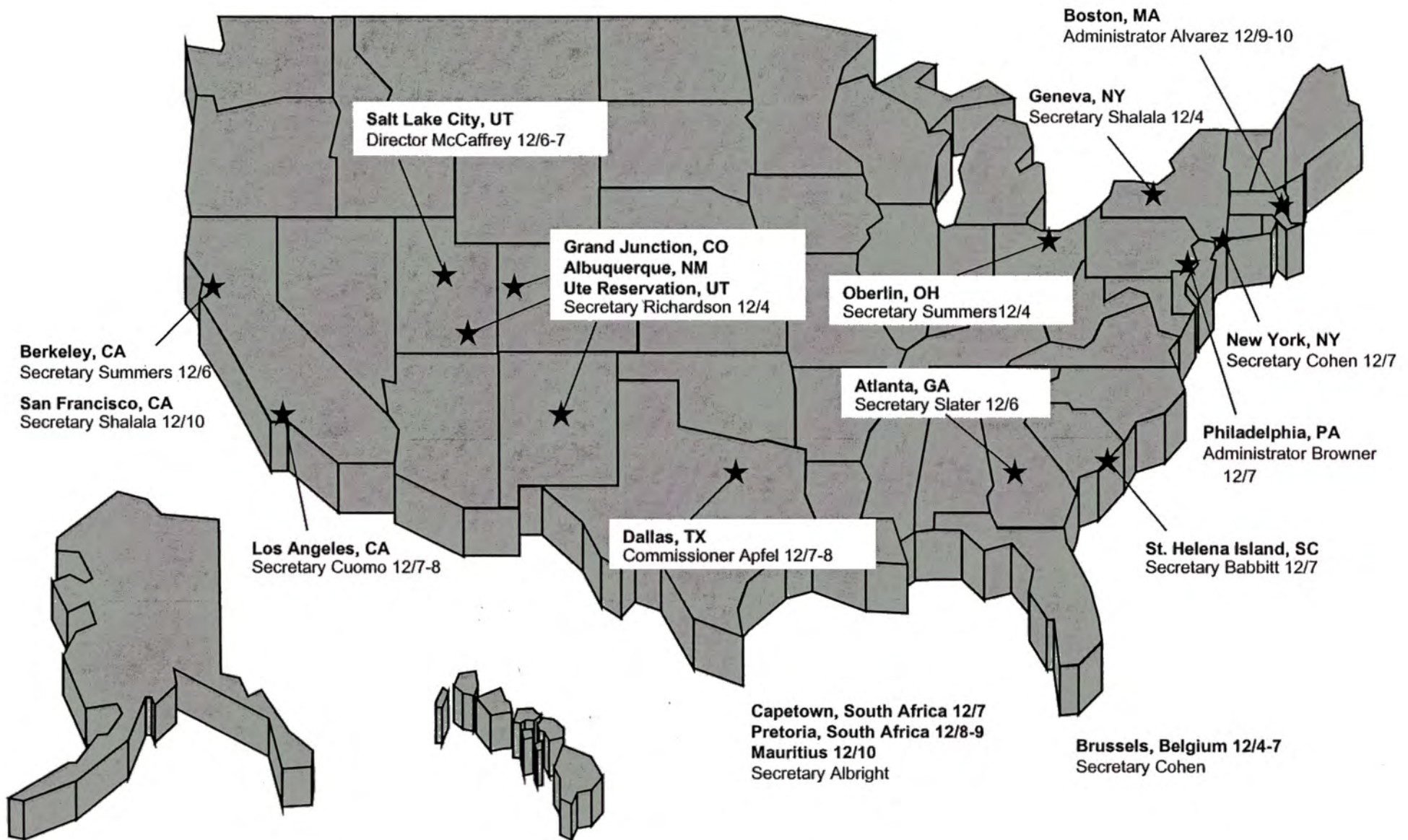
Cabinet Affairs Travel

Monday, December 4 - Sunday, December 10, 2000



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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

Lisel Loy

Buddy MacKay

Minyon Moore

Bruce Reed

Steve Ricchetti

Gene Sperling

Jake Siewert

Lauren Supina

Loretta Ucelli

Melanne Verveer

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
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