BRIEFING BOOK

FOR THE

CALIFORNIA ECONOMIC ROUNDTABLE

December 4, 1993

Staff Copy

CALIFORNIA ECONOMIC ROUNDTABLE

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THE WHITE HOUSE

WASHINGTON

DECEMBER 3, 1993

CALIFORNIA ECONOMIC ROUNDTABLE

DATE: December 4, 1993
LOCATION: Rockwell International
Canoga Park Facility
West San Fernando Valley
TIME: 10:00 am - 12:00 noon
FROM: John Emerson/Grace Garcia

I. PURPOSE

Meet with cross-section of Southern California business and community leaders to discuss the state of the California economy. In contrast to the Little Rock Economic Conference one year ago this weekend, our objective here will be to communicate the Administration's progress to date in addressing California's economic ills and to evaluate ideas for further efforts.

II. BACKGROUND

Thirty-three participants will join the President, Commerce Secretary Ron Brown, Mayor Dick Riordan, and Senators Feinstein and Boxer for this roundtable discussion. The President will moderate the meeting, which will commence with presentations on the State of the California Economy, and proceed with discussions regarding Defense Reinvestment and Technology; Trade and Trade Policy; and Community Development and Urban Planning. (See separate Roundtable Briefing Book, for scenario and support memoranda.)

The economy in California, and particularly Southern California, has been reeling since 1990 as a result of structural economic changes and the significant reduction of defense dollars and foreign capital flowing into the region. Moreover, in the aftermath of a long recession, significant high wage job loss, riots, fires, floods and wanton violence, many Californians feel that they live in the State of Job. For the first time, more people are leaving the State than arriving, and those that arrive often do so illegally.

Californians are hurting; many do not understand how the Clinton economic policies are benefiting the state, and are unaware of the numerous targeted steps that have been taken to boost the economy. Against this background, it is important to communicate that the President does understand the depth of the problems, and is taking direct and concrete steps to address them. It is also important, however, to remind people that these problems require long term solutions, with the private sector very much in partnership with all levels of government.

The audience of observers to the roundtable (about 100) will include most of the elected officials from Los Angeles County, at the local, state, and federal level.

III. PARTICIPANTS

THE PRESIDENT
Commerce Secretary Brown
L.A. Mayor Riordan
Senator Dianne Feinstein
Senator Barbara Boxer

33 leaders of business and community (see list in Roundtable Briefing Book)
5-7 Members of Congress (in Roundtable Briefing Book)
100 observers (local elected officials; business leaders and supporters)

IV. PRESS PLAN

Open press for entire roundtable; expanded pool.

V. SEQUENCE OF EVENTS

-- You greet Sens. Feinstein and Boxer, the attending Members of Congress, Mayor Riordan and Secretary Brown in a holding room.

-- You and the above will enter the room with the roundtable and take your places at the table. The other participants will already be seated.

-- Secretary Brown will open and introduce the elected officials in the audience; Mayor Riordan will welcome to Los Angeles; Secretary Brown will introduce you for remarks. At this point, you will become the moderator of the discussion. (See accompanying Roundtable Briefing Book for detailed script.)

-- The discussion is divided into four 30 minute segments: Introduction and State of the California Economy; Defense Reinvestment and Technology; Trade and Trade Policy; Community Development and Urban Policy. (See Roundtable Briefing Book).

- -- After you close, you will proceed to Speech site.

VI. REMARKS

Provided in Roundtable Briefing Book.

SCENARIO FOR THE CALIFORNIA ECONOMIC ROUNDTABLE

December 4, 1993

SYNOPSIS

INTRODUCTIONS — **10:00**

Ron Brown convenes and introduces
Mayor Riordan welcomes
POTUS sets tone
Sens. Feinstein & Boxer comment

PART ONE: THE STATE OF THE CALIFORNIA ECONOMY — **10:20**

Professor Larry Kimbell
Mark Pisano (Southern California Association of Governments)

PART TWO: TECHNOLOGY & DEFENSE REINVESTMENT — **10:30**

POTUS frames
Ron Brown talks California specifics
Donald Beall, Rockwell, comments
POTUS announces TRP reprogramming
Discussion on Technology & Defense Reinvestment

PART THREE: TRADE AND TRADE POLICY — 11:00

POTUS frames
Safi Qureshey, AST Research, comments
Discussion on Trade and California

PART FOUR: COMMUNITY DEVELOPMENT — **11:25**

POTUS frames
Monica Lozano, La Opinion, comments
Discussion on Community Development

CONCLUSION — **11:50**

POTUS closes

Roundtable Participants

Name	Company
Armstrong, Mike	Hughes
Avant, Clarence	Tabu Productions
Beall, Donald	Rockwell International
Bertsch, Richard Choi	L.A. Sound and Metrosound
Broad, Eli	Sun America
Bryson, John	S.C. Edison
Cook, Lodwrick	ARCO
Cruz, Frank	Gulf Atlantic Life Insurance
Diepenbrock, Martha	LA Conservation Corps
Estrada, Leo	NuState, Inc.
Gage, Mike	CALSTART
Gevirtz, Don	The Foothill Group
Golleher, George	Food for Less
Huang, John	Lippobank
Jenkins, Carlton	Founders National Bank
Kyser, Jack	Economic Development Corp.
Lee, Bruce	UAW Region Six
Lee, Mark	General Aluminum Forgings
Lozano, Monica	La Opinion
Mack, John	LA Urban League
Montgomery, James	Great Western Financial Corp.
Qureshy, Safi	AST Computers
Renge, Beth	Renge Securities
Resnick, Stewart	Roll International Corp.
Rev. William R. Johnson, Jr.	Curry Temple C.M.E. (of SCOC)
Sanchez, Frank	LA Harbor Commission
Shockley, Brenda	Community Build, Inc.
Soto, Tom	PS Enterprises
Stafford, Kathleen	Amgen, Inc.
Thompson, Kathryn	Kathryn Thompson, Inc.
Tomich, Rosemary	Livestock Clearinghouse, Inc.
White, Franklin	Metropolitan Transit Authority
Wood, Jim	AFL/CIO

Areas of Expertise of Roundtable Discussion Participants

Armstrong, Mike **Hughes**
Issues related to defense conversion and high-technology; boosting sales through trade.

Avant, Clarence **Tabu Productions**
Entertainment company executive; expanding overseas markets essential.

Beall, Donald **Rockwell International**
Aerospace and defense reinvestment; technology and trade are vital to U.S. future.

Bertsch, Richard Choi **Metrosound, USA**
Trade: 25% of his company's sales come from abroad.

Broad, Eli **Sun America**
Single family home builders; concerned about the impact of defense cuts.

Bryson, John **S.C. Edison**
Involved in the new clean transportation and energy efficiency in industry.

Cook, Lodwrick **ARCO**
Trade: has been traveling in Europe and China; sees a great future for trade.

Cruz, Frank **Gulf Atlantic Life Insurance**
President, California Institute; Company is very active in the inner-cities.

Diepenbrock, Martha **LA Conservation Corps**
Community Development and environment restoration, involved in National Service.

Estrada, Leo **UCLA**
Immigration and worker retraining.

Gage, Mike **CALSTART**
Advance transportation and defense conversion; electric car consortium.

Gevirtz, Don **The Foothill Group**
Entrepreneur as job creation base; working on Advance transportation projects, and space commercialization.

Golleher, George **Food for Less**
Community Development; rebuilt grocery stores in South Central after riot.

Huang, John **Lippobank**
Community Development: Solutions for cities in financial industries--capital formation.

Jenkins, Carlton **Founders National Bank**
Community Development: founded first African-American owned commercial bank in Los Angeles.

Johnson, Reverend William, Jr. **Curry Temple C.M.E. (SCOC)**
Capital in inner-cities to fund start-ups; Hope in Youth program for at risk kids.

Kyser, Jack **Economic Development Corporation**
Community/Urban development, and defense conversion project: applied for TRP.

Lee, Bruce **UAW**
Worker training & how training dollars should be tied to job creation.

Lee, Mark **General Aluminum Forgings**
Trade and Defense Reinvestment: aircraft parts, very international oriented.

Lozano-Centanino, Monica **La Opinion**
Community Development: need more jobs and training in the cities.

Mack, John **LA Urban League**
Community Development.

Montgomery, James **Great Western Financial Corporation**
Growing bank with significant lending in inner-city; job creation vital, less regulatory.

Qureshy, Safi **AST Computers**
Trade: vital to his company, Small firms need funds & less regulation.

Renge, Beth **Renge Securities**
Community Development.

Resnick, Stewart **Roll International**
Concerned about the balance between business and the environment.

Sanchez, Frank **LA Harbor Commission**
Trade: Los Angeles need the latest in trade infrastructure: Alameda Corridor.

Shockley, Brenda **Community Build, Inc.**
Community Development: need training in inner-cities.

Soto, Tom **PS Enterprises**
Growth vital: must spur growing industries, boost trade, invest in technologies and balance with the environment.

Stafford, Kathleen **Amgen, Inc.**
Must allow high tech companies to grow, will talk about health care reform.

Thompson, Kathryn **Kathryn Thompson, Inc.**
To encourage growth must ease burdensome banking regulations.

Tomich, Rosemary **Livestock Clearinghouse, Inc.**
Promote growth with trade, balanced environmental regulations. Give people hope.

White, Franklin **Metropolitan Transit Authority**
Rail and new transportation important, need more money for development.

Wood, Jim **AFL/CIO**
Need money for jobs first, training second.

Issues and Participants

Issue	Participants	Area of Concern
Defense Conversion	Armstrong, Mike	Issues of def. conv. & high-tech. and boosting sales thru trade
	Beall, Donald	Aerospace & defense reinvestment; technology and trade are vital to US future
	Bryson, John	Involved in the new clean transportation and energy efficiency in industry
	Gage, Mike	Adv. transportation and def. conv.: electric car consortium
	Gevirtz, Don	Entrepreneurs as job creation base; working on adv. transp. projects
	Lee, Bruce	Worker training & how training dollars should be refocused on job creation
	White, Franklin	Rail and new transportation important, need more money for development
	Broad, Eli	Single family home builder, concerned about the impact of defense cuts
Trade	Armstrong, Mike	Issues of def. conv. & high-tech. and boosting sales thru trade
	Avant, Clarence	Entainment company exec., expanding overseas markets essential
	Beall, Donald	Aerospace & defense reinvestment; technology and trade are vital to US future
	Bertsch, Richard Choi	Trade: 25% of his company's sales come from abroad
	Cook, Lodwrick	Trade: has been traveling in Europe and China, great future for trade
	Lee, Mark	Trade and Defense Reinvestment: aircraft parts, very internat. oriented
	Soto, Tom	Growth vital: must spur growing industries, invest in tech. and protect envir.
	Qureshy, Safi	Trade: vital to his company, Small firms need funds & less regulation
Growth and Communities	Cruz, Frank	President of the California Institute; company is very active in the inner-cities
	Diepenbrock, Martha	Comm. Devel. and environ. restoration, involved in Nat. Service
	Estrada, Leo	Immigration and worker retraining
	Golleher, George	Comm. Devel: re-built grocery stores in South Central after the riots
	Huang, John	Comm. Devel.: Solutions for cities in financial industries--capital formation
	Jenkins, Carlton	Comm. Devel.: founded first African-Amer. owned commercial bank in LA
	Johnson, Rev. William Jr.	Capital in innercities to fund start-ups; Hope in youth program for kids at risk
	Kyser, Jack	Comm./Urban devel., and defense conversion proj.: applied for TRP
	Lee, Bruce	Worker training & how training dollars should be tied to job creation
	Lozano, Monica	Community Development: need more jobs and training in the cities
	Mack, John	Community Development
	Montgomery, James	Growing bank w/ signif. lending in innercity, job creation vital, less regulat.
	Renge, Beth	Community Development
	Shockley, Brenda	Comm. Devel: need training in innercities
	Soto, Tom	Growth vital: must spur growing industries, invest in tech. and protect envir.
	Stafford, Kathleen	Must allow high tech companies to grow, will talk about health care reform
	Thompson, Kathryn	To encourage growth must ease burdensome banking regulations
	Tomich, Rosemary	Promote growth w/trade, balanced envir. regs. Give people hope.
	Wood, Jim	Need money for jobs first, training second.

Gender

Women	7
Men	26

Ethnicity

African/American	6
Asian/American	4
Hispanic	5
Caucasian	18

CONGRESSIONAL DELEGATION

Senator Barbara Boxer (D)

No NAFTA
YES Budget Reconciliation

Not a co-sponsor of Health Security Act
Defended the Abortion Clinic Access Bill strongly

Senator Diane Feinstein (D)

No NAFTA
YES Budget Reconciliation

Not a co-sponsor of Health Security Act
Sponsored the amendment to ban assault weapons

Rep. Anthony Beilenson (D)

YES NAFTA
YES Budget Reconciliation
NO Penny-Kasich

Co-sponsor of McDermott's Health bill
He won with 56% in a district where the President won with 48%.

Rep. Howard Berman (D)

YES NAFTA
YES Budget Reconciliation
NO Penny-Kasich

Co-sponsor of Health Security Act
He won his district with 61% where the President won with 56%.
A major opinion leader in the health care debate

Rep. Julian Dixon (D)

NO NAFTA
YES Budget Reconciliation
NO Penny-Kasich

Co-sponsor of the Health Security Act
He won with 87% in a district where the President won with 77%.
Has strong concerns about worker retraining

Rep. Steven Horn (R)

YES NAFTA
NO Penny-Kasich

Co-sponsor the Cooper Health bill
Won his district with 48% where the President carried 44%.

Rep. Carlos Moorhead (R)

YES NAFTA
YES Penny-Kasich

He won with 49% in a district the President carried with 44%.

Rep. Walter Tucker (D)

NO NAFTA
YES Budget Reconciliation
NO Penny-Kasich

Co-sponsor McDermott Health Bill
He won with 86% in a district the President carried with 73%.

THE CLINTON ADMINISTRATION AND THE CALIFORNIA ECONOMY

National Economic Program

- The Clinton economic plan is projected to create 1.9 million jobs in California from 1993-96.

- The FY94 budget includes tax incentives for business investment worth over $2.3 billion in California.

- The firm commitment to deficit reduction has kept long-term interest rates at their lowest level in decades, freeing billions of mortgage dollars from California's high-priced real estate market for other productive investments.

Exports

- In order to boost the export of high value American products, President Clinton has eliminated cumbersome export licensing requirements that restricted the export of computers, telecommunications equipment and other electronic goods.

- Barriers have been eliminated on as much as $37 billion in technology exports, 1/3 of which are manufactured in California. This is especially crucial for California as one out of ten jobs depends on exports and over 1/4 of all manufacturing jobs are within the electronics sector.

- California benefits more than any other state from the enactment of NAFTA. The state reached $6.6 billion in exports to Mexico in 1992.

Defense Transition Programs

- The Technology Reinvestment Program will allocate approximately $500 million annually to firms to aid them in finding commercial applications for their defense technologies.

    - Last month the President announced the first 41 projects to be funded under this program. California was the biggest winner, receiving 9 projects worth over $125 million in public and private investment.

    - On December 3, 13 projects worth another $ 100 million were awarded to California firms.

- The Commerce Department in the coming months will be conducting seminars and programs throughout the state of California to help defense dependent small and medium size businesses find new opportunities.

- The Clinton Administration is expediting the transfer of military facilities to localities so that these bases can be developed for the economic benefit of surrounding communities. The President has already directed the Navy to transfer land from the Alameda Naval Air Station for the expansion of the Port of Oakland.

Grants and Projects

- Over $2 billion in federal assistance dollars have been delivered to California.

    - $1.5 billion of this is for the L.A. Metro Rail system.

    - Over $100 million is HUD funding for low-income housing.

- The Federal government is also funding new research institutions that will support California's strong scientific base.

    - In October, President Clinton announced that the $230 million Stanford Linear Accelerator (SLAC) is the preferred site for the location of a new high energy physics accelerator: the B-Factory.

    - A San Jose enterprise was chosen to lead a national consortium to develop a new flat-panel display for use in a wide variety of electronics products.

Job Training and Re-employment

- The Clinton Administration is coordinating disparate job training programs to create a streamlined re-employment system which will help California's talented displaced work force find new opportunities.

- The Administration is creating one-stop-shopping center for dislocated workers.

- The President's economic plan doubles funding for the Comprehensive Dislocated Workers Program. California received $ 4.5 million of these funds in early December.

- The Administration has extended the trade adjustment programs to provide training and income to workers who have lost jobs due to imports.

Health Care and Education

- The administration's health care plan would guarantee health security to California's 6 million uninsured people and protect the nation's largest HIV-positive population from losing their coverage.

- California's overburdened public health care system received $500 million to offset the cost of treating uninsured patients through new regulations for the disproportionate share hospital program.

- A new education funding formula provides tens of millions of additional dollars annually to states with high percentages of low-income students. This means $20-40 million per year for California.

- Over $400 million in new funding for immigrant services is provided in the FY94 budget.

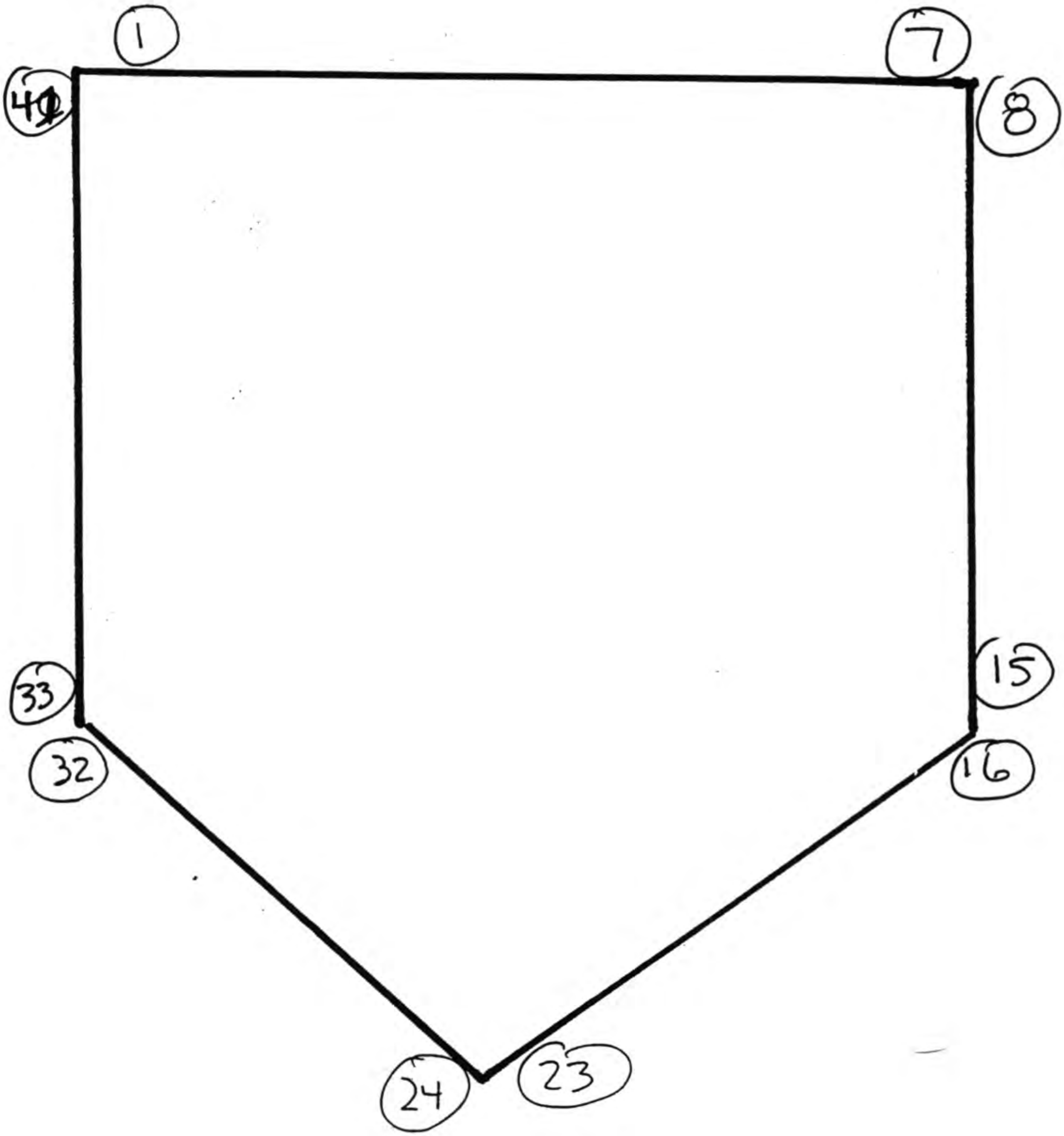
Crime

- Congress has agreed to the broad goals of the Clinton Administration crime initiative. This plan would put more police on the streets, restrict the sale of assault weapons, and require a waiting period prior to the purchase of a handgun (Brady Bill).

- Grants expected to be announced in December will provide $150 million from FY93 budget for new police officers throughout the country. California will benefit from this program.

Seating Order of Participants

Name	Company	Seat #
Congress member		1
Senator Boxer		2
Secretary Brown		3
The President		4
Mayor Riordan		5
Senator Feinstein		6
Beall, Donald	Rockwell International	7
Renge, Beth	Renge Securities	8
Jenkins, Carlton	Founders National Bank	9
Broad, Eli	Sun America	10
Lozano-Centanino, Monica	La Opinion	11
Lee, Bruce	UAW Region Six	12
Soto, Tom	PS Enterprises	13
Mack, John	LA Urban League	14
Kyser, Jack	Economic Development Corp.	15
Shockley, Brenda	Community Build, Inc.	16
Lee, Mark	General Aluminum Forgings	17
Gage, Mike	CALSTART	18
Gevirtz, Don	The Foothill Group	19
Sanchez, Frank	LA Harbor Commission	20
Bryson, John	S.C. Edison	21
Huang, John	Lippobank	22
Armstrong, Mike	Hughes	23
Rev. William R. Johnson, Jr.	Curry Temple C.M.E. (of SCOC)	24
Stafford, Kathleen	Amgen, Inc.	25
Montgomery, James	Great Western Financial Corp.	26
White, Franklin	Metropolitan Transit Authority	27
Resnick, Stewart	Roll International Corp.	28
Tomich, Rosemary	Livestock Clearinghouse, Inc.	29
Estrada, Leo	NuState, Inc.	30
Wood, Jim	AFL/CIO	31
Bertsch, Richard Choi	L.A. Sound and Metrosound	32
Cruz, Frank	Gulf Atlantic Life Insurance	33
Thompson, Kathryn	Kathryn Thompson, Inc.	34
Cook, Lodwrick	ARCO	35
Qureshy, Safi	AST Computers	36
Golleher, George	Food for Less	37
Diepenbrock, Martha	LA Conservation Group	38
Avant, Clarence	Tabu Productions	39
Congress member		40
Congress member		41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SCENARIO FOR THE CALIFORNIA ECONOMIC ROUNDTABLE
December 4, 1993

INTRODUCTIONS

10:00

Ron Brown convenes the meeting, offers introductory remarks on his work to date in California, and introduces Mayor Riordan and other guests around the table. (6 minutes)

Mayor Riordan offers a brief welcome, returns to Ron Brown. (3 minutes)

Ron Brown introduces POTUS. (1 minute)

10:10

POTUS sketches the themes and sets the tone of the meeting (5 minutes).

(See next page for talking points [to be inserted].)

POTUS then invites **Sens. Feinstein** and **Boxer** to offer brief remarks (2 minutes each).

I. PART ONE: THE STATE OF THE CALIFORNIA ECONOMY

10:20

Introducing this section, **POTUS** invites two guests to discuss the causes of the current economic conditions in California and to offer some historical context.

Professor Larry Kimbell is Director of the UCLA Business Forecasting Project and Professor of Business Economics at the Anderson Graduate School of Management, UCLA. Professor Kimbell will articulate several themes (5 minutes).

- California's economic situation reflects the confluence of several phenomena--some cyclical, others structural--including: corporate reengineering, the real estate cycle, defense downsizing, the credit crunch, and weak demand from the Pacific Rim nations.
- Overall these problems are long-term in their nature, and long-term in their solution.
- The private sector, and state and local governments, will play the most important roles in the State's economic recovery.
- Given the magnitude and character of the underlying problems, a short-term "stimulus" will do little good: the real hope lies in a gradual restructuring of the State economy, informed by an understanding of long-term market forces and animated by a long-term vision of economic growth.

POTUS calls on **Mark Pisano,** Executive Director of the **Southern California Association of Governments**. (SCAG,the Nation's largest regional planning agency, provides an open forum for discussion and addressing region-wide problems.) **POTUS** asks **Mark Pisano** to provide a regional perspective and outline SCAG's vision of the region's economic future.

Pisano's central points will include (5 minutes):

- The region should adopt an explicit strategy to focus on economic clusters: in light manufacturing, entertainment, tourism, environmental technology, transportation, and trade.
- Improvements in the region's governments are necessary: just as the Vice President has proposed "reinventing" the federal government, so Southern California's local governments must be reformed.
- The region needs to invest in communities in need, both in the infrastructure and in the people of these communities.

See also additional background, possible questions from POTUS, and possible questions for POTUS in attachment A.

10:30

POTUS indicates the three topics for the Roundtable: **(1) technology and defense reinvestment, (2) trade and economic growth, and (3) community development.**

II. PART TWO: TECHNOLOGY AND DEFENSE REINVESTMENT

POTUS frames the first session--**technology and defense reinvestment**--with introductory remarks (3 minutes):

- While the defense drawdown that began in the late 1980s has had a significant effect on California, **that effect does not reflect any disproportionate reduction in defense spending** in California, but rather the heavy dependence of the State's economy on defense-related industries. While the total amount of defense spending is being drawn down, California's share of defense spending remains the same.

- Technology and defense reinvestment are two of my Administration's top priorities.

- Our **technology policy** (set forth our white paper, Technology for Economic Growth) promotes U.S. competitiveness in every aspect of the product cycle:

  - support for R&D and the basic sciences through NSF and the Advanced Technologies Program--both of which **support basic research underlying advanced materials, environmental technologies, and other leading sectors**;

  - assistance in bringing new technologies to market through manufacturing extension programs; and

  - the creation of a favorable regulatory climate: through regulatory reforms and sector-specific initiatives such as the National Information Infrastructure project.

- Our **defense reinvestment and conversion initiative** involves worker training, community reinvestment, "dual use" technologies, and new civilian technology investments.

- The technology reinvestment project (TRP) headed by the Department of Defense is the cornerstone of this initiative and is designed to promote the best in U.S. manufacturing practices and expertise. **In the last six months, we have announced 162 TRP awards nationwide, totalling $420 million.**

- **And with regard to TRP, almost a third of the funds awarded--$120 million out of $420 million--have been awarded to California-led projects.** The fact that in a merit-based, competitive process, one-third of the funds have been awarded to California firms only underscores the wealth of talent and expertise this State has.

POTUS asks **Ron Brown** to discuss, based on his work in California, how these programs have affected California. (2 minutes) **Ron Brown's** talking points:

- Expanding the conversation to technology policy more generally, I'd like to talk about two Administration initiatives that are particularly important to California:
  - The Administration is committed to a strong <u>fundamental research</u> base in the U.S.; we have increased the National Science Foundation's budget by 11 percent to $3 billion.
  - Through our expanded Manufacturing Extension Partnerships program--run by NIST--we will establish a national network of manufacturing extension centers to help America's 350,000 small and medium-sized manufacturers to develop new equipment and processes and to become more competitive. Given the importance of smaller firms in job creation, this effort is critically important.
  - We have almost tripled the size of the Advanced Technology Program (ATP), which supports the development of high-risk, but powerful, new technologies.
- <u>In this year alone, we have made four new major ATP awards to California firms and renewed several others.</u> These awards total almost $50 million.

POTUS introduces **Donald Beall, CEO of Rockwell**, which was recently awarded three TRP awards, and congratulates **Beall**, noting that the competition was fierce--almost 3,000 proposals (and fewer than 250 awards).

POTUS question for **Beall**:

How has Rockwell wrestled with the changes in California's economy and the shift away from traditional defense industries? How important have TRP and other programs been in that transition?

Beall's talking points (5 minutes):

- TRP financing is critical--particularly for cutting-edge projects, particularly when private credit is tight, and particularly for firms in transition.
- These monies allow us to build on California's "natural" resources: a highly skilled and motivated labor force, internationally renown institutions of higher education, a critical mass of competitive high-technology companies, and access to the growing markets of the Pacific Rim.

10:40

POTUS announces that, given the great success of TRP to date, he will seek the reprogramming of additional funds for the FY1994 TRP program (2 minutes):

- Most members of Congress have been strongly supportive of TRP, and the Armed Services Committees, chaired by Ron Dellums and Sam Nunn, authorized DoD to spend well over $500 million on TRP, even though the appropriation was only about $400 million.

  With the support of defense appropriators, **I have asked DoD to reprogram $150 million to TRP for FY1994, and that will be done.** The 1994 budget for this program will be $554 million. And I would like to see even greater funding in FY1995.

- This additional money will **allow us to fund more of the innovative proposals** from this year's competition that we could not otherwise have funded, and to hold another, expanded competition next year.

POTUS conducts discussion on defense conversion and technology policy (15 minutes). Potential respondents:

- **Kathleen Stafford** is Treasurer of Amgen, Inc., the largest independent bio–tech company in the US. *[She is very concerned about health care issues and the possible "blacklisting" of expensive drugs.]* **POTUS** question for **Kathleen Stafford**:

  Has Amgen participated in any of the programs that Secretary Brown described? What are the major technology policy issues facing biotechnology?

- **Bruce Lee** is a Director of UAW Region Six. He has been at the forefront of labor issues for two decades, establishing the first labor–oriented federally funded job training program in 1973, and leading the team that brought Toyota and GM together to form NUMMI in Fremont, CA. *[He believes government should tie job training to job creation.]* **POTUS** question for **Bruce Lee**:

  Next week, the Department of Labor will announce <u>two dislocated–worker grants totalling $14 million</u> (one for GTE, Westinghouse, and Lockheed, another for Douglas Aircraft and GM). What has been your experience with existing dislocated–worker programs?

- **John Bryson** is Chairman and CEO of Southern California Edison Company and on the boards of many regional corporations and community organizations. **POTUS** question for **John Bryson**:

  A year ago, at the Little Rock Conference, you offered a very thoughtful perspective on the state of the Nation's economy. I'd like to hear from you, as one of Southern California's business and technology leaders, on what you see to be the leading technologies as we enter a next millennium.

- **Franklin White** is the CEO of the LA County Metropolitan Transportation Authority. The MTA's long-term plans call for a major expansion of public transportation. *[He is prepared to discuss the positive impact of the Administration's recent metrorail dollars on job creation in Southern California.]* **POTUS** question for **Franklin White**:

  Many economists have suggested that Southern California has a comparative advantage in transportation technology. What role do you see for federal assistance--in direct assistance, basic, or applied research--in encouraging economic growth and job creation through transportation technology?

Only if time permits, **POTUS** may also call on the following to ask their views on defense reinvestment and technology policy:

- **Michael Gage**, President and CEO of CALSTART, a non-profit consortium of California companies formed to develop advanced transportation technologies (including an electric car).

- **Michael Armstrong** is Chairman and CEO of Hughes Aircraft and GM Hughes Electronics. Armstrong strongly supports NAFTA and export control reforms.

- **Don Gevirtz** is Founder, Chairman, and CEO of The Foothill Group, a financial services institution. He authored Business Plan for America.

See also additional background, possible questions from POTUS, and possible questions for POTUS in attachment B.

11:00

POTUS segues to the next segment on **trade and economic growth in California.**

III. PART THREE: TRADE AND ECONOMIC GROWTH

POTUS introduces the next topical segment: trade. POTUS frames this session with a vision of export-led growth (4 minutes):

- Globalization is the dominant force shaping the Nation's--and California's--economy in the long run. **We must accept the challenge to compete and to grow as part of a global economy--**this is the essence of being, and remaining, a superpower in the post-Cold War era.

- I've spent a fair bit of time recently talking to leaders from nations around the world. One thing is clear: **every developed economy is struggling to create jobs**--and no one has found a way to do it without expanding trade. We can't create more U.S. jobs without opening new markets overseas for what we produce. That's why trade is so important.

- **Southern California, perhaps more than any other region of the country, is well-positioned to benefit from global economic engagement.** The passage of NAFTA will support major growth industries in the Los Angeles region, including financial services, light manufacturing, and electronics.

- NAFTA is just part of an overall strategy that includes the Japan Framework, APEC, and the GATT.

- We've also updated our export control regime, relaxing restraints on the export of high-technology equipment and opening new markets for American products and innovations.

POTUS calls on **Safi Qureshey** (pronounced Saw-fe Ker-esh-E). **Qureshey**, a naturalized citizen originally from Pakistan, is President and CEO of AST Research, major developer and manufacturer of desktop, notebook, and pen-based computers. *[He's a strong advocate of one-stop export counseling and streamlined regulation. You might note that, through a federal-state-local joint venture, a one-stop export counseling shop will be opened* *in Long Beach in January.]* **POTUS** Question for **Qureshey**:

AST is known in the industry for being a nimble firm--quick to adapt to changing markets. What are the best ways government can help firms like yours?

Themes for **Qureshey**'s remarks include (5 minutes):

- NAFTA, APEC, and GATT are critically important to the future of the State's economy.
- One-stop shopping and streamlined regulation are essential improvements to the federal government's role in encouraging exports.

11:10

POTUS conducts discussion on trade and California (15 minutes). Key facts include:

- NAFTA: **California exported $6.6 billion worth of goods to Mexico** and $7.3 billion worth of goods to Canada in 1992. These exports support 190,000 jobs.
- GATT: **California exported $18.7 billion worth of goods to Europe** in 1992. These exports support 260,000 jobs.
- Export Controls: About 40% of all export licenses are issued to California firms.
- Export Promotion: The National Export Strategy, announced in September, eliminated or significantly reduced licensing requirements for about $37 billion of exports in computers, supercomputers, and telecommunications. **More than $10 billion of these goods will be exports from California.**
- Export Promotion: This January, **a joint venture among several agencies will open a one-stop shop for export counseling in Long Beach.** That shop will bring together in a single location, export counselors from Commerce, ExIm Bank, SBA, AID, the City of Long Beach, and the State of California. Exporters will no longer face a confusing array of agencies and offices in order to get assistance in exporting.

Potential respondents:

- **Mark Lee** is President of General Aluminum Forgings, a mid-size firm that produces precision parts for the aircraft industry, former chair of the Democratic Foundation of Orange County, and is active in the DLC. *[He is concerned about small business and an exporter of parts.]* **POTUS** question for **Mark Lee**:

I know that sometimes smaller firms have difficulty accessing new markets. How are export prospects for your firm? Where are your new markets?

- **Lodwrick Cook** is Chairman of the Board and CEO of ARCO and the ARCO Chemical Company. He also serves on the boards of many community organizations, including Rebuild LA. **POTUS** question for **Lodwrick Cook:**

  As a major multinational corporation, ARCO has a strong interest in reducing trade barriers. What effects do you anticipate from our efforts to open new markets?

- **John Huang** is U.S. Director of the Lippo Group and Vice Chair of Lippo Bank California. He is also a leader of the Chinese-American community. **POTUS** question for **John Huang:**

  As Director of a major international bank, you are well positioned to track international capital flows. How do you think NAFTA and the APEC Conference will affect investment patterns and capital flows?

Only if time permits, POTUS may also call on the following to get their thoughts on the opening of new markets in the Pacific Rim and elsewhere.

- **Richard Choi Bertsch** (pronounced Choy Birch) is founder of LA Sound and Metrosound, a distributor of consumer electronics. He is also publisher of the Korean Journal, the only English-language publication for the Korean-American community.

- **Rosemary Tomich** is Chair and President of the Hope Cattle Company and, among other positions, Director of Occidental Petroleum Company. She has been very active in California Democratic politics.

See also additional background, possible questions from POTUS, and possible questions for POTUS in attachment C.

11:25

POTUS segues (no formal break) from trade to **community development and urban policy.**

IV. PART FOUR: COMMUNITY DEVELOPMENT AND URBAN POLICY

POTUS introduces this segment by providing a vision of community development as a prerequisite for real economic progress. Talking points (5 minutes):

- Community development--especially in our cities--is an **absolute prerequisite to economic revitalization and growth.**

- I have a **three-part strategy** for our cities.

- **First, improve access to capital:** While government can provide an attractive environment, jobs are created by the private sector. To create jobs, **private industry needs access to capital.** In this area, we're well on the way to fulfilling three of my most important pledges during the campaign:

  - I've directed the banking regulators to overhaul the Community Reinvestment Act **(CRA) regulations** by the end of the year. This will ensure that banks and thrifts meet their obligations to serve local communities, the poor as well as the rich, the urban as well as the suburban.

  - In addition, my **community-development banking bill** (passed the House and pending in the Senate) will encourage the formation of new financial institutions to serve underserved communities like South Central L.A. That bill will make available **$2 billion in new credit** for these communities.

  - And our **Empowerment Zone and Enterprise Community program** will provide $4 billion over five years in new investments in distressed urban and rural communities. (9 Zones; 95 Communities)

- In addition to these three major innovations, the Small Business Administration will establish nine **one-stop capital shops** to facilitate lending to new and growing businesses in distressed areas.

- The **second aspect of our strategy is to reduce government barriers to development.** Our new **Community Enterprise Board** works with local governments and community leaders to minimize governmental impediments to development--whether regulations or requirements, paperwork or permits.

- Finally, the **third piece of our strategy** is **crime and personal safety.** Under the new crime bill, I understand that Los Angeles will be seeking funding for 4,000 new police officers. I hope that Congress will help me secure funding for this and all the other aspects of the crime bill. And the Brady bill is a strong first step in getting guns off the streets in California's cities.

- Our work is not yet done but--working with state and local officials and the Congress--we have made great strides toward creating an environment for human growth and economic development in our cities.

POTUS calls on **Monica Lozano**, the Editor of La Opinion, the largest Spanish-language daily in the country. **POTUS** question to **Monica Lozano:**

You've been following the ups and downs and changes in Los Angeles for some time. Perhaps you could offer a community perspective on the economic changes of the past few years.

Monica Lozano's talking points (5 minutes):

- Crime, drugs, and economic opportunity are the three major challenges facing urban L.A.
- At bottom is a need to repair the basic moral fabric of our communities (referencing POTUS' Memphis speech).

POTUS conducts discussion on community development and urban policy (15 minutes). *[Note that Sen. Feinstein recently requested $100 million in SBA funds dedicated to the State; at this point, we should resist such explicit targeting of SBA resources. In response, you might note that SBA has just opened, or will soon open, (i) a Small Business Development Center in LA and (ii) a Business Information Center in the LA Public Library.]* For discussion of community development, potential respondents include:

- **Carlton Jenkins** is Managing Director of Founders National Bank and was recognized as one of the "Most Promising Bank Executives under 40" by the American Banker. **POTUS** question for **Carlton Jenkins**:

  Has the credit crunch eased since the beginning of the year? How will performance-based CRA regulations make a difference in LA's underserved communities?

- **Kathryn Thompson** is Chair and CEO of Kathryn Thompson Development Co., a real estate construction and development company in Southern California. Thompson was also selected by Campaigns and Elections magazine as one of 74 "Women who are changing American politics." *[She believes more must be done to relieve the credit crunch and that the credit crunch initiative is not working. Respond with (i) time lag in changing examiner behavior, (ii) regulator consolidation, or (iii) CRA and CDFI.]* **POTUS** question for **Kathryn Thompson**:

  I know you are also very familiar with California's banking system. What's your assessment of the current credit situation in the region?

- **Brenda Shockley** is Executive Director of Community Build, Inc., a community-based organization responding to last April's civil disturbances. *[She may press for expanded training for young minority males. If she does you might wish to respond that (i) expanding Job Corps funding was and remains an Administration priority and that most of the new Job Corps sites will be located in California; and (ii) we have expanded funding for the innovative Youth Fair Chance program, supported by Maxine Waters, by $25 million.]* **POTUS** question for **Brenda Shockley**:

  I know you have been frustrated by the slow pace of progress in South Central and across LA, and that you are close to these communities. I'd like to hear your perspective on the region's economy and its future.

- **Martha Diepenbrock** is Executive Director of the LA Conservation Corps, which employs young people in full- and part-time community service. **POTUS** question for **Martha Diepenbrock**:

  Your program has grown from serving 32 young people to serving almost 400 young people in less than 7 years. As you know from my National Service Program, you and I share a common belief in community service. I'd like to hear from you how expanded community service will help Southern California.

- **Eli Broad** is President and CEO of Sun America, Inc., a financial services holding company. Formerly founder and CEO of Kaufman and Broad, a major home builder, he is a also strong supporter of the arts in the LA area. *[Broad will have a big-picture perspective.]* **POTUS** question for **Eli Broad**:

  Based on your long experience as a business leader in the Los Angeles area, I'd like to hear your perspective on the changing local economy.

- **The Rev. Bill Johnson** is a member of the SCOC (South Central Organizing Committee), which, under the Hope for Youth program, combines private and local government monies to provide assistance and support to 4,000 at-risk youths. **POTUS** question for **Rev. Johnson**:

  I know that you've been working closely with the living future of Los Angeles--our young people. I thought you could offer some final thoughts about the economic and social future of these communities.

Only if time permits, **POTUS** may also call on:

- **George Golleher** is President and CEO of Food 4 Less Supermarkets, Inc., which operates 248 supermarkets in four States. Food 4 Less is the largest supermarket chain in South Central LA. **POTUS** question for **George Golleher**:

  Your stores employ a large number of persons in communities in need. Based on your experience, what are the best ways to link private employers with the qualified and eager urban workforce?

Only if he has not spoken, POTUS should call on **Mayor Riordan** to comment.

See also additional background, possible questions from POTUS, and possible questions for POTUS in attachment D.

V. CONCLUSION

11:50

POTUS thanks participants and **Ron Brown** for all of his efforts, offers closing remarks (4 minutes):

- As Professor Kimbell described, the problems facing the California economy have been long in the making--and are very complex.

- These problems will require all of us to work together on a number of fronts:

  - making the transition from defense to dual-use and civilian-use through creative public-private cooperation, like that described by **Don Beall** from Rockwell and others;

  - opening new markets through our trade agreements and building our exports through the efforts of Ron Brown and companies like **AST, General Aluminum Forgings, ARCO, and the other firms represented here**; and

  - throughout all of that, making sure that the heart of our Nation's strength--its great cities like Los Angeles--don't simply share in that prosperity, but themselves become engines of economic growth and vitality.

- These are difficult problems--and I have learned a great deal more about them from this meeting--but I am convinced that by using all of California's resources, especially the creativity and energy of everyone in this room, we can work together to begin and accelerate an economic recovery.

- I will continue to visit California, to listen to you, to stand with you, and to work with you to create a bright economic future for the entire State.

12:00

End meeting.

Attachment A: Background and Qs & As on the California Economy

I. Background on the California Economy

- **Unemployment**--The California unemployment rate in October was 9.8 percent--**the second highest in the nation.** The national average was 6.8% in October.

  There are 1.5 million unemployed Californians--this represents 17% of the Nation's unemployed. California lost 391,000 manufacturing jobs between September 1988 and September 1993, with 93,000 lost between September 1992 and September 1993.

- **Retail Sales**--In September the year-over-year growth in retail sales in California was **2.0%, compared to a the National rate of 6.2%** for the same period. Moreover, the September rate of 2.0% for California is the best the State has had this year.

- **Poverty**--California's poverty rate stood at 15.8% in 1992--**1.3 points above the national average** of 14.5%. California's poverty rate stood at 12.9% in 1989 -- slightly above the national average of 12.8%.

II. Possible Qs & As on the California Economy

A. Questions You Might Be Asked

Question: What is the philosophy underlying the Administration's economic program? How does that philosophy relate to California?

Answer: The one thing that ties everything we do together is the willingness to change in order to create economic growth. We view change as an opportunity to be mastered and not as a danger to confront. The same is true in California. Californians must be--and I believe are--willing to change: defense conversion, technological advance, education and training, the new "information" economy. Our job is to give you the tools to make those changes.

Question: You've talked about a public-private partnership. What does that mean for us?

Answer: We don't create jobs, you do. But we can meet you halfway. We will provide trade promotion activities; research support (TRP/ATP); manufacturing extension assistance; expanded access to capital; and a growth-friendly regulatory environment.

Question: California has lost hundreds of thousands of manufacturing jobs. What is the Administration doing to help CA manufacturing?

Answer: First, we are already seeing good signs in the economy: orders and sales are rising, triggered by lower interest rates. We have implemented a number of new programs, opened new markets, and lifted unnecessary restrictions on exports. In particular, our "information highway" initiative is both essential for the Nation's future--and a real boost to California's computer and software industries.

B. Questions You Might Ask

Question: One thing that is often heard regarding the California economy is that **the cost of doing business here is too high**--that various regulations, such as worker's compensation, environmental regulation, and the like, impose too large a burden. What is the best way to strike a balance between the benefits of these regulations and the burden they impose on business?

Question: Yesterday I announced new TRP awards totalling more than $150 million. The TRP program is an important part of our defense conversion effort. What **technological opportunities do you see for new products and industries** to develop out of California's defense base? (environmental, transportation applications, civilian aerospace, etc.)

Question: Our Administration is well aware of conditions in **South Central Los Angeles.** How do we bring South Central along with the rest of the state as we engineer economic recovery?

Question: Vice President Gore and I have made the creation of an "information highway" an important priority of this Administration? What do you see as California's role in the "information economy" of the future?

<u>Attachment B: Background and Qs & As on Defense Reinvestment & Technology</u>

I. <u>General Background on Defense Reinvestment</u>

Although defense spending has been declining since 1987, this Administration is the first to tackle the fundamental challenges of the transition to a post-Cold War economy. Our first challenge is to ease economic adjustment -- in your words, "to make sure that the men and women who helped win the Cold War are not left out in the cold."

In March, you announced a five-year, $20 billion **Defense Reinvestment and Conversion initiative.** The conversion initiative includes four major areas of <u>new</u> investment (ongoing programs did not count toward the $20 billion):

- worker training and adjustment;
- community reinvestment;
- "dual-use" technologies with both commercial and military applications; and
- new civilian technology investments that provide conversion opportunities.

The **cornerstone of this initiative is the Technology Reinvestment Project,** designed to develop "dual-use" technologies and to help defense firms make the transition to commercial markets through assistance in research, development, and deployment. (TRP does not provide contract financing for small businesses or any lending assistance.) Funded at $472 million in FY93, the TRP competition elicited **2,850 proposals**--requesting $8.5 billion--from teams comprising **12,000 companies, universities, and state and local governments.** 162 TRP awards--totalling more than $400 million--have been announced so far. (Your announcement today will put **FY94 funding at $554 million.**)

In July, you announced a five-part program to speed the economic recovery of communities where military bases are slated to close. In a sharp departure from the past, we are giving top priority to rapid redevelopment and the creation of new jobs, through:

- jobs-centered property disposal that allows DoD to transfer base property at below-market rates;
- fast-track environmental cleanup;
- "transition coordinators" assigned to every major base;
- larger economic planning grants; and
- easy access to transition assistance for workers and communities.

The second challenge posed by the defense drawdown is to meet our continuing military needs in a world that still contains dangers to our security. Key to this is breaking down the barriers DoD has created over the last 20 years between the defense and civilian sectors. The three pillars of **DoD's new "dual-use" technology vision** are:

- procurement reform, to enable broad use of commercial products and practices;
- increased emphasis on dual-use technology development (e.g., TRP); and
- greater international cooperation in technology development.

II. BACKGROUND ON DEFENSE REINVESTMENT IN CALIFORNIA

- **Defense Spending**
  - **CA received $50 billion in defense dollars in 1993**--20% of the national total. DoD spending in CA peaked at $60 billion in 1988, and is expected to fall by 60% to $37 billion in 1997.
  - Three-quarters of these dollars go to CA's defense industry; the rest to the 400,000 military, civilian and reserve DoD personnel in the state.
  - **Defense spending accounts for 6% of CA's economy,** down from 8% in 1988 and 14% in 1968.

- **Bottom-Up Review (BUR)**
  - The BUR will continue many essential defense programs important to CA's aerospace industry, including: F-18 upgrades (Northrup at El Segundo); B-2 (Northrup at Pico Rivera and Palmdale); F-22 (Lockheed at Palmdale).
  - The military satellite business, which employs about 50K people in CA, remains unaffected by BUR decisions: MILSTAR (Lockheed); and TRW and Hughes milsat programs.
  - Space launch systems were cut, however.
  - Although many follow-on decisions remain to be made, the overall picture was summed up by a headline in the LA Times: "Region's Aerospace Sector Spared Defense Review Cuts."

- **Technology Reinvestment Program (TRP)**
  - CA submitted about 23% of the 2850 proposals, and the state committed $65 million in matching funds;
  - Of the $420 million of federal matching grants announced so far, about $120 million will go to **California-led projects**, including:

American Rocket Co. (Ventura)--$22M;
GM Hughes Electronics (Newport Beach)--$40M;
Hughes Research Labs (Malibu)--$17.5M;
Magnavox Electronic Systems (Torrance)--$18M;
TRW Space & Electronics (Redondo Beach)--$33M; and
University of California, San Diego--$23M.

III. General Background on Technology Policy

- **Basic Science and Engineering**--The Administration is committed to maintaining a **strong fundamental research base** in the U.S. and has increased the National Science Foundation's budget by 11 percent to $3 billion. NSF supports basic research activities that are critical to progress in strategic areas--including manufacturing, advanced materials, environmental technologies, and biotechnology. California receives a disproportionate share of NSF R&D awards.

- **Advanced Technology Program**--ATP works with U.S. industry to advance the Nation's competitiveness by **supporting the development of high-risk but powerful new technologies** with a broad spectrum of new applications, commercial products, and services. Funding for this competitive program has been increased to $200 million in FY 1994, up from $68 million.

- **Small Business**--The Small Business Innovation Research Program (SBIR), which has the goal of commercializing the results of research performed at Federal agencies, was significantly expanded this year. The 11 participating agencies have been directed to increase their SBIR funding by 20 percent. California receives a disproportionate share of SBIR awards.

- **Clean Car Initiative**--The Administration and U.S. automakers have committed to a 10-year technical collaboration that will combine the basic research expertise and advanced facilities of DOE's labs with the market-responsive engineering and applied research capabilities of U.S. automotive companies. The initiative's goal is to develop technologies for **a new generation of cars and trucks that are three times more fuel efficient than today's vehicles.**

- NII--Facilitating the development of a National Information Infrastructure (NII) is a top Administration priority--and a necessity for economic growth in the 21st century. The NII will spawn a range of benefits and contribute directly to economic growth and job creation. The Federal government's role will be to complement and enhance private-sector activities by creating a favorable regulatory and policy environment, supporting advanced research, developing applications that improve access to government services, and procuring leading edge NII hardware and software. The Administration's FY 1994 budget allocates $1 billion for R&D work on advanced computing and communications, including a new $100 million program to develop information-technology applications in education, manufacturing, health care, and other areas.

- **Radio Frequency Spectrum**--The Emerging Telecommunications Technology Act directs DOC to transfer, over a 10-year period, at least 200 MHZ of spectrum now used by Federal agencies to the FCC for subsequent licensing to the private sector. This will accelerate the development of new wireless industries and will help to create quality jobs (the entire cellular industry has generated 100,000 jobs with only 50 MHz of spectrum).

- **Manufacturing Extension Partnerships**--The Administration will build a national network of manufacturing extension centers to help America's 350,000 small and medium-sized manufacturers adopt new equipment and processes that will make them globally competitive. These small and medium-sized companies account for about 75 percent of new jobs created each year.

IV. Possible Qs & As on Defense Reinvestment & Technology

A. *Questions You Might Be Asked*

Question: Doesn't the **Clean Car Initiative** amount to government subsidies to the auto industry?

Answer: **The government is not subsidizing the vehicle, but rather helping fund generic research and technology development.** All Americans will benefit from this initiative, which will improve U.S. competitiveness by developing technologies for a new generation of vehicles that are safer and up to three times more fuel efficient than today's cars. The industry and the federal government will share costs.

Question: High-tech companies, particularly start-ups are major grantors of **stock options** to employees. Under a rule proposed by the Federal Accounting Standards Board (FASB) the issuance of such stock options must be accounted for by a charge against income. This will reduce the ability of new firms to attract talent, reduce employee incentives to make the business succeed, and reduce the ability of such firms to raise funds through both stock issuance and borrowing. What is the Administration's position on this rule?

Answer: I share companies' concerns about the negative implications of the proposed rule for innovation and new business formation. **I have just sent a letter to Senator Levin and Congressman Bryant, authors of a bill to codify FASB's rule, expressing my concern and reservations about the proposed rule.** In addition, Treasury Secretary Bentsen and Commerce Secretary Brown are giving personal attention to this critical issue and are also discussing the Administration's technical accounting concerns and competitiveness implications with FASB.

Question: Critics say **your defense conversion initiative will not help offset the economic pain** and dislocation of the downsizing of our defense establishment. How do you respond?

Answer: No amount of government assistance can ever eliminate all of the pain of defense downsizing. But my Administration has **seized the unique historical opportunity to reinvest a portion of our defense resources** for new productive uses, especially to create real growth in our civilian economy. In addition to fostering the jobs and industries of the future through programs such as the TRP, we are providing retraining and adjustment assistance to ease the transition for hard-hit workers and communities.

Question: But isn't $20 billion a drop in the bucket, considering the scope of defense-related dislocation?

> **Answer:** Not really. First, the $20 billion refers only to <u>new</u> investment; ongoing programs that reduce dislocation (e.g., the G.I. bill, unemployment benefits, and infrastructure spending) account for billions more. Second, most of our investments leverage spending by states, local governments and private industry (e.g., TRP funds are matched by private and state dollars). Third, federal programs have been a catalyst. Although we can afford to fund only a fraction of the 3,000 proposals received by the TRP, many of the proposing teams plan to proceed--perhaps on a smaller scale--even if they don't get federal funds. Moreover, states such as California have followed our lead and set up their own technology programs to spur conversion.

Question: How much conversion-related financial assistance can California expect to receive?

> **Answer:** California should fare well for two reasons. First, **the state's needs are high,** because of its defense dependence. Second, about half of the $20 billion is technology-related spending, and California has a **superb science and technology base.** For example, the state has done very well overall in the first-year TRP competition. Although it's hard to estimate with any accuracy, some estimate that California should receive about 20-23 percent of federal conversion dollars; that's the share of DoD contract dollars that currently go to the state.

Question: What are you doing to relieve firms such as Rockwell of the government-unique restrictions imposed by DoD--restrictions that increase overhead and make it hard for defense firms to compete internationally?

> **Answer:** My Administration is aggressively trying to reform the federal government's outmoded procurement system, and that may be the single most important thing we can do to help firms such as Rockwell. These reforms are also essential for the Defense Department, which--as a DoD official recently said--"no longer has the luxury of being able to afford its own private industry." We are attacking this problem on two fronts: First, we are working with Congress to eliminate statutory requirements that burden government contractors unnecessarily; we hope to have major legislation enacted by this spring. Second, DoD is eliminating hundreds of its own regulations and "milspecs," to enable the department to adopt commercial products and practices.

Attachment C: Background and Qs & As on California Trade Issues

I. General Background on Trade Policy and Programs

- **National Export Strategy**
  - streamlines 19 federal agencies' export promotion programs;
  - creates one-stop shops for export counseling in key cities;
  - creates first U.S. tied-aid credit facility to level the playing field with foreign competitors;
  - reduces regulatory barriers to exports, especially export controls;
  - targets Latin America and Asia;
  - targets environmental technology exports and other job-creating exports.

- **Opening Markets**
  - **NAFTA**--a major reduction of tariff barriers to Mexican market, a first step toward hemispheric free trade;
  - **GATT-Uruguay Round**--potential major reductions of worldwide trade barriers;
  - **Japan Framework**--creation of framework which, for the first time, focuses on measurable results, and a combination of a structural and sectoral approach, to reduce bilateral deficits.
  - **APEC**--a major overture to Pacific nations that moves those trading relationships to the forefront of U.S. trade policy and trade promotion efforts.

- **Reforming Export Controls**
  - begins major decontrol of computers, supercomputers and telecommunications;
  - following international negotiations, will remove or substantially reduce licensing requirements for an estimated $37 billion of high technology exports.

II. Impact of Trade Policies on California

- **Opening Markets**
  - California **exported $6.6 billion worth of goods to Mexico** and $7.3 billion worth of goods to Canada in 1992. These exports support 190,000 jobs.
  - A number of major California industries will benefit from NAFTA, including: transportation equipment, electrical and electronic equipment, industrial machinery and computers, and textiles and apparel.
  - California exported **$18.7 billion worth of goods to Europe** in 1992. These exports support 260,000 jobs.

- **Reforming Export Controls**
  - About 40% of all export promotion licenses are awarded to California firms.
  - The National Export Strategy will eliminate or significantly reduce licensing requirements for about $37 billion of exports in computers, supercomputers, and telecommunications equipment. **About one-third of these exports--more than $10 billion--are from California.**
  - Commerce has established two export licensing counseling offices--in Newport Beach (Orange County) and Santa Clara (Silicon Valley) to assist exporters in quickly obtaining licenses.

- **Export Promotion**
  - The Trade Promotion Coordinating Committee (TPCC) will establish **a one-stop shop for export counseling in Long Beach**. It will bring together export counselors from Commerce, ExIm Bank, SBA, AID, the City of Long Beach, and the State of California. Exporters will no longer face a confusing array of agencies and offices in order to obtain assistance in exporting.
  - Commerce has created an "Export Mexico" program, which has already conducted a series of seminars and distributed information to thousands of CA exporters, helping them to penetrate the Mexican market.
  - In early December, Secretary Brown is leading a **"Minority Matchmaker" mission** to Mexico to introduce minority-owned firms to potential customers in Mexico. Seventeen California firms are participating in that mission.

III. Possible Qs & As on Trade and the California Economy

A. Questions You Might Be Asked

Question: It sounds like some kind of a package may be coming together in Geneva. Will it be a good agreement for the US? for California? Will the agreement include tariff reductions on semiconductors and subsidy reductions to benefit the State's farm products?

> **Answer:** We are in negotiation on these important issues now, and **I don't want to conduct our negotiations in public.** I firmly believe that a good GATT agreement can provide a lot of benefits for the American economy--and for the California economy. But we need a good agreement, and no agreement is better than a bad agreement.

Question: Even with the passage of NAFTA, it's far from clear that there is any solid American constituency supporting free trade. In California -- a state that clearly benefits from trade with Mexico--both senators and nearly half (21 of 52) of the House representatives voted against NAFTA. How will you convince the American people that trade is in their interest?

> **Answer:** I think NAFTA demonstrates that the American people are beginning to appreciate the importance of international trade. We passed a controversial trade agreement--even at a time when many Americans are very uncertain about their economic futures. However, we need to do a lot more to educate people about the importance and benefits of trade. The business community has a key role to play in that effort.

Question: What is the Administration doing to open up markets to American goods and services? Our markets are open, but many countries have high tariff and non-tariff barriers that prevent us from being competitive.

> **Answer:** I am committed to free trade, and to open markets. All of our trade policies are oriented to those fundamental principles. As you correctly point out, free trade and open markets cannot be a one way street. We have the most open markets in the world. It is only fair that our trading partners make their markets as open as ours. NAFTA represents a giant step in reducing tariff barriers and opening markets, which will boost exports and create jobs for American workers. I am hopeful that we will soon conclude a successful world trade agreement which will represent another giant step. At the same time, in some of our key bilateral relationships--with Japan and with the emerging nations of the Pacific, whose leaders I recently met with in Seattle, we are pushing for open markets, free trade, and greater opportunity for American firms.

Question: The Administration has taken a good first step in reducing export licensing barriers, which have been strangling some of our high-tech industries. But we need further action. What do you plan to do to further reduce these barriers to help American firms compete internationally?

> **Answer:** I am proud of the progress that we have made in this area, but I agree with you that we must do more. We must be very sensitive to our need to support non-proliferation efforts worldwide. At the same time, I believe we can continue to reform our system so that we preserve those important national security and foreign policy interests, while at the same time we remove outdated and cumbersome restrictions. In consultation with our allies, we are pushing for continued reform in this area.

Question: Some of the Administration's recent efforts to target industries sound an awful lot like **"industrial policy."** Aren't you starting to move the government into the dangerous game of picking winners and losers?

> **Answer:** No, I don't think we are doing that at all. The fact is that for too long in this country, we have expended a lot of time and energy in ideological debates about industrial policy. The time for those debates has ended. **We need a national economic strategy that focuses on results, not ideology.** That strategy must recognize that we are competing in a global economy, and that we must continue to compete and win in order to sustain the kind of economic growth that provides high wage, high quality jobs for all Americans.

B. Questions You Might Ask

Question: For those of you who are building your businesses through exporting, what are the key markets you are targeting, and how can we, as a government, help you to sell more to those markets?

Question: As you know, we have begun to dramatically liberalize export licensing, consistent with our national security interests. Due to the changes we have already made, and are continuing to make, a number of your products that previously required licenses will no longer require them. How has this affected your ability to export, and what additional changes would you like to see in the export licensing system?

Question: As you all know, I believe that trade is one of the pillars on which we must build our economic future. Especially in difficult economic times like these, we must look to overseas markets to sell our goods and services in order to continue to grow and prosper. How can we help to educate businesses in California to the tremendous opportunities that exist in exporting, so that they can benefit from these new sources of growth?

ATTACHMENT D: BACKGROUND AND QS & AS ON COMMUNITY DEVELOPMENT

I. GENERAL BACKGROUND ON COMMUNITY DEVELOPMENT ISSUES IN CALIFORNIA

This section summarizes initiatives focused on (1) increasing access to capital; (2) supporting community businesses and institutions; and (3) breaking down government barriers that obstruct community development.

A. *Increased Access to Capital*

- **CRA Reform**--By January 1, the bank regulators will issue new Community Reinvestment Act regulations that will identify **objective, performance-based measures** for grading compliance of commercial banks with their CRA obligations. We believe this will have a substantial impact on improving the lending performance of commercial banks and reversing redlining. The potential impact on loan volume for underserved markets is substantial--likely totalling billions of dollars per year.

- **The Community Development Banking and Financial Institutions Bill**--The bill has passed the House and is pending in the Senate. It will increase the number of community-based intermediaries that have both the desire and the means to serve businesses and residents of underserved communities. The bill will authorize $382 million over four years for a CDFI Fund which will offer matching capital to existing and new community development financial institutions. Treasury estimates that this initiative will result in **$2 billion in new credit in underserved communities.**

- **SBA One-Stop Capital Shops**--SBA will establish nine one-stop capital shops in designated Empowerment Zones or Enterprise Communities that will also serve as national and regional capital distribution points for underserved markets. Each shop will bring together several SBA programs for equity and debt financing as well as provide technical assistance and counseling.

B. *Building On Community-based Businesses and Institutions*

- **Empowerment Zones**--The Empowerment Zone legislation represents a new approach to the problems of distressed urban and rural communities. The Community Enterprise Board, which is charged with implementing the legislation, will give local communities the deregulation and flexibility they need to work with the private sector to attract business, create jobs, make their streets safe, and empower people to get ahead. A total of **104 zones and communities** will be chosen through a competitive process. The communities will receive grants and tax incentives designed to attract new business activity to targeted areas. The total investment over five years totals $4 billion.

- **Pension Fund Investment Partnerships**--HUD plans joint ventures with pension funds to encourage investment in low-cost housing. The initial partnership with the AFL-CIO's Affordable Housing Trust will leverage over $1 billion in private sector financing for low-cost housing on a investment of $100 million.

- **GSE Investment Partnerships**--HUD is working to maximize capital investment for housing and community development in low-income areas by government-sponsored enterprises (GSEs) (Fannie Mae, Freddie Mac and the Federal Home Loan Banks). HUD is negotiating with GSEs to explore ways to create investment partnerships, such as Fannie Mae's HouseOakland initiative--a joint venture with the City of Oakland that is expected to generate $1 billion in loans and investments.

C. *Eliminating Governmental Impediments*

- Community empowerment must include a revolution in the way the federal government relates to communities in delivering both economic and human development funds and services. Your **Community Enterprise Board** will reward communities that develop innovative development strategies by establishing a process for federal approval of community-designed and administered mechanisms for integrating federal, state and private sector programs to meet community needs.

E. *Crime and Public Safety*

- The Administration has called for innovative crime control and prevention programs as part of a comprehensive strategy to address the prevalence of crime, drugs and violence in our society.

  - **Community Policing**--to put more police on the streets, working with residents. This summer you signed a supplemental bill that provided $150 million to hire 2,100 more police.

  - **Boot Camps and Other Alternative Punishments**--The Administration strongly supports helping States expand the use of boot camps for non-violent offenders and other innovative means to promote swift and certain punishment when an offender first encounters the criminal justice system.

  - **Brady Bill**--The bill requires a waiting period of five business days before sale, delivery, or transfer of a handgun to most individuals. The bill also requires the Attorney General to establish a "national instant criminal background check system" so that vendors can ascertain immediately whether a gun sale would violate the law.

  - **Crime Bill**--The Senate and House have passed vastly different versions of the Omnibus Crime Control Act of 1993. Neither the Department of Justice, nor OMB, nor the Domestic Policy Council have finished developing their lists of priority issues for conference. Among the largest increases are: 1) funding for 100,000 cops at a cost of $2.8 billion; 2) Boot Camps and State prisons at $3 billion; 3) regional prisons to be operated by the Bureau of Prisons at $1.2 billion; 4) Drug Courts at $400 million; and a variety of anti-violence programs.

E. *Immigration Issues*

- You have **disagreed with Governor Wilson** on amending the Constitution to deny citizenship (and emergency medical treatment) to children born in the US to parents who are in this country illegally.

- This summer, you announced several actions to **combat the smuggling of aliens** and illegal immigration generally.

- On the Southwest Border, the Border Patrol began **Operation Blockade** in September. Over 400 agents were deployed along the border between El Paso and Ciudad Juarez. The blockade reduced illegal traffic, increased border patrol arrests by over four times, and increased fraudulent document interdiction by 500 percent.

- In the long run, **NAFTA will reduce illegal immigration** by raising the standard of living in Mexico and lessening the draw of the ***maquiladora*** zone.

II. The Significance of these Policies for California

Community Development initiatives are targeted primarily at distressed communities that are isolated from mainstream economies by geographic, economic and/or racial factors. Southern California, like all regions of the country, has its share of distressed communities that need help and Southern California will receive its share of benefits from these initiatives.

- The capital access tools, particularly CDFIs and CRA reform, should be engines of community-based growth and investment in distressed Southern Californian communities. A 1990 study conducted by the Opportunity Funding Corporation (OFC) for the Commerce Department identified the lack of access to capital as the single most important obstacle to minority business development.

- For competitive initiatives like the Empowerment Zone program, we are confident that several Californian communities will produce the type of innovative, coordinated public/private partnerships that are critical to ensuring success in revitalizing distressed communities.

III. Possible Qs & As on Community Development Issues in California

A. Questions You Might Be Asked

Question: When does the **application process for empowerment zones** start and when will they be designated?

> **Answer:** We expect to announce the start of the competition **in early January.** At that time we will issue a request for proposals that will specify our selection criteria and give communities information about how to apply. We hope to begin designating zones and communities by August of next year.

Question: Most of the tax incentives in your enterprise zone legislation will go to the 9 empowerment zones (EZs). **What will the Enterprise Communities (ECs) receive?**

> **Answer:** Like every community in America, ECs will be eligible for community policing money from the new crime bill pending in Congress. In addition, they will receive **special tax-exempt bond financing** and have **priority for participation in an array of agency programs**. Fannie Mae and Freddie Mac will work with all applicant communities to develop innovative partnerships. And all federal agencies will be asked to give ECs the flexibility they need to use existing federal assistance to better serve their strategic plan.

Question: What is the status of your **Community Development Banking Bill**?

> **Answer:** I am happy to report that it **passed in the House of Representatives** just before they recessed for Thanksgiving. It was voted out of the Senate Banking committee on a bipartisan, 18-1 vote and we expect the Senate to take the bill to the floor soon after they return to work in January.

Question: What is the status of your CRA Reform Initiative?

> **Answer:** In July, when we launched this initiative, I directed the four bank regulators to issue, by January 1, 1994, new regulations that would emphasize lending performance, not paperwork, in underserved neighborhoods. The regulators inform me that they expect to meet this deadline.

B. *Questions You Might Ask*

Question: I have been thinking a great deal about how to build bridges between inner-city residents and employers in the entire metropolitan labor market. One model is the America Works program which takes people who are on welfare, provides some training, places them with employers, and monitors their progress. They have an enormously high success rate and employers are happy to have a source for good employees. I would be interested in hearing other ideas about **how we can link low-income people with private sector employers** in a way that serves both the employer and the employee.

Question: In our Empowerment Zones initiative we have been trying to focus on the assets in distressed communities rather than its deficits. For too long the Federal Government's approach to dealing with distressed communities has been to try to provide a program that addresses every social deficit. Well, deficits don't create jobs--human and capital assets do. Each community has unique institutional assets--such as a church with a long history of social and economic development. I would be particularly interested in hearing about **some of the not-so-obvious assets** that exist in Southern California that we could help communities build on.

Issues of Concern to Roundtable Participants

Advanced Transportation Technologies

Advanced transportation technology has been targeted as an industry of the future for California. Almost all of the inputs necessary for the industry exist in the region: a labor force skilled in advanced manufacturing and the necessary technologies. It has been estimated that advanced transportation could generate over 225,000 jobs for California by the year 2000. Furthermore, California represents a large market for these technologies. Heavy traffic, high air pollution, and the huge expense of new road development mean that California will have to find transportation solutions that optimize its existing infrastructure, pollute less, and alleviate road and rail congestion. Advanced transportation offers job growth and may solve many of the environmental and logistical problems facing the region.

- **High Speed Rail**

  The "High-Speed Ground Transportation Act of 1993" (H.R. 1919, S. 839) now before Congress would provide "financial assistance for the development of designated high-speed rail corridors..." The bills would make it the states' responsibility to develop railways, but the federal government should provide assistance and funding for research. The Northeast Corridor is already included in the bills, but other states may apply to have a corridor designated for funding. California, Florida, Texas and several Mid-west states plan to apply. Among these regions, the San Francisco-Southern California Corridor is seen as one of the most promising because of high ridership levels.

  The bills incorporate a "Buy America" clause that would require that a significant amount of the development of high-speed rail be done in the United States. Such a project could therefore have enormous job creating potential. The Department of Transportation will chose among applicants based upon the quality of plans submitted and the sources of funding. Much of the funding must come from private sources. For California to benefit from the program, initiative will have to be generated from within the state.

- **Electric Cars and Low-Emissions Vehicles**

  California's emissions standards requiring that 2% of the cars sold in 1998 in California be zero-emissions cars essentially mandates the manufacture of electric cars. The fact that the state is so far ahead of any other state in these requirements has pushed the state to the forefront of the development of low- and zero-emission cars. Indeed, the state has already shown leadership. A great number of demonstration projects are well under way. For instance, the City of Torrance's municipal bus fleet is all electric. The CALSTART consortium has brought together a number of private companies and state agencies to develop electric cars and has a working prototype.

Electric cars will not be a viable until production costs are brought down (they currently cost around $40,000), the range of the cars is improved, and cheap, clean battery technologies are found. Future work in California must move away from demonstration projects and begin to tackle these issues. There are no new federal programs to fund this type of research. However, you can point to California's defense laboratories that are using discretionary defense funding to work on technologies for electric/low-emissions cars, namely the Lawrence-Livermore Laboratories and the Jet Propulsion Labs in Pasadena, and the U.S. Advanced Battery Consortium in California, which receives $50 million a year from the federal government.

Hughes Satellites to China

Mike Armstrong from Hughes will be participating in the Roundtable discussion. Hughes was barred from exporting two extremely valuable satellites to China when the State Department imposed sanctions against that country for exporting nuclear material to Pakistan. The satellites are worth approximately $80-100 million and represent several hundred jobs in Southern California. Furthermore, a contract for another satellite to China that Hughes is currently building at a cost of $250,000 a day is in danger.

Hughes may still have recourse depending on when the company needs the export license. Unrelated to this dispute, satellite jurisdiction is being transferred from the Department of State to the Department of Commerce. Armstrong will urge that this transfer be expedited, potentially freeing up the satellites. Armstrong has agreed not to discuss this issue during the roundtable meeting but wants urgently to speak with Secretary Brown privately. Hughes has notified the Commerce Department that it will litigate this issue if it is resolved otherwise.

Alameda Corridor

The Alameda Corridor project is the consolidation of four rail lines (constituting over 90 miles of rail that intersect 200 roadway crossings) into a single 20 mile, high capacity line that does not intersect any roads. Alameda street, the major truck route adjacent to the rail facility will be widened from four to six lanes. The railway would connect the central rail yards near downtown Los Angeles with the Ports of Los Angeles and Long Beach. Currently, goods traveling to the port by rail average 10-20 miles an hour. The corridor would double delivery speeds and greatly reduce the environmental impact of traffic in the area.

Currently these two ports are two bright spots in an otherwise ailing economy. The outlook for increased trade volume is very good as the east Asian economies rise from recession. However, the demand for the ever speedier delivery of goods is growing and the traffic congestion on Southern California roads and railways will hamper the Ports ability to deliver goods faster. Not only will the project speed delivery, it will provide an intermodal facility that will allow for goods to be transferred from one mode of transportation -- trains or trucks -- directly to ships. This added "throughput" capacity is estimated to add 700,000 trade-related jobs in Southern California by the year 2010.

Currently, Southern Pacific owns the rights for this Corridor and is negotiating with the ports to sell it for around $260 million. The negotiations hinge on three concerns of the Ports: 1) the environmental condition of the corridor, 2) SP's lack of clear title for all 20 miles of tracks 3) the lack of written agreement between SP, Union-Pacific, and Santa Fe Railway Co. to consolidate all of their harbor-area traffic in the Alameda Corridor. SP maintains that it has full development rights even in those areas where it has only easement rights and that their are no environmental surprises that will cause the cost of the project to skyrocket.

According to Katherine Archuleta at Transportation, their are no federal actions that can be taken until negotiations are complete. The Port Authorities have so far arranged $537 million in funding and are looking to the federal government for the remaining $1.2 billion. Secretary Pena feels that they have not looked into other funding sources adequately enough. There is currently a bill introduced by Rep. Walter Tucker to grant the Alameda Corridor project the status it would need to issue tax exempt bonds (the bill does not look promising).

One Stop Export Promotion Shops for Defense Conversion

The goal of the project is to establish and expand a series of clearinghouses throughout the state to guide small and medium sized businesses attempting to export products. In particular~~,~~ OSEPDC would serve companies that may have been dependent on exporting their products through larger defense firms that no longer export on a grand scale. The project achieves this goal by 1) providing the necessary exporting information to companies, 2) sheparding companies through the exporting process. In addition to the main office at Commerce, a branch office was just opened in Newport Beach and the Global trading center is to be opened in Silicon Valley in December.

BIOGRAPHIES

ARMSTRONG, C. MICHAEL Los Angeles
Chairman of the Board and CEO of Hughes Aircraft and GM Hughes Electronics
Former Senior VP and Chairman of the Board of IBM World Trade Corporation
Advisory Committees: Trustee of Johns Hopkins University Johns Hopkins Medical School, Johns Hopkins Applied Physics Laboratories, University of Michigan School of Engineering and USC Business School
Boards: Rebuild L.A. and the California Roundtable
Travelers Corporation
Thyssen-Bornemisza Group
Conference Board
Council on Foreign Relations
National Security Telecommunications

AVANT, CLARENCE Beverly Hills
Chairman of the Board of Motown Records
Owner Avnt Garde Music Publishing and Interior Music
Boards: Inner City Broadcasting Corporation
NAACP Legal Defense Fund
Recording Industry ASsociation of America
The Brotherhood Crusade, Chairman
The Brotherhood Business Development & Capital Fund, Chairman of the Board
Apollo Theatre Foundation
World African Network
Los Angeles World Affairs Council

BEALL, DONALD R. Seal Beach
Chairman and CEO, Rockwell International Corp.
Boards: Amoco Corp.
Procter & Gamble Company
Times-Mirror Company
Los Angeles World Affairs Council
Center for Strategic and International Studies
Council on Competitiveness
SRI Advisory Council
Business-Higher Education Forum
Business Council
Business Roundtable
Fellow of the American Institute of Aeronautics and the Society of Manufacturing Engineers
Board of Overseers and Board of Visitors of the University of California, Irvine
Trustee of the California Institute of Technology

BERTSCH, RICHARD CHOI La Palma
Founder of L.A. Sound and Metrosound
Manufactures and distributes consumer electronics products; imports and exports electronics between the US, Korea and Mexico.
Publisher, Korean Journal, only English Publication in the Korean American Community.
Boards: Korean American Coalition
Korean American Chamber of Commerce of Los Angeles
President, Korean American Democratic Committee of California

BROAD, ELI Los Angeles
Chairman, President and CEO of SunAmerica Inc.
A New York Stock Exchange-listed financial services holding company.
Founder-Chairman and CEO of Kaufman and Broad Home Corp
A New York stock Exchange-listed homebuilder
Director of the Federal National Mortgage Association
Co-owner and co-chair of the Sacramento Kings and Arco Arena
Endowed The Eli Broad College of Business and The Eli Broad Graduate School of Management at Michigan State University
Established the Eli Broad Family Foundation to foster the study and appreciation of the art of the last quarter of the 20th century
Currently listed in Who's Who in the World, in America and in Business and Finance
Boards: Founding chairman of The Museum of Contemporary Art in LA
Vice Chair of World Affairs Council
D.A.R.E. America
Member of the California Business Roundtable
Advisory Committees: Trustee of the Archives of American Art
National advisor to High Museum of Art, Atlanta
Trustee Emeritus of California State University system
Life trustee of Pitzer College in Claremont
Trustee of the California Institute of Technology

BRYSON, JOHN Rosemead
Chairman and CEO, SCEcorp and Southern California Edison Company
Boards: Director, Times - Mirror Company
Director, First Interstate Bancorp
Director, Council on Foreign Relations
Director, Edison Electric Institute
Director, Rebuild LA
Director, World Resources Institute
Trustee, Stanford University
Trustee, Polytechnic School, Pasadena
Chairman, Los Angeles/Pasadena 1994 World Cup Soccer Bid Committee
Overseer for The Huntington
California Council on Science and Technology
California Business Roundtable
Governor's Council of Economic Policy Advisors

COOK, LODWRICK M. Los Angeles
Chairman of the Board and CEO of ARCO
Chairman of the Board of ARCO Chemical Company
Boards: National Junior Achievement
Director, Points of Light Foundation
Director of Rebuild LA
Director of the Business Roundtable
Director of the Business Council
Director of the Los Angeles World Affairs Council
Director of the American Petroleum Institute
Director of the America-China Society
H.F. Ahmanson & Company
Lockheed Corporation
Advisory Committees: Trustee of the George Bush Presidential Library Foundation
Carter Center of Emory University
Trustee of the Aspen Institute for Humanistic Studies
Director of the LSU Alumni Association
Chancellor's Court of Benefactors of Oxford University
Chairman of the Ronald Reagan Presidential Foundation
Chairman of the Library Foundation of Los Angeles

CRUZ, FRANK H. Los Angeles
Chairman, Gulf Atlantic Life Insurance Company
Former President, Latino Museum of History, Art & Culture.
Former Vice-President, General Manager, Telemundo Group, Inc. (Channel 52, Spanish-language TV station with $50 million operation budget)
Boards: Health Network of California
Investors Equity Life Insurance Co. of Hawaii, Ltd
Regional Institute of Southern California
Chairman, California Institute for Federal Policy Research
Rebuild LA
Los Angeles Area Chamber of Commerce
Partnership 2000

DIEPENBROCK, MARTHA Los Angeles
Executive Director, Los Angeles Conservation Corps
A non-profit, locally based organization that employs young people in full and part time community service work and education programs.
She started the LACC in 1986 with 32 full time young people and it has grown to almost 200 full time participants and 200 part time junior high school student.

ESTRADA, LEO F. Los Angeles
Associate Professor, Graduate School of Architecture and Urban Planning, University of California, Los Angeles
On leave and serving as Senior Vice President for Research at NuState, Inc.- a Latino-owned research and marketing firm.
Areas of expertise: ethnic and racial demographic trends particularly the Latino population of the Southwest,

inner city redevelopment, social policy analysis and research methods

Boards: California Policy Seminar
PEW Charitable Trust's Stewardship Initiative
Los Angeles Community Design Center
National Association for Hispanic Elderly
Christopher Commission
Rebuild Los Angeles
Carter, Hawley & Hale, Inc

GAGE, MICHAEL J. Burbank

President and CEO of CALSTART

A non-profit consortium of California companies formed to develop an advanced transportation technologies industry in California.

Former State Legislator from the Napa-Sonoma area.

Former Deputy Mayor and Chief of Staff for Tom Bradley (87-90)

Co-Chairman and co-founder of the national Electric Transportation Coalition

Former professional white water river guide.

GEVIRTZ, DON Los Angeles

Chairman, CEO and Founder of The Foothill Group, Inc

Foothill is a publicly held financial services institution on the New York Stock Exchange

Author: <u>Business Plan for America: An Entrepreneur's Manifesto</u>
<u>The New Entrepreneurs</u>

Boards: G. Heileman Brewing
The 2000 partnership
American Women's Economic Development
Board of Visitors, USC Business School

GOLLEHER, GEORGE La Habra

President and CEO, Food 4 Less Supermarkets, Inc

Operates 248 supermarkets in four states including Alpha Beta, Boys Markets, Viva Markets and Food 4 Less Warehouse stores

Food 4 Less is the largest chain operating in South Central LA and the second larges supermarket chain in the greater four-county LA area

Personally directed the outstanding recovery efforts on the part of Food 4 Less following the April riots in Los Angeles

Board: Certified Grocers
Los Angeles Urban League
The Western ASsociation of Food Chains
President of Board of Trusteesss, Food 4 Less Supermarket Foundation

HUANG, JOHN Glendale
U.S. Representative and Director of Lippo Group
Vice Chairman of Lippo Bank California
Vice President of Lippo Group USA companies
Boards: Director, the National Association of Chinese American Bankers
California Executive Council, Independent Bankers Association of America
Commissioner of California State World Trade Commission
Vice President, Chinese American American Democratic Club
Director, Chinatown Service Center, Los Angeles
Advisory Committees: Vice Chairman, Commission for Economic Development-Advisory Council on Asia
Director, Foreign Trade Association of Southern California
President and Director, California-Taiwan Trade and Investment Council
Co-chair, Pacific Leadership Council
Asian Pacific Advisory Council, DNC

JENKINS, CARLTON South Central Los Angeles
Managing Director, Founders National Bank
1993 recognized as one of the country's "Most Promising Bank Executives Under 40", by the American Banker Newspaper
Boards: American Heart Association
Crossroads National Education and Art Center
100 Black Men of Los Angeles
Community Reinvestment Institute
Children's Bureau of Los Angeles Foundation
Habitat for Humanity Los Angeles
Rebuild Los Angeles
Operation Hope
Southern California Development Corporation
Advisory Committees: FAME Assistance Corporation
Christmas in April of South Central LA
Endowment Advisory Commission, Pasadena
South Central LA Economic Development Commission
Community Advisory Committee for the proposed amendment to the Crenshaw Redevelopment Plan
Mayor's Task Force on Liquor Store Abatement

JOHNSON, DR. WILLIAM R., JR. Carritos
Retired General Secretary of the General Board of Christian Education in the CME Church.
Founder of the CME Council of College Presidents
Founder of the National Young Adults' Conference and the Naional Christian Educators' Institute.
His publication, "Developing the Educational Ministry of the Local Church," is the primary manual used by educators throughout the CME Church.

KYSER, JACK Glendale

Chief Economist and Director of Program Research & Development, The Economic Development Corporation

This is a private, not for profit membership organization whose mission is leadership in the retention and creation of jobs and economic base in the LA area

The "guru of the LA economy" according to the Los Angeles Business Journal

Responsible for interpreting and forecasting economic trends in the LA five-county area

Boards: Economic Policy Council of the California Institute
Southern California Research Society
Lambda Alpha
Valley Economic Development Center
South Park Economic Development Corp

Advisory Committees: Business Advisory Council for the Central City Enterprise Zone
Export Small Business Development Center

LEE, BRUCE Fullerton

UAW Region Six Director

Vice President of the Los Angeles County Federation of Labor

Established the first labor oriented, federally funded job training program in the LA area in 1973

Established the first aerospace training program for dislocated workers for the Rockwell B-I Program with the California Employment and Training Panel and the US Labor Department

Led the UAW team that brought Toyota and General Motors together to form NUMMI in Fremont, California

Founded the UAW Labor Employment and Training Corporation

Helped set up a unified Los Angeles Displaced Worker Program under the City Job Training Partnership Act in 1985

Boards: California Council on Competitiveness
Executive Board of the Los Angeles Private Industry Council
Executive Board of the International Union, UAW
Chairman of the Board of UAW-Labor Employment and Training Corporation
California Council on Science and Technology

LEE, MARK Orange

President of General Aluminum Forgings

Produces precision aluminum parts for the aircraft industry

Chairman of the Democratic Foundation of Orange County

Boards: Trustee of the School of Theology at Claremont

LOZANO, MONICA Los Angeles

Associate Publisher and Editor, La Opinion, the largest Spanish language daily in the country

Vice President, of Lozano Communications.

Under her leadership the paper has won numerous awards for coverage of AIDS in the Hispanic community, prenatal care, and constitutional guarantees for immigrants and refugees.

In 1992 she received the NOW Legal Defense and Educational Fund award; the Silver Achievement Award from the YWCA; and was named one of Top 100 Influential Hispanics from the Hispanic Business list.

Boards: University of Southern California Trustee
Former Los Angeles Community Redevelopment Agency Commissioner
Venice Family Clinic
CARECEN (Central American Refugee Center)
Alliance for Children's Rights
Center for Human Rights and Constitutional Law
CORO Foundation
New Direction for News

Advisory Committees: Vice President, California Hispanic Publisher's Association
National Association of Hispanic Journalists
California Chicano News Media Association
American Society of Newspaper Editors
Inter-American Dialogue

MACK, JOHN W. Los Angeles
President of the Los Angeles Urban League
Recipient of the Whitney M. Young, Jr. Award and Citizen of the Year Award from the Omega Psi Phi Fraternity's 12th District
Who's Who Among Black Americans
Co-founder and Co-Chair of the Los Angeles Black Leadership Coalition on Education (BLCE)

Boards: Rebuild LA
UCLA Chancellor's Board of Visitors
LEARN Working Group
LA County Private Industry Council (PIC)
CLEAR (Citizens for Law Enforcement and Reform)
100 Black Men of Los Angeles
KCET Public Television
Los Angeles Convention and Visitors Bureau

MONTGOMERY, JAMES F. Los Angeles
Chairman and CEO of Great Western Financial Corp. and Great Western Bank
First recipient of the John Wayne Cancer Clinic's "Duke Award" for his outstanding service in the fight against cancer and his humanitarian service to the community

Boards: Savings and Community Bankers of America
California Chamber of Commerce
Director, Neighborhood Housing Services of America
Director, Local Initiative Support Corporation
Director, Federal Home Loan Mortgage Corporation
Director, Federal Home Loan Bank of San Francisco
Founding Director, Hollywood Presbyterian Medical Center
Director, UCLA Chancellor's Associates
American Women's Economic Development Commission
LA Sports Council
Council of Champions

California Special Olympics
UCLA Board of Visitors
John E. Anderson Graduate Schoold of Management
Board of Councilors, USC School of Business Administration

QURESHEY, SAFI U. Irvine
President and CEO of AST Research, Inc.
Designs, develops, manufactures and markets high-performance desktop, server, notebook and pen-based computers as well as pen-computing software development tools
Listed as one of Computer Reseller News' Top 25 computer industry executives

RENGE, BETH Los Angeles
President of Renge Securities & Co, Inc
One of the nation's first Japanese American, woman-owned municipal bond investment banking firm in the country
Boards: Trustee of the Legacy Fund for the Japanese American Citizens League
California School of Professional Psychology
California Leadership

RESNICK, STEWART Beverly Hills
Chairman and owner of Roll International Corporation
A California-based holding company including:
The Franklin Mint - the world's largest direct response marketer
Teleflora - second largest floral service in the U.S.
Paramount Citrus Company - largest citrus grower on the West Coast
Paramount Farming Company - largest producers of almonds and pistachios
Boards: Trustee, Bard College in New York
Acquisitions Committee, National Gallery, D.C.
Co-chairman, Marketing Department Advisory Board, Management Education Council, The Wharton School, University of Pennsylvania

SANCHEZ, Dr. FRANK M. Los Angeles
Owner of McDonald's Restaurant Franchises
President, Board of Harbor Commissioners, WORLDPORT LA
Member, U.S. Congressional Hispanic Caucus Institute
Founding Member, National Association of Latino Elected and Appointed Officials (NALEO)
Boards: Los Angeles Area Chamber of Commerce
Los Angeles Amateur Athletic Foundation
Board of Regents, Loyola Marymount University
Los Angeles Sports Council
U.S. World Cup '94 Host Committee
Board of Visitors, UCLA School of Medicine
Rio Hondo College Foundation, Whittier
United Way, Region V, Los Angeles
Los Angeles Olympic Festival

Valley Improvement Association, Belen, New Mexico
Whittier Blvd. Merchants Association of East Los Angeles
Boyle Heights Chamber of Commerce
City of Commerce Industrial Council
Plaza De La Raza, Los Angeles
President, Boys and Girls Club of East Los Angeles
Trustee, Oralingual School for the Deaf
Los Angeles, Public Broadcasting Station KCET

Advisory Committees: Community Advisory Board, Southern California Edison Corporation

SHOCKLEY, BRENDA YVONNE — Los Angeles

Executive Director, Community Build, Inc

A community based organization committed to addressing the conditions which led to the April 29th civil disturbances, with particular attention to the economic causes

Past President for Finance and Administration/Operations of the Drew Economic Development Corporation (Drew EDC) and the Charles F. Drew University of Medicine and Science

Member of the Affording Housing Commission, Los Angeles

Boards: LA 2000
National Economic Development Law Center
Kazi House Residential Drug Treatment Center
Avalon Carver Neighborhood Center

SOTO, TOM — Los Angeles

President, Founder of PS Enterprises

Environmental policy and public affairs company whose primary activity is to teach the public how to protect the environment and improve the urban quality of life

Founder and chief organizer of The Environmental Justice Forum

President, Coalition for Clean Air

Boards: California State League of Conservation Voters
Secretary, Mono Lake Committee
Regulatory Review Task Force, California Department of Insurance
Westside Chapter, Mexican American Political Association
Santa Monica AIDS Project
Committee of Latinos for the Advancement of Students Santa Monica/Malibu School District

STAFFORD, KATHLEEN — Thousand Oaks

Treasurer, Amgen, Inc

Amgen is the largest independent bio-tech company in the US

THOMPSON, KATHRYN G. — Irvine

Chairman and CEO, Kathryn G. Thompson Development Co.

Real estate, construction and development in Southern California

Chosen by _Campaigns and Elections_ as one of 74 "Women Who Are Changing American Politics

Founding Member, Lusk Center for Real Estate, USC School of Regional Planning

Member of the California Building Industry Foundation's Hall of Fame

Boards: Orangewood Children's Foundation
The United Way
Boy Scouts of America
Orange County Performing Arts Center
Aliso Viejo Community Foundation
Board of Councilors, School of Urban and Regional Planning, USC
Opera Pacific
Orange County, Chicago Title
Trustee, University of California, Irvine, College of Medicine
Children's Hospital Foundation

TOMICH, ROSEMARY Pasadena

Chairperson and President of the Hope Cattle Company
Chairperson and President of Livestock Clearing, Inc
Owner, A.S.Tomich Construction
Senior Executive and Director of Continental Culture Specialists, Inc.
Founding Director of Palm Springs Savings Bank
Director of Occidental Petroleum Corporation.

Boards: Trustee of the Salk Institute for Biological Studies
President's Corporate Cabinet of the California Polytechnic State University
Director of the Betty Clooney Foundation for Persons with Brain Injury

Advisory Committees: University of Southern California School of Business Administration
Democratic Senatorial Leadership Circle
Democratic House Speakers Club

WHITE, FRANKLIN E. Los Angeles

CEO, Los Angeles County Metropolitan Transportation Authority
The agency's 30 year Integrated Metro Plan calls for almost doubling its bus fleet, building a 400 mile rail transit system and a 300 mile high occupancy vehicle network.
Former New York State Transportation Commissioner under Governor Mario Cuomo

Boards: Executive Committee of the national Transportation Research Board

WOOD, JIM Los Angeles

Executive Secretary-Treasurer, Los Angeles County Federation of Labor, AFL-CIO
Member of the Communications Workers of America
Active community and political organizer for the labor movement