

BRIEFING BOOK
FOR
THE TRIP OF THE PRESIDENT
TO
BURBANK, CALIFORNIA
January 19, 1994

Staff Copy

SCHEDULE OF THE PRESIDENT

FOR

WEDNESDAY, JANUARY 19, 1994

SCHEDULER:

ANNE WALLEY

HOME: 202-588-0606

OFFICE: 202-456-7560

WHCA PAGER: 4039

CELLULAR: 202-494-7807

PRESS DESKS:

KARA MCGUIRE / KATHY MCKIERNAN

HOME: 202-965-3730 / 202-337-1126

OFFICE: 202-456-7560 / 202-456-2580

WHCA PAGER: 4429 / 4193

PRINCIPAL EVENTS:

- * **Survey of Earthquake Damage - Los Angeles, CA**
- * **Meet and Greet / Assist Workers - Los Angeles, CA**
- * **Briefing - Los Angeles, CA**

WEATHER:

Washington, DC

Very cold; minimum temperature around 4; maximum temperature around 13

Los Angeles, CA

Sunny; minimum temperature around 51; maximum temperature around 77

Los Angeles Advance Team:

Team Member	Team Assignment	WHCA Pager	Cell #	SKYPAGE pin
Mort Engleberg	lead			
Brent Blakely	site			
Stephanie Owens	site			
Darius Anderson	site			
Sam Myers	press	4430	202-494-9838	
Andy Beatty	press			
Jennifer Aurand	motorcade			

Los Angeles Contact Numbers:

Contact Number	Direct Dial	From White House
Staff Advance Phone		SIGNAL not set up
Staff Advance Fax		n/a
Staff Hotel Phone	213-466-7000	n/a
Staff Hotel Fax	213-462-8056	n/a
Press Advance Phone		n/a
Press Advance Fax		n/a
Signal Operator		n/a
Meet Me Conference	n/a	n/a

**SCHEDULE OF THE PRESIDENT
FOR
WEDNESDAY, JANUARY 19, 1994**

tba

JOG

NOTE: Staff travelling to Los Angeles, CA, with the President should assemble in the West Basement at 6:15 am for an 6:30 am departure via staff vans en route Andrews Air Force Base. Staff driving themselves should arrive at Andrews no later than 7:15 am.

7:45 am		THE PRESIDENT proceeds to South Lawn and boards aircraft
7:50 am		THE PRESIDENT departs White House via Marine 1 en route Andrews Air Force Base [flight time: 10 minutes]
8:00 am		THE PRESIDENT arrives Andrews Air Force Base
8:10 am	EST	THE PRESIDENT departs Andrews Air Force Base via Air Force 1 en route Hollywood Burbank Airport, Burbank, CA [flight time: 5 hours, 15 minutes]
		NOTE: Speech prep may take place en route California.
10:25 am	PST	THE PRESIDENT arrives Hollywood Burbank Airport, Burbank, CA
10:40 am		THE PRESIDENT departs Hollywood Burbank Airport via motorcade en route damaged area at intersection of Highway 405 and Highway 118 [drive time: 20 minutes]
11:00 am		THE PRESIDENT arrives damaged area at intersection of Highway 405 and Highway 118
11:00 am- 11:30 am		SURVEY of damaged area INTERSECTION OF HIGHWAY 405 AND HIGHWAY 118 Staff Contact: Christine Varney POOL PRESS
11:35 am		THE PRESIDENT departs damaged area site via motorcade en route site tba [drive time: 25 minutes]
12:00 pm		THE PRESIDENT arrives site tba

12:00 pm-
12:45 pm

MEET AND GREET / ASSIST WORKERS
SITE TBA
Staff Contact: Christine Varney
POOL PRESS

12:45 pm

THE PRESIDENT departs site tba via motorcade en route site tba
[drive time: 15 minutes]

1:00 pm

THE PRESIDENT arrives site tba

1:00 pm-
2:30 pm

BRIEFING
SITE TBA
Hollywood Burbank Airport
Staff Contact: Christine Varney
POOL PRESS

2:45 pm PST

THE PRESIDENT departs Hollywood Burbank Airport, Burbank, CA, via Air Force 1 en route Andrews Air Force Base
[flight time: 4 hours, 15 minutes]

NOTE: Speech prep may take place en route Washington.

10:00 pm EST

THE PRESIDENT arrives Andrews Air Force Base

10:10 pm

THE PRESIDENT departs Andrews Air Force Base via Marine 1 en route White House
[flight time: 10 minutes]

10:20 pm

THE PRESIDENT arrives White House

BC AND HRC RON

WHITE HOUSE

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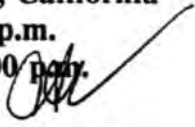
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THE WHITE HOUSE
WASHINGTON

January 18, 1994

HIGHWAY VISIT AND COMMUNITY EVENT

DATE:	Wednesday, January 19, 1994
LOCATION:	Los Angeles County, California
TIME:	10:25 a.m. to 12:45 p.m. and 1:00 p.m. to 3:00 p.m.
FROM:	Christine A. Varney 

I. PURPOSE

You will travel to Southern California where you will meet with residents, community leaders and elected officials to emphasize your involvement, compassion, knowledge, and leadership in response to the January 17, 1994 earthquake.

You will land at the Hollywood Burbank Airport and travel by car to the intersection of Interstate 405 and Interstate 118 to view the damage to the highways. You will then travel by car to a community site at which homes and or businesses have also sustained substantial damage. You will conclude with a briefing from state, local and federal officials at the airport.

HIGHWAY VISIT

After your arrival at the airport and the tarmac greeting has concluded, you proceed to the motorcade where you will travel to the intersection of Interstates 405 and 118. California's highway system is an integral part of the state's economy and the damage that has occurred is of particular concern to the State. You will be briefed by State Transportation officials on the specific economic consequences of the damage. Secretary Pena and Federal Highway Administrator Rodney Slater will also be available to discuss the potential federal response in the area.

COMMUNITY EVENT

From the Interstate intersection you will motorcade to a community site for a walking tour and visit with local residents and business owners affected by the earthquake. More details will be provided as arrangements are finalized Wednesday morning.

AIRPORT BRIEFING

A separate memo covers the airport meeting with state, local and federal officials.

II. BACKGROUND

The National Earthquake Information Center reported 48 earthquake events in the San Fernando Valley from the 6.6 magnitude shook from 4:31 a.m. to 6:00 p.m. PST, Monday, January 17. There have been thirty-three confirmed fatalities. The epicenter occurred at Northridge in the San Fernando Valley, approximately 20 miles northwest of downtown Los Angeles. You declared a major disaster for the State of California at 5:00 p.m. that evening.

The majority of reported physical damage is in northern Los Angeles and southern Ventura Counties. Utility outages and overloads occurred throughout the area, 450,000 people are without electricity and 50,000 are without water. Much of the power grid should be restored within the next 24 hours.

Damage assessments by State and local agencies are continuing. There is substantial disruption to the highway network due to downed overpasses and elevated freeway sections. There are reports of widespread damage to water systems, particularly in the northern San Fernando and Simi Valley areas. Building collapses have occurred in Los Angeles and Ventura Counties. Numerous fires were reported, but are under control. In Los Angeles County, 5 hospitals have been totally evacuated, 1 has been partially evacuated, and 3 others are only accepting walk-in patients. Ten other hospitals are damaged, but still functional. All Ventura County hospitals are on emergency power.

Local utilities report 400,000 city and 750,00 suburban customers are without electricity. Much of the outage resulted from circuit breakers tripping when the quake hit. Most generating stations also shut down automatically, but were quickly brought back on line. Neighboring utilities are sending extra work crews to assist with repairs.

III. PARTICIPANTS

Airport Greeters (the following will also join in the motorcade for site visits):

Secretary Cisneros
Secretary Pena
FEMA Director James Lee Witt
Deputy Secretary of Commerce David Barram
Federal Highway Administrator Rodney Slater
Governor Wilson
Mayor Riordon
Senator Diane Feinstein
Senator Barbara Boxer
Congressman Xavier Becerra (D)

Congressman Howard Berman (D)
Congressman Julian Dixon (D)
Congressman David Dreyer (D)
Congresswoman Jane Harman (D)
Congressman Howard (Buck) McKeon (R)
Congressman Carlos Moorhead (R - Burbank)
Congresswoman Lucille Roybal-Allard (D)
Congressman Henry Waxman (D - Burbank)
Congressman Walter Tucker (D)
Maxine Waters (D)
President of the City Council and other local elected officials

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

10:25 a.m.	Arrive Hollywood Burbank Airport.
10:40 a.m.	Depart Hollywood Burbank Airport via motorcade to the intersection of Interstates 405 and 118.
11:00 a.m.	Survey damage to highway intersection.
11:30 a.m.	Depart en route to community event site
12:00 p.m.	View damage "meet and greet" and make brief remarks to residents / local business owners.
12:45 p.m.	Depart for airport briefing site.

VI. REMARKS

Attached.

Wilkie draft of 1/18/94 8:30 p.m.

The President of the United States
Tour of earthquake damage and visit to relief site
Northridge, California
January 19, 1994

This region of the country has taken all kinds of hits on the chin lately: this earthquake; the fires, civil disturbances, flooding and persistent economic problems.

We've seen a terrible loss of life, of highways, of homes and irreplaceable personal possessions. I have family out here, and many of the people who work in the White House have families and homes out here, too. So, in a very personal way, we have been aware of what people here are going through.

I'm very proud of the immediate, professional response by federal officials, particularly FEMA Director James Lee Witt, Secretaries Henry Cisneros and Federico Pena, and Rodney Slater of the Federal Highway Administration. They wasted no time in getting their agencies to respond so professionally, and I thank them for it.

If I could just step back from the damage for a moment, I would like to say that this earthquake, which came on Martin Luther King Day, has brought out the best in people here. Dr. King would have been proud to see so many people coming together -- across lines of class and race and geography -- to answer each other's urgent needs in such caring and responsive ways.

I'm profoundly impressed by the way in which the people of Los Angeles County have risen to the occasion. They've shown an amazing degree of courage and calmness through all of this, and nearly everyone has extended genuine courtesy to their neighbors and all who remain homeless, in need of water, meals, and basic personal necessities.

I know Americans from all over the country want to pull together behind the people of California just as we did for people in the midwest after the floods last summer. So, I want to thank them in advance for supporting everything my administration will be doing out here over the next long months to follow, as we help people pick up the pieces, rebuild, and get on with daily life.

This emergency only doubles our resolve to see California back on its feet as soon as possible. We're going to do everything we possibly can to make that happen. No earthquake, fire, flood or unrest will keep us away. This administration will stand by California for as long as it takes.

THE WHITE HOUSE
WASHINGTON

January 18, 1994

BRIEFING WITH STATE AND LOCAL OFFICIALS

Date: January 19, 1994
Location: Hollywood Burbank Airport
Time: 1:00 p.m. to 3:00 p.m.
From: Christine A. Varney 

I. PURPOSE

At the Hollywood Burbank Airport, in a gathering hosted by Mayor Riordon, you will meet with the state, local and federal officials. You will be briefed on the current situation in the region, including a discussion of short term response and long term recovery strategy. You will announce specific funds that can be made immediately available. You will announce that you are releasing \$239 million in SBA low interest loans and \$45 million from DOT for infrastructure and debris removal.

II. BACKGROUND

You have just visited the site of earthquake damage at the intersection of Highways 118 and 405 and seen an example of the tremendous destruction. You have also just visited with residents of the area and seen first hand the impact on families, homes and business people.

On Monday, you signed a declaration of major disaster for California, the same day, that the earthquake took place. Federal response, lead by FEMA, in coordination with the Departments of Transportation and Housing and Urban Development, and state and local officials, has been excellent.

III. PARTICIPANTS

CAL	Governor Pete Wilson
LA	Mayor Richard Riordon
FEMA	Director James Lee Witt
HUD	Secretary Henry Cisneros
DOT	Secretary Federico Pena
DOT	Federal Highway Administrator Rodney Slater
DOC	Deputy Secretary David Barram

CAL Dick Andrews (Emergency Management Director)
LA Shirley Mattingly (City Emergency Director)
CA Norm Mineta

Congressional Members Effected By Earthquake

Sen. Barbara Boxer (D-CA)
Sen. Diane Feinstein (D-CA)

Rep. Xavier Becerra (D-CA)
Rep. Anthony Beilenson (D-CA)
Rep. Howard Berman (D-CA)
Rep. Julian Dixon (D-CA)
Rep. David Dreier (R-CA)
Rep. Jane Herman (D-CA)
Rep. Buck McKeon (R-CA)
Rep. Carlos Moorhead (R-CA) [Burbank]
Rep. Lucille Roybal-Allard (D-CA)
Rep. Henry Waxman (D-CA) [Burbank]

Other Congressional Members Representing Los Angeles

Rep. Walter Tucker (D-CA)
Rep. Maxine Waters (D-CA)

Members Invited But Unable to Attend

Rep. Matthew Martinez (D-CA)
Rep. Steve Horn (R-CA)
Rep. Esteban Torres (D-CA)

IV. PRESS PLAN

OPEN PRESS

V. SEQUENCE OF EVENTS

- o The mayor gives opening remarks
- o **YOU give opening remarks**

(See attached opening remarks)
- o The Governor gives opening remarks
- o Senators Feinstein and Boxer give remarks

- o The Mayor leads a discussion on the short term response and long term recovery, focusing on four issues.
- 1. Emergency Response

You may wish to state:

I am proud of the team effort here. The State and Local officials have worked closely with FEMA and other Federal officials. Thanks to this coordinated, effective, quick response many lives have been saved, a relative state of order has existed since the earthquake, the injured have been treated professionally, residents have had food and shelter."

Key Participants: James Lee Witt, Dick Andrews (California Emergency Management Director), Shirley Mattingly

- 2. Transportation and Commerce

You may wish to state:

Freeways are the lifeline of this region. Damage to the freeways impact the transportation, business and social fabric of the region. I have been here many times. I have just witnessed the destruction and Secretary Pena, who has been here since Monday, has briefed me on the significant impact on the region.

Business throughout the region has been impacted. Even in areas where the earthquakes direct impact was not felt, businesses will be adversely affected. The Small Business Administration has already begun to process applications for loans and grants.

Key Participants: Federico Pena, Rodney Slater, David Barram, Norm Mineta.

- 3. Water and Public Safety

You may wish to state:

Many of you have had to boil your water. I understand your hardship. I assure you that in the case of further water difficulties FEMA stands ready to supply water. The People of the Midwest had similar water problems this summer during the floods. Their perseverance and courage was extraordinary and should serve as a model to you.

I commend the heroism of the police and fire departments. They, and other public safety personnel, are a true credit to their communities.

Key Participants: James Lee Witt and Dick Andrews

4. Human Services

You may wish to state:

I have been extremely impressed by the response in the area of human services: provision of shelter, medicine, psychological services. We are striving to have everyone who needs a place to stay in the short term have a safe place to spend the night. Medical teams are on alert from FEMA. Crisis counseling will be provided by FEMA. The outpouring of volunteer support in these critical areas has been exceptional. Many in the community have lost loved ones, homes and businesses; things will never be the same. I am particularly concerned about the children; many will have nightmares for a long time. But the critical support services that are being provided will help assuage some of the pain

Key Participants: James Lee Witt and Henry Cisneros

o YOU give attached closing remarks

Los Angeles Earthquake Presidential Briefing January 19, 1994 AGENDA

I. Introduction (15 minutes)

The Mayor will welcome the audience and introduce the President.

The President, Governor, and Senators will each address the audience for three minutes in the following order: President Clinton, Governor Wilson, Senator Feinstein, and Senator Boxer. The Mayor will then moderate the discussion.

The Mayor will introduce each of the topics with a short (approximately 90 second) description of the subject. He will address specific questions to one or two of the resource persons for each subject (as indicated below). Participants will be invited to interact freely on the subject during the allotted time period. The *coordinated federal response* will be integrated throughout the briefing, with the President taking the lead on inviting input in those areas.

NOTE: ALL PEOPLE LISTED ARE RESOURCE PERSONS ONLY. TIME WILL NOT ALLOW ALL PEOPLE TO SPEAK. RESOURCE PERSONS ARE TO PROVIDE THE PRESIDENT WITH THE MAXIMUM AMOUNT OF INFORMATION REQUESTED IN THE TIME ALLOTTED.

II. Emergency Response (15 minutes)

Mayor Riordan will provide an overview of the City's emergency response and the impact of the earthquake. He will then ask for status reports from the following:

A. Status Report

Office of State Emergency Services
City Administrative Officer
FEMA

Dick Andrews, Director
Shirley Mattingly, Director of Emergency Operations
James Lee Witt, Administrator

B. Additional Potential Subjects for Discussion:

Utilities	Dept. of Water & Power Southern California Gas	Dan Waters, General Manager Thomas Sayles, Vice President
Public Safety	Police Fire Building & Safety	LA Police Chief Willie Williams LA Fire Chief Don Manning Warren O'Brien, General Manager

III. Human Services and Shelter (20 minutes)

Shelter	HUD LA Parks & Rec. Dept. LA City Housing Dept.	Secretary Cisneros Jackie Tatum, General Manager Gary Squier, General Manager
Health	Emergency Medical Services Psychological & Social Impact	LA County Supervisor Yvonne Braithwaite Burke Marlene Wong, Director of Mental Health Services, Los Angeles Unified School District

IV. Transportation (20 minutes)

Department of Transportation FHWA Caltrans LA Dept. of Transportation	Secretary Pena Rodney Slater, Administrator Jerry Baxter, District Director Robert Yates, General Manager
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V. Rebuilding and Recovery (20 minutes)

FEMA (Disaster Application Centers) Small Business Administration -- Loans US Department of Commerce	James Lee Witt, Administrator Erskin Rowles, Administrator David Barram, Deputy Secretary
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(NOTE: Insurance Commissioner John Garamendi will also be present and can address private insurance issues.)

**OPENING REMARKS
EARTHQUAKE BRIEFING
LOS ANGELES, CALIFORNIA
1/19/94**

* As we have seen and heard this morning, reaching out in a calamity of this scope will require the best, coordinated, efforts of governments, communities, and neighbors. That is why our commitment to the people of Southern California began as soon as the earthquake ended.

* Within hours of the quake, the Director of FEMA, James Lee Witt, left for California, as did senior White House staff at my request. Secretary of Housing and Urban Development Cisneros arrived with Mr. Witt. Secretary of Transportation Pena and Rodney Slater of the Federal Highway Administration arrived about the same time.

* Within an hour of the quake FEMA began staffing their emergency response team. They began working with HHS and other federal agencies, and sent several Disaster Medical Teams as well as Urban Search and Rescue teams to California, to be used if the state needed them. Their efforts, in fact, have already been completed.

* Within hours emergency power assessments were conducted, and water tankers were dispatched where needed. FEMA quickly established an 800 number to serve as a Donation Hotline for those who want to assist this community at this time, as well as a second 800 number to receive requests for relief from Californians harmed by this quake.

* All told, Federal agencies have mobilized 1500 personnel in California, Washington, and at the Teleregistration Center in Denton, Texas, to serve Southern Californians in their time of need.

* The Presidential Disaster Declaration that I signed Monday, at the request of Governor Wilson, has now set in motion the full additional range of federal programs to assist individual disaster victims, and to assist state and local governments prepare the facilities that they need to handle this situation.

* These include, among others: temporary housing assistance, disaster unemployment assistance, individual grants for those who cannot qualify for loans, reimbursement for debris removal, and crisis counseling, from FEMA; low interest loans to repair homes and businesses, and to replace damaged personal property, from the SBA; Block Grants to be used at the states direction, from HUD; various public funds to repair schools and bridges and other infrastructure; and, of special importance to Southern California, funds from the Department of Transportation and the Federal Highway Administration to rebuild your fractured

freeways. Secretary Peña and Federal Highway Administrator Rodney Slater are in Los Angeles in particular to assist in the damage assessments of the freeways.

* In a few days, we have done a great deal together. But it is clear that this challenge will require the best efforts of all of us.

* That is why today I am taking the added step of authorizing the release of substantial new, additional funds to ensure that we have done enough to meet the needs of Southern California.

- Today I am releasing new Small Business Administration monies. These funds will support **\$239 million in new low-interest loans** to help families and businesses in the Los Angeles area recover and begin to rebuild.
- I am also releasing today **\$45 million in new funds from the Department of Transportation**. These funds will support debris removal and infrastructure repair in the region. They should greatly accelerate the City's and County's efforts to restore normal traffic, and get this city moving again.

* Finally, we recognize that the costs of this disaster will total in the **billions of dollars**, and that the recovery will span months, if not years.

* I have discussed with Director Panetta of OMB, Senators Boxer and Feinstein, and with Congressman Mineta the need to keep up a strong base of financial support for Southern California during this period.

* This brings me to my final announcement. I have decided, assuming that as a result of this visit and others we get a good fix on cost estimates, to work very closely with them and other Members of Congress to pull together an **emergency supplemental appropriation**. I will make a formal request for these funds promptly after Congress returns on January 25th.

* I am sure Congress will do the right thing. And in the days and months ahead, I am also sure we will all look back once again and remark on the resiliency and courage of the people of Southern California.

**CLOSING REMARKS
EARTHQUAKE MEETING
LOS ANGELES, CA.
1/19/93**

* Southern Californians have struggled courageously for too long against a sluggish economy, social unrest, and fires -- only to be struck by this. But this is a land of optimism, and we are prepared to face this together as partners. Without a doubt, we will make our way through this.

* This Administration is totally committed to doing everything within our power to help Southern California -- with food and housing and financial assistance and medical care. Our response will continue to be very aggressive, highly coordinated, and extremely prompt.

* Finally, three additional points:

* I would like to thank the media -- television and radio and the newspapers -- for coordinating information and keeping people in touch and providing the news and the communication that all of us need, especially in the first moments and hours after an event like this. You have done a great job and a great service.

* Second, the people of Southern California are hurting, but they still remember what it means to be an American. Volunteers have reached out, neighbors have supported neighbors, total strangers have committed acts of quiet heroism to help others in need. We can come together, and it should be lesson for other times as well.

* Lastly, today we are beginning a two-part process. One part is short term disaster relief. The other is long term economic recovery. Our goal is to be a good partner in both the short term and the long term, because the effects of this tragedy will be felt for a long time.

* I would like to thank the Governor and the Mayor, Senators Boxer and Feinstein, local officials, Members of the delegation, and the remarkable emergency response people who have gathered for this briefing. Together, we will help Southern California get back on its feet.



Federal Emergency Management Agency

Washington, D.C. 20472

January 18, 1994

MEMORANDUM TO: William Clinton
President

THROUGH: Christine Varney
Deputy Assistant to the President and Secretary of the Cabinet

FROM: James L. Witt *James L. Witt*
Director

SUBJECT: Information on California Disasters

As per your request, I have prepared the following information about recent disasters in California in support of your planned trip to the State in the wake of the Northridge earthquake.

I hope that you find this information useful. If you should have any questions about this material, please do not hesitate to contact me.

Attachments

North Ridge Earthquake

January 18, 1994, 5:00 p.m. EST

Damage assessments by State and local agencies are continuing. The majority of reported physical damage is in northern Los Angeles and southern Ventura Counties. There is substantial disruption to the highway network due to downed overpasses and elevated freeway sections. There are reports of widespread damage to water systems, particularly in the northern San Fernando and Simi Valley areas. Building collapses have occurred in Los Angeles and Ventura Counties. Numerous fires were reported, but are under control.

Problems are anticipated related to the damaged highway network and shortages of potable water. Search and rescue activities at collapsed apartment buildings and shopping malls are a major concern. Restoration of the electrical system and continuation of emergency power to hospitals and other critical facilities are also of concern. Short and long term shelter requirements still need to be determined.

The number of deaths has now been reported as 34. Number of injuries is estimated at approximately 1,825 (1,075 in Los Angeles County, 750 in Ventura County).

STATUS OF DECLARATION

The President signed a Presidential Disaster Declaration at 5:08 p.m. EST, January 17, 1994. The declaration provides 100 percent funding for direct federal assistance costs for emergency work for the first 72 hours. Los Angeles County is the only county included in the declaration at this time. The declaration number assigned is DR-1008. Frank Kishton has been designated as the Federal Coordinating Officer.

STATUS OF RESPONSE ACTIVITIES

The following is a listing of some of the primary response actions/missions being pursued by Federal departments and agencies, coordinated by the Federal Emergency Management Agency (FEMA):

- FEMA Director Witt, Transportation Secretary Pena, Federal Highway Administration (FHWA) Administrator Slater, Federal Aviation Administration (FAA) Administrator Hinson, and other officials are in Los Angeles to survey the disaster area and provide assistance.
- The Catastrophic Disaster Response Group (CDRG) met at 2:00 p.m. EST on January 18 at FEMA Headquarters in Washington, DC.
- A 1-800 number National Donations hotline was established by FEMA.
- The Denver Mobile Emergency Response Support (MERS) Detachment has deployed 14 vehicles and 28 personnel to March Air Force Base.

- The National Teleregistration Center in Denton, Texas is in operation with full staffing of 200 registrars. Satellite teleregistration centers in Olney, MD and Berryville, VA will be activated within the next few days.
- The National Communications System (NCS) has activated the National Coordinating Center for Telecommunications in Arlington, VA. NCS is coordinating with industry representatives to assess damage to telecommunications networks.
- Federal Railroad Administration (FRA) personnel are enroute or on-scene at the Los Angeles Emergency Operations Center (EOC), the State Emergency Response Center at Sacramento, the Amtrak metro link dispatch center, and the intermodal area at the port of Los Angeles.
- A Prime Power Assessment Team flew into Los Angeles on January 17 and is conducting emergency power assessments for possible forward deployment of military and/or commercial generators.
- The Army Corps of Engineers, in cooperation with the Bottled Water Association, has set up four distribution sites for water in the San Fernando Valley. The Corps has identified structural specialists nation-wide and placed them on alert for technical missions. The Corps has also checked 11 of its dam projects and has found no damage.
- A Joint Coordination Center (JIC) has been established in Riverside for possible fire coordination missions.
- A mobilization center is being established at March Air Force Base. This will be the reception point for the distribution of all personnel, equipment, and supplies for response to the North Ridge Earthquake. Forest Service personnel are being used to assist with activation of the center.
- National aerial reconnaissance assets were tasked and have provided damage imagery and interpretation products. Ongoing reconnaissance activities will continue.
- The American Red Cross has established 22 shelters, and the Salvation Army has set up three.
- The General Services Administration has initiated a damage assessment of 142 leased and 12 Federally owned buildings. They are also providing Federal officials with additional office space and telecommunications and logistical assistance.
- Four Disaster Medical Assistance Teams (DMATs) have been deployed by the Department of Health and Human Services. Three additional teams remain on stand-by.
- Eight FEMA-supported Urban Search and Rescue task forces in the State of California are available. Two additional task forces from Puget Sound and Phoenix and a Technical Support Team have arrived in the State and are staged at March Air Force Base.

- Veterans Administration medical centers in Los Angeles are providing medical assistance and support to veterans and earthquake victims in Long Beach and Loma Linda.
- The Environmental Protection Agency (EPA) is conducting environmental assessments at sites with known hazardous material releases. EPA is also contacting major pipeline companies to discuss their contingency plans.
- The Emergency Support Team located at FEMA Headquarters remains on 24-hour status, and is continually monitoring the status of response operations.

FEDERAL ASSETS

Agency	Personnel	Activated	Deployed
FEMA	Urban Search and Rescue Technical Support Team	1	1 11 Personnel
FEMA	Urban Search and Rescue Task Forces	5	3 132 Personnel
FEMA	Mobile Emergency Response Support Detachments	1	1 28 Personnel 14 Vehicles
ARC	Shelters	22	22 21 Personnel
ARC	Emergency Response Vehicles	54	24
HHS/PHS	Medical Support Unit	1	1 15 Personnel
HHS/PHS	Disaster Medical Assistance Teams	8	4 140 Personnel
USFS	Incident Management Team	1	13 Personnel
EPA	Technical Assistance Team	1	1 8 Personnel
USACE	Prime Power Teams	6	4

EMERGENCY TELEPHONE CONTACTS

FEMA Emergency Information and Coordination Center: (202) 646-2400

FEMA EST Director: (202) 646-3246

FEMA Office of Congressional Affairs: (202) 646-4500

FEMA Office of Emergency Information and
Public Affairs: (202) 646-4600

National Earthquake Information Center: (303) 273-8500

Region IX Regional Operations Center: (415) 923-7058

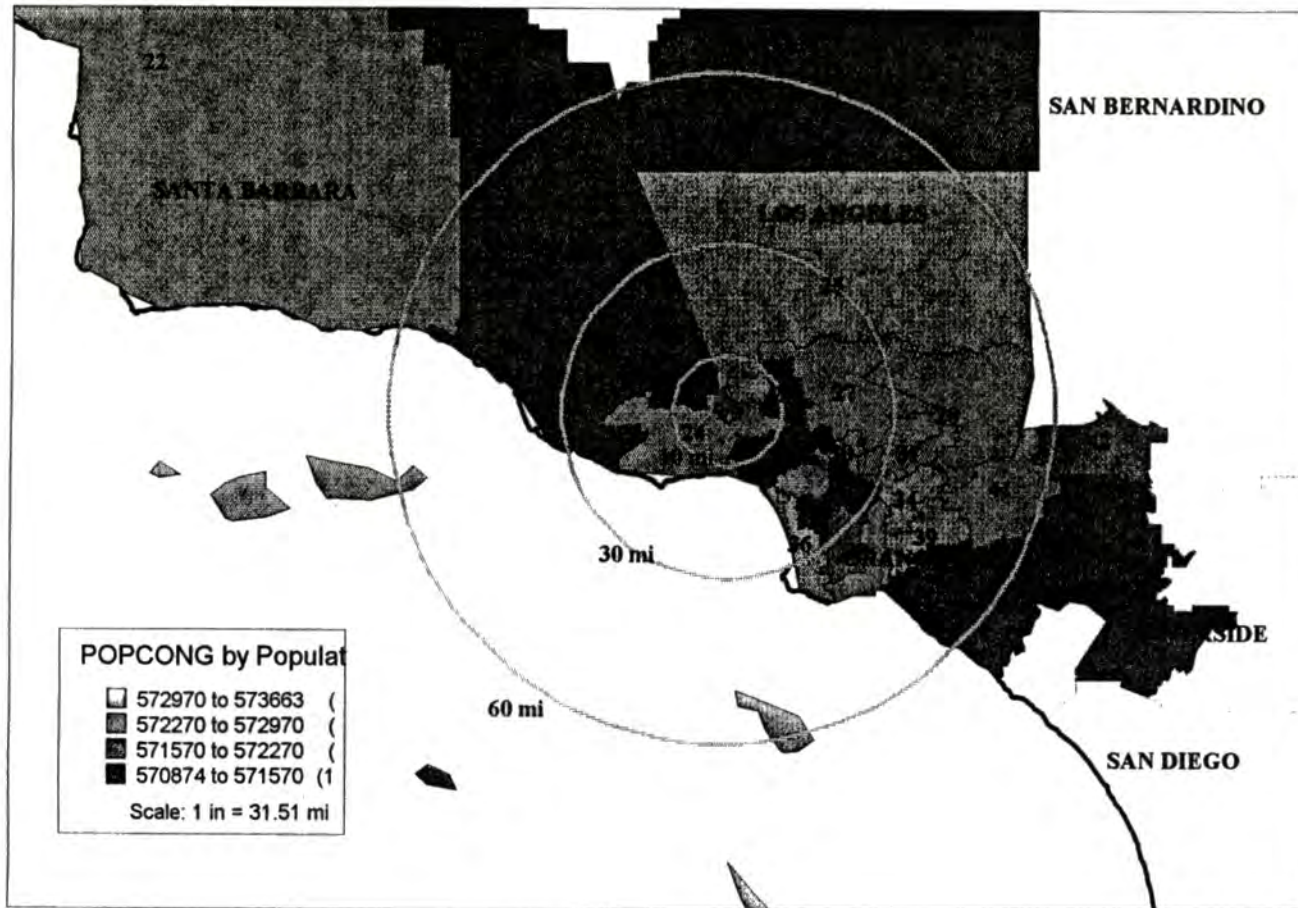
Disaster Field Office: (818) 405-7281

FEMA Donations Hotline: 1-800-342-1100

Red Cross Donations (Cash Only): 1-800-842-2200

National Teleregistration: 1-800-462-9029
1-800-462-7585 (TDD)

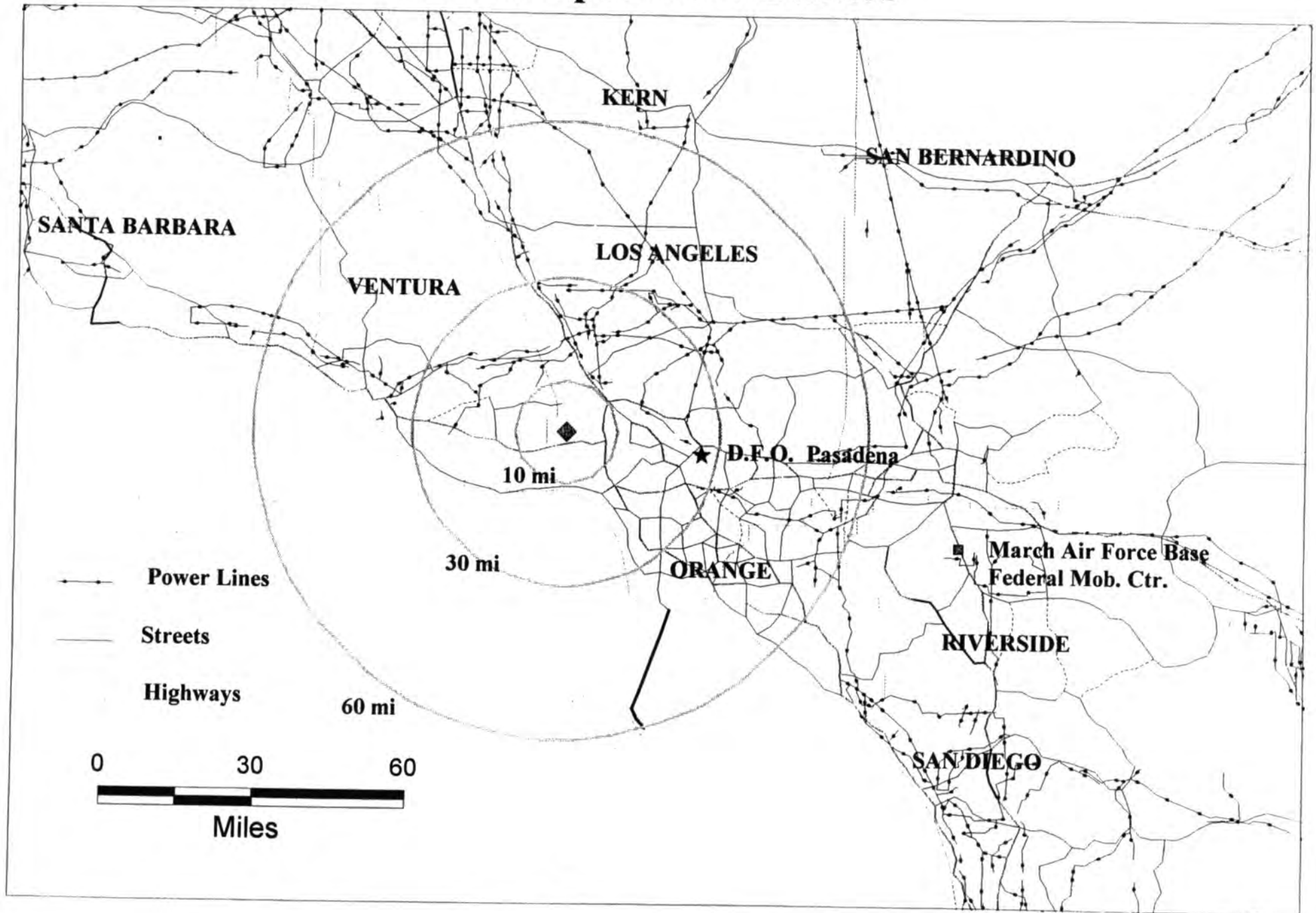
Northridge Earthquake 103rd Congressional Districts



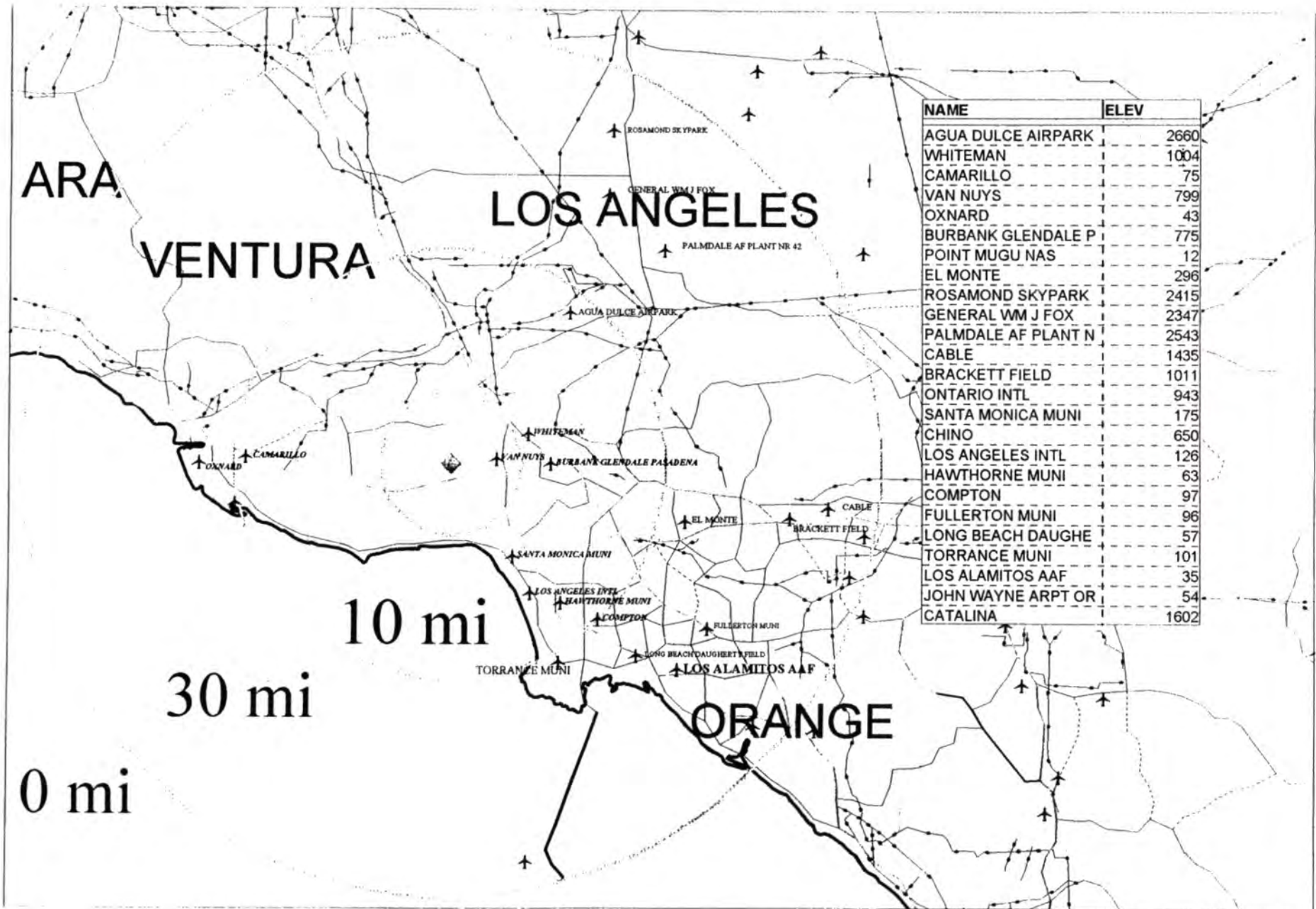
Cong. Dist	Population	Housing	Land Area
CA-21	571300	218942	23093.222
CA-22	572891	222918	15638.204
CA-23	571483	193300	4615.635
CA-24	572563	232664	786.342
CA-25	573105	205124	5329.752
CA-26	571523	187617	180.934
CA-27	572594	230676	789.267
CA-28	572927	200651	1202.512
CA-29	571566	300369	305.424
CA-30	572538	190029	96.467
CA-31	572643	165006	195.341
CA-32	572595	226524	121.953
CA-33	570943	153629	123.852
CA-34	573047	167247	234.032
CA-35	570882	186648	112.790
CA-36	573663	247623	599.725
CA-37	572049	161398	186.963
CA-38	572657	228531	192.324
CA-39	573574	198048	271.483
CA-41	572663	182322	594.744
CA-42	571844	196432	543.378
CA-43	571231	200134	1935.899
CA-45	570874	226144	236.695
CA-46	571380	163094	162.779
CA-47	571518	224182	788.112

FEMA - GIS
18 Jan 1994
0900

Northridge Earthquake Federal Operations Centers

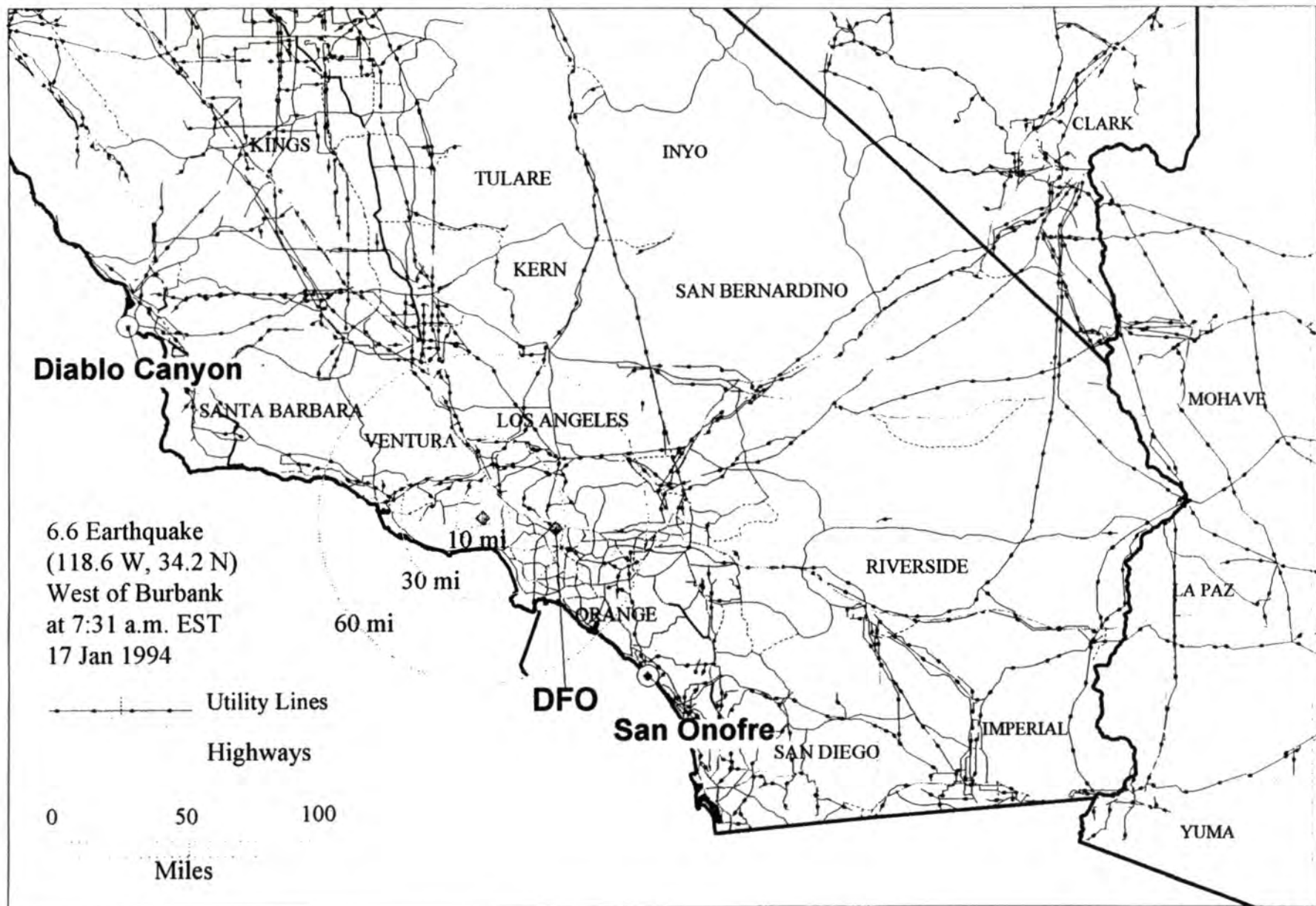


California Earthquake Airports within 60 miles

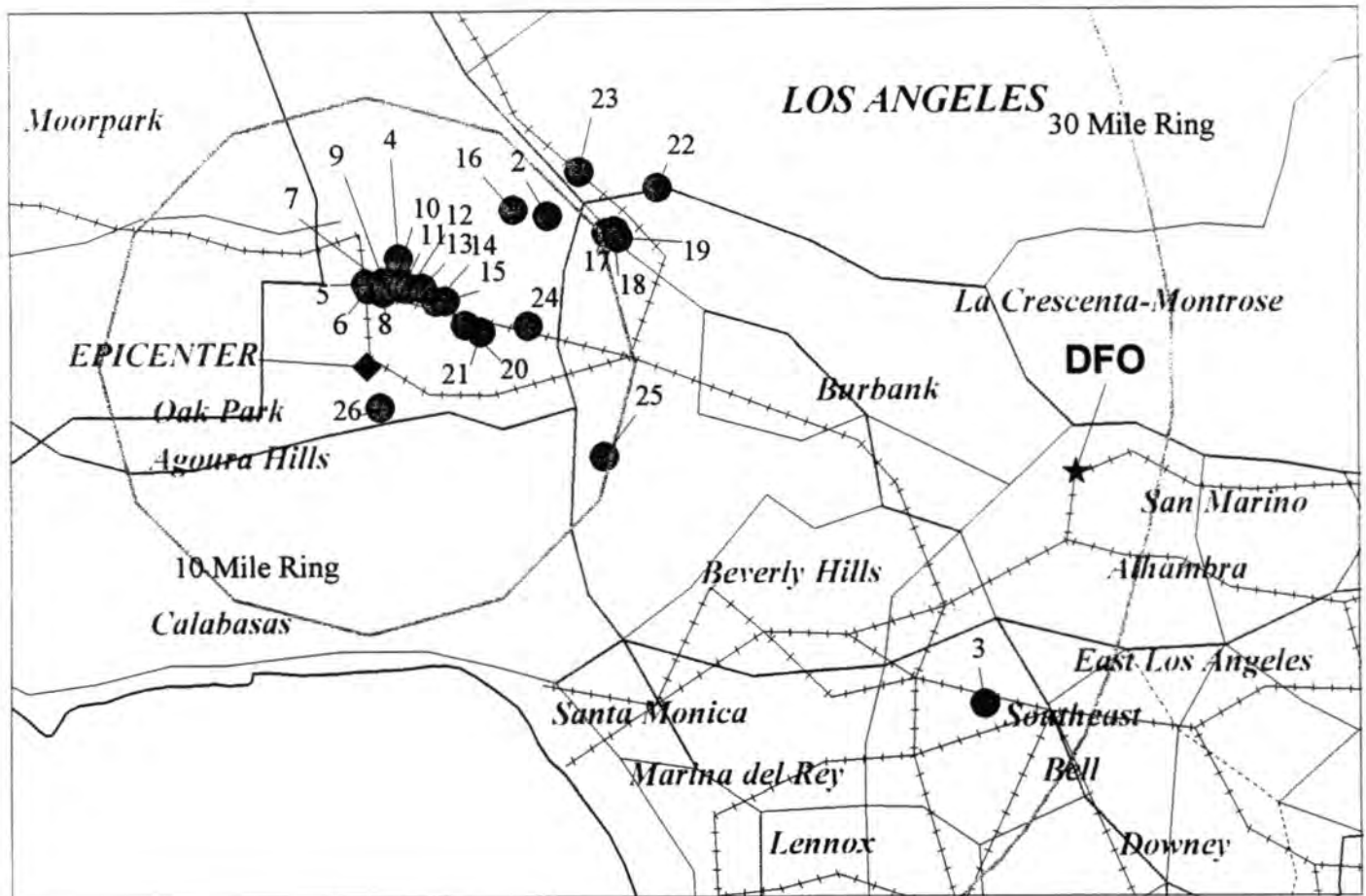


San Fernando Valley Earthquake

Location of Power Reactors



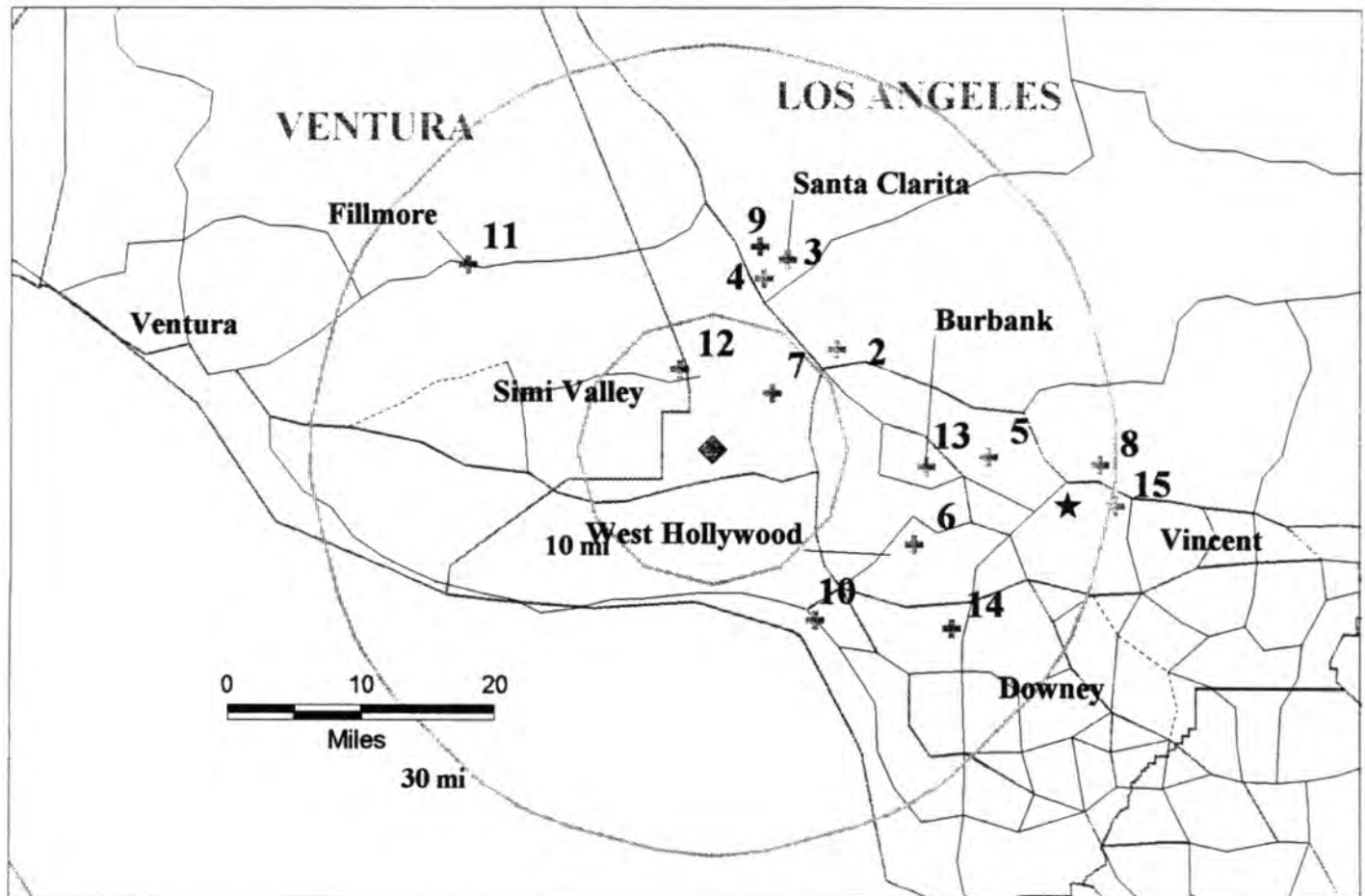
Northridge Earthquake Community Infrastructure Damage



FEMA GIS
18 Jan 94

Id	Community	Description
1	Anaheim	Anaheim Stadium - minor damage
2	Bull Canyon	Transformer substation completely flooded at Rinaldi and Gaviota
3	Culver City	No external damage to Commerce Chemical Plant noted
4	Chatsworth	Shopping Mall partial roof collapse at Devonshire and Mason
5	Chatsworth	Two industrial buildings partial roof collapse at Owensmouth and Plummer
6	Chatsworth	Warehouse partial roof collapse at Hanna and Plummer
7	Chatsworth	Industrial building partial roof collapse at De Soto and Superior
8	Chatsworth	Industrial building partial roof collapse at De Soto and rail line inters
9	Chatsworth	Industrial building partial roof collapse at Praire and Irondale
10	Chatsworth	Industrial building partial roof collapse at Mason and Lasson
11	Chatsworth	Industrial building partial roof collapse at Plummer and Oso
12	Chatsworth	Industrial building partial roof collapse at Plummer and Winnetka
13	Chatsworth	Industrial building partial roof collapse at Plummer and Corbin
14	Chatsworth	Industrial building partial roof collapse at Nordhoff and Tampa
15	Chatsworth	Industrial building partial roof collapse at Nordhoff and Vanalden
16	Granada Hills	Two houses destroyed at Amestoy and Armstead
17	Mission Hills	Fire at hous on Laurel Canyon Blvd and Chamberlin
18	Mission Hills	Building roof collapse on Clymer
19	Mission Hills	Building roof collapse at Haddon and Felding
20	Northridge	Building on Campus of Cal State Northridge was on fire
21	Northridge	Possible ground fissure at an irregular orientation on an open field n
22	San Fernando	Large warehouse partial roof collapse near San Fernando Ranger S
23	San Fernando	Damaged trailer park
24	Sepulveda	Industrial building partial roof collapse at S De Celis and Roscoe
25	Sherman Oaks	Multistory building burned to the ground at Ventura and Beverly Gle
26	Woodland Hills	Two warehouses sustained serious damage at De Soto and Oxnard

Northridge Earthquake American Red Cross Shelters



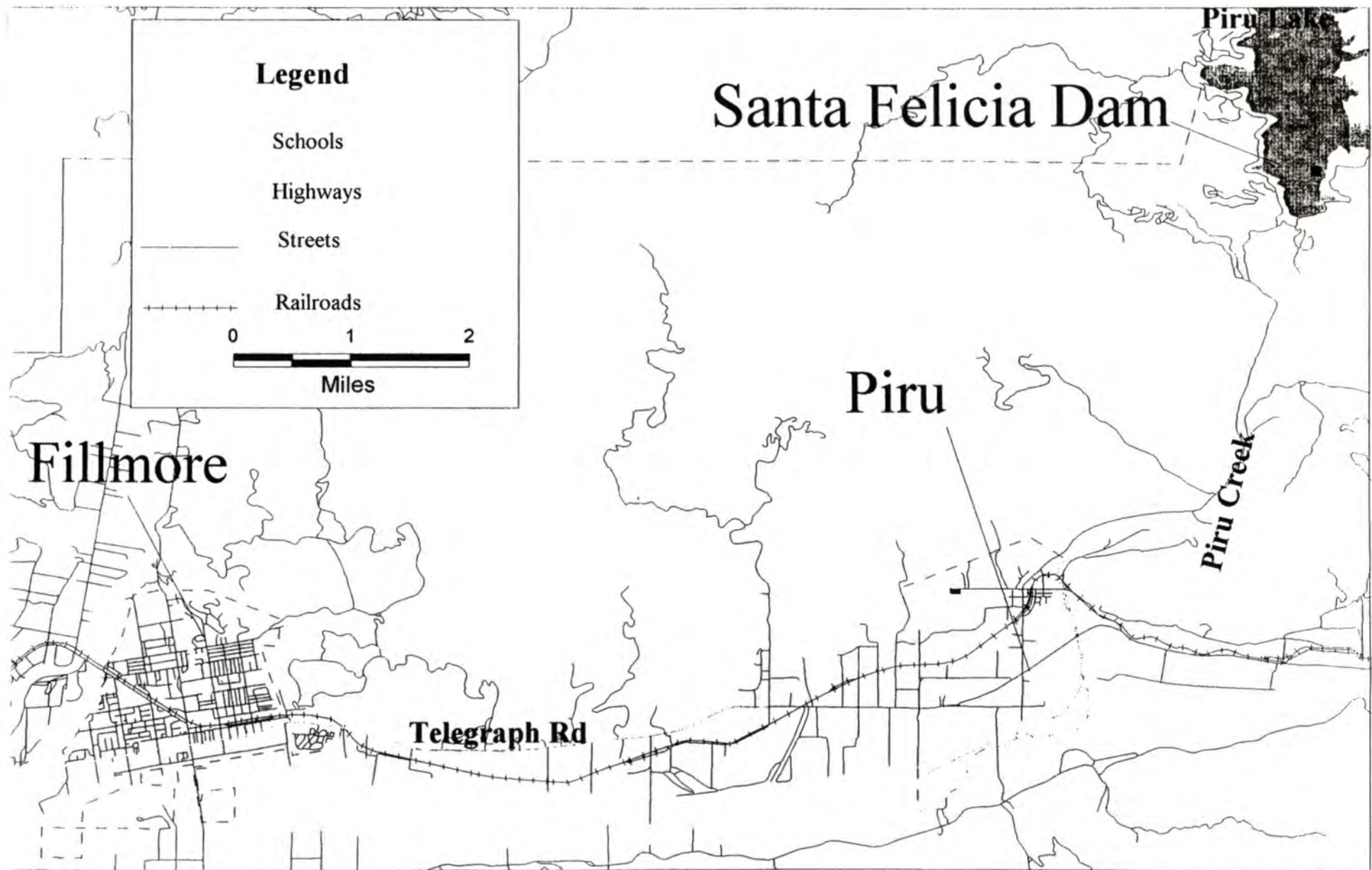
FEMA - GIS
18 Jan 1994
1500

ARC Shelter	City	Open	ID
Sylmar High School	Sylmar	Y	1
San Fernando Recreation Center	San Fernando	Y	2
Canyon High School	Santa Clarita	Y	3
Hart High School/Canyon H.S.	Santa Clarita	Y	4
Glendale Armory	Glendale	Y	5
Hollywood High School	Hollywood	Y	6
Granada Hills High School	Granada Hills	Y	7
Jackie Robinson Center	Pasadena	Y	8
Saugus High School	Saugus	Y	9
Santa Monica City College	Santa Monica	Y	10
San Cayetano Middle School	Fillmore	Y	11
Royal High School	Simi Valley	Y	12
Jocelyn Adlt Ctr/McCambridge R	Burbank	Y	13
Wilson Jr. H. S.	Glendale	Y	15
0			
0			
0			
0			

Northridge Earthquake

Santa Felicia Dam

Fillmore - Piru Area



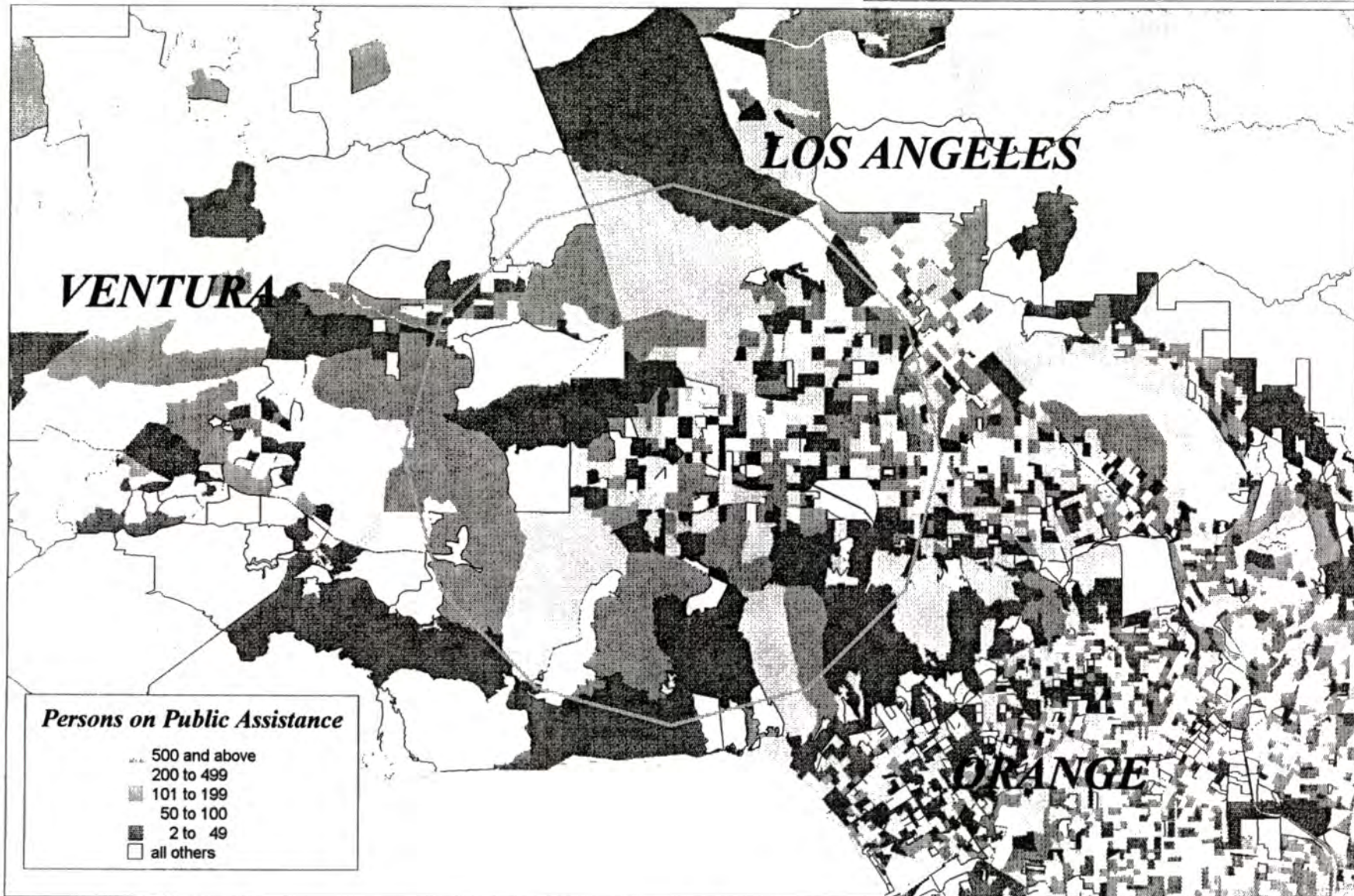
***Northridge Earthquake
Persons on Public Assistance
by Block Group***

Persons on Public Assistance within 10 miles: 53,091

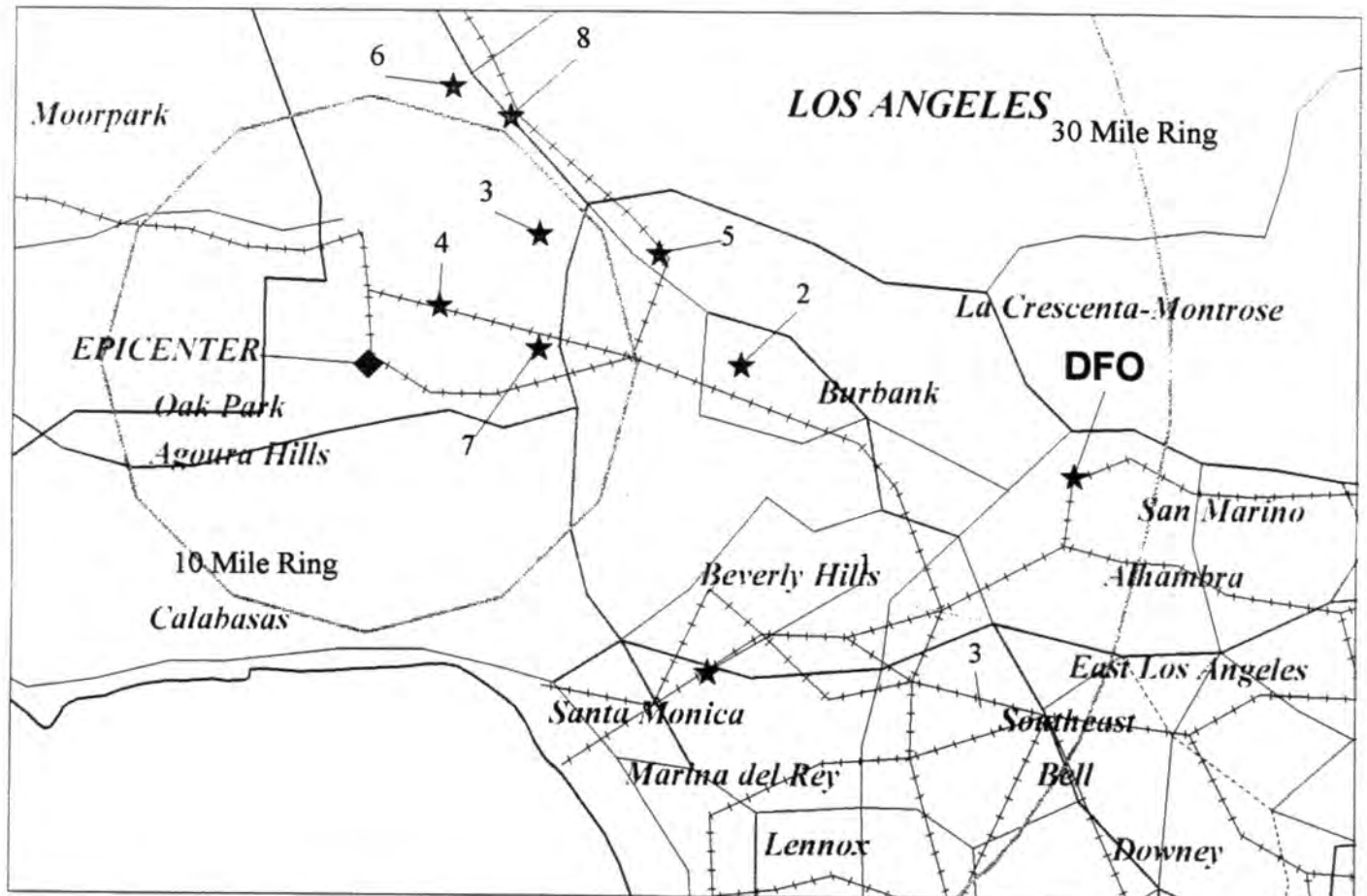
Persons under 15: 12,294

Persons between 15-64: 31,519

Persons over 65: 9,278



Northridge Earthquake Transportation Infrastructure Damage



FEMA GIS

18 Jan 94

id	Community	Description
1	Culver City	State Hwy 10 span near collapse north of Culver City
2	Burbank-Glendale	No damage to Burbank-Glendale Airport
3	Granada Hills	State Hwy 118 overpass collapse between Gothic and Woodley
4	Northridge	20-25 car derailed on Southern Pacific Railroad near Northridge
5	Picoima	Jessup Park Airfield no external damage noted
6	Rice Canyon	US I-5 overpass collapse at The Old Road
7	Van Nuys	Van Nuys Airport, nearby roof damage runways open
8	Weldon Canyon	Two spans of US I-5 overpass collapsed

Summary of the California Wildfires

BACKGROUND

Beginning on October 26, 1994, five wildfires were reported in the hills of southern and central California. These fires quickly spread, driven by hot and dry winds that gusted as high as 90 miles per hour. Over the next nine days, an additional 16 wildfires were reported to be burning out of control, destroying thousands of acres each hour. On October 28, Governor Pete Wilson requested a Presidential disaster declaration for the State of California to permit the use of Federal resources to supplement State and local firefighting efforts, and to bring needed assistance to disaster victims in the affected areas. President Clinton declared a major disaster for the State (designating Los Angeles, Orange, Riverside, San Diego, Ventura, and San Bernardino Counties for both Individual and Public Assistance) later that same day.

Beginning November 10, rains began to fall over the disaster area, causing severe erosion, mudflows, and landslides. These events further exacerbated the damages and hardship caused by the fires by destroying three homes, causing damage to over two dozen others, and blocking both major and minor roadways. On November 12, the State forwarded a request to have the disaster declaration amended to include erosion, mudflows, and landslides occurring within the affected areas as a direct result of the wildfires. On November 19, the amendments to the disaster declaration were approved.

During the response and recovery phases of this operation, the Federal government took numerous actions to bring assistance to the fire area. The U.S. Forest Service, in coordination with State and local authorities, established a Geographic Area Coordination Center (GACC) in Riverside to handle all requests for firefighting equipment and personnel from outside California. Through the GACC, the Forest Service mobilized 9,000 Federal and non-Federal firefighters, 52 aircraft (for transport or water/retardant bombing), catering facilities, and life support for fire operations in order to assist State and local officials. The Department of Defense provided numerous aircraft and logistical support. And in the wake of this disaster, the Small Business Administration has made available millions of dollars in low-interest disaster loans to victims and businesses in the disaster area, and FEMA has provided grants to eligible individuals and families suffering fire losses, disaster housing assistance, crisis counseling assistance, disaster unemployment benefits, and financial assistance to State and local authorities for the repair of public buildings and critical infrastructure.

FEMA Director James L. Witt traveled to California with Senators Boxer and Feinstein on October 28-29 to meet with State officials and coordinate the Federal response effort with State and local activities. He returned again on November 2-4 to tour the disaster area and evaluate ongoing response operations.

FEDERAL DISASTER INFORMATION

- FEMA expects that a total of \$98 million will be necessary out of the Disaster Relief Fund (\$80 million of which are for Public Assistance costs). As of January 18, 1994, FEMA has allocated \$54.16 million from the Fund to address damages caused by this disaster.

- FEMA opened a total of 6 Disaster Application Centers (DACs) in the State in the wake of the disaster. These DACs and the National Teleregistration Center in Denton, Texas, have accepted 2,470 registrations for Federal assistance from fire victims.
- Total public and private costs for this disaster are estimated at \$1 billion.
- A total of 1,241 structures were destroyed in the fires.
- There were 162 injuries and 3 fatalities associated with this disaster.
- Over 197,000 acres of land were impacted by the California Wildfires, with greatest land losses in Ventura and Riverside Counties (66,302 acres and 61,664 acres, respectively).

Summary of the Fires Due to Civil Unrest

BACKGROUND

On April 29, 1992, civil disturbances related to the acquittal verdicts in the Rodney King case turned violent with fires set, businesses looted, people beaten, and loss of life. The violence occurred in various locations throughout South Central Los Angeles. On April 30, Governor Pete Wilson declared a state of emergency and executed the State Emergency Plan. A dusk to dawn curfew was imposed for the entire city of Los Angeles. The violence continued throughout the day and evening of April 30. The California Highway Patrol and the National Guard were called to assist city and county law enforcement personnel restore order and protect firefighting personnel. On the evening of May 1, former President George Bush announced that selected units of the California National Guard had been Federalized and directed members of the U.S. armed forces to assist in restoring order.

A major disaster declaration was requested by Governor Wilson on May 1 to provide Individual Assistance and Public Assistance. As requested by the Governor, former President George Bush declared the City of Los Angeles and Los Angeles County a major disaster on May 2, 1992. This declaration made Federal funding available to affected individuals and local governments.

In response to this disaster, the Department of Defense provided active duty military personnel, federalized National Guard forces to provide law enforcement assistance. The Department of Justice also provided law enforcement through the use of its Marshalls Service. The Public Health Service provided crisis counseling to riot victims and members of the community. The General Services Administration provided office space and established telecommunications for Federal departments and agencies active in the response operations. And FEMA and the Small Business Administration had the primary role in providing recovery assistance. FEMA opened up Disaster Application Centers (utilizing staff fluent not only in English, but also Spanish, Japanese, Portuguese, Chinese, Thai, French and Lao) throughout the affected area, and provided millions of dollars worth of assistance in the form of grants to eligible individuals and families, temporary housing, disaster unemployment, and financial assistance to State and local entities for repairs to public buildings and infrastructure. The Small Business Administration provided many tens of millions of dollars to individuals and families in low-interest loans.

FEDERAL DISASTER INFORMATION

- Approximately 46 deaths and 1,984 injuries were directly attributed to this event. Among the injured were 12 members of the Los Angeles Police Department, 13 members from the Sheriff's Department, 3 officers from other jurisdictions working under mutual aid, and 10 firefighters.
- A total of 12 Disaster Application Centers (DACs) were opened to register and process disaster victims for Federal assistance. Nearly 15,000 registrations for assistance were accepted.
- Over 1,800 structure fires throughout the city destroyed or severely damaged several hundred businesses. Approximately 1,750 firefighters were called to duty. Many apartment buildings and single family homes were also destroyed.

- Current obligations for this disaster total \$160 million. We project total Federal funding for this disaster at \$170 million. Of this, \$106 million represents Public Assistance.

CASTRO, et al. v. FEMA--THE L.A. LAWSUIT

Current Status

- On September 7, 1993, FEMA filed a motion to dismiss the complaint, arguing that the appropriate legislation grants FEMA a great deal of necessary discretion in administering disaster relief assistance. Based on FEMA's authorizing legislation, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, FEMA argued that the court has no jurisdiction to decide the case.
- Instead of ruling on FEMA's motion to dismiss, Judge J. Spenser Letts, of the U.S. District Court for the Central District of California, requested on October 4, 1993 that both sides work together to resolve the issues by trying to draw up a settlement agreement. He gave the parties until February 10, 1994 to report to him regarding the outcome of negotiations.
- Regarding settlement conferences, FEMA is always interested in learning of and implementing new ideas to improve disaster services.
- FEMA has and continues to commit a lot of time to the settlement process.
- The two groups have worked together by phone, by face-to-face conferences, and have exchanged numerous documents and correspondence.
- The next phone conference is scheduled to take place within several weeks.

Background

- On June 16, 1993, Proskauer, Rose, Goetz and Mendelsohn, a large L.A. law firm and eight public interest law groups specializing in issues of housing, poverty, and minorities, filed the suit Castro, et al. v. FEMA, in federal district court in Los Angeles.
- The suit was filed on behalf of fifteen victims of Hurricane Iniki and ten victims of the L.A. riots.
- The plaintiffs filed a motion requesting the court to certify the plaintiffs' suit as a class action, i.e., the plaintiffs would like to include other similar victims in the suit who are too numerous for them to name.

Plaintiff's Allegations

- The plaintiffs allege that FEMA failed to disseminate information adequately regarding disaster assistance.

- FEMA allegedly failed to coordinate provision of disaster assistance with regard to food stamps and the Small Business Administration.
- FEMA allegedly delayed and failed to provide benefits to eligible disaster victims.
- FEMA allegedly discriminated in the provision of disaster assistance.
- The Department of Agriculture allegedly failed to promulgate regulations for the food stamp program.
- FEMA allegedly failed to promulgate and implement its regulations in a legal manner.

FEMA's Defenses

- On September 7, 1993, FEMA filed a motion to dismiss the complaint based on FEMA's authorizing legislation, the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the "Act"). Pursuant to the Act, FEMA has discretion to administer the disaster relief programs in the best way it sees fit. Each disaster is different and brings with it a stylized set of demands, unique problems, different victim circumstances and needs, and different geography, concerns, and resources. The Stafford Act shields FEMA's discretionary disaster decision making from litigation.
- Congress clearly intended to protect FEMA from the burdens of disaster-relief litigation (particularly in light of the need for FEMA to focus its attention and resources on current and more pressing needs such as the North Ridge Earthquake, the Midwest floods, and the California fires). The Act was intended to protect FEMA from the disruptions that might attend judicial second guessing of decisions that must, by definition, be made extremely quickly and under exigent conditions where confusion and incomplete information are likely to be the rule.

Summary of the Loma Prieta Earthquake

BACKGROUND

At approximately 8 p.m. EDT, October 17, 1989, an earthquake measuring 6.9 on the Richter Scale occurred 10 miles north of Santa Cruz, along the San Andreas Fault. The temblor came in the midst of rush hour traffic. Communications were sporadic and most available information came from television news coverage. Extensive damage was identified to San Francisco City Hall, Stanford University and Watsonville Community Hospital. Sections of Interstate 880 collapsed.

Lt. Governor Leo McCarthy (Acting Governor) proclaimed a state of emergency at 3 am EDT on October 18, 1989. Lt. Governor McCarthy requested a major disaster declaration, which was signed by former President George Bush also on this same date. This declaration made Individual and Public Assistance available to the city and county of San Francisco, and the counties of Alameda, Monterey, San Benito, San Mateo, Santa Clara, and Santa Cruz. Contra Costa, Marin, and Solano Counties and the cities of Isleton and Tracy were later designated to receive the same assistance.

In response to this disaster, many Federal agencies and departments provided assistance under the Federal Response Plan. The Department of Defense provided military transports, technical assistance to State and local governments, and structural engineers for building assessments and inspections. The Department of Education provided assistance to rebuild and repair schools in the region. The Department of Transportation provided funding to the State and local governments for road, bridge and airport repairs, technical assistance teams, and equipment to assist with clearing debris-removal and repair of area transportation infrastructure. Provision of office space, supplies and telecommunications was accomplished by the General Services Administration. The American Red Cross opened up dozens of shelters throughout the affected area to provide short-term shelter and food to disaster victims. In the immediate response and recovery, the Small Business Administration provided many millions of dollars worth of low-interest loans to individuals and businesses affected by the earthquake. FEMA also accepted applications from victims at area Disaster Application Centers (DACs), and provided assistance in the form of grants to eligible individuals and families, temporary housing, disaster unemployment, and financial assistance to State and local entities for repairs to public buildings and infrastructure.

FEDERAL DISASTER INFORMATION

- FEMA projects the total Federal (Stafford Act) cost of this event to reach \$636 million. Approximately \$426 million represents Public Assistance costs. As of January 7, 1994, \$546 million has been obligated from the President's Disaster Relief Fund.
- The State of California requested a cost share adjustment for the Loma Prieta Earthquake. The request was denied April 30, 1993.
- Nearly 40,000 applications for Federal disaster assistance were taken in the wake of this disaster.
- Many Stanford University buildings suffered damage as a result of this earthquake. Honest differences between different engineers have resulted in delays in the determination of what work is eligible for FEMA funding. Recently, Stanford's engineering consultant met with

FEMA's engineers and worked out an agreement on eligible work and costs for the Green Library. The paperwork to obligate the additional funds to the State will be completed in the near future.

- The City Hall in San Francisco was damaged by the earthquake. The City feels that a building code was triggered, requiring a full seismic upgrade of the structure. FEMA believes that a seismic upgrade is not required by code and is not cost-effective (a different repair project costing an estimated \$20-\$40 million may prove more cost-effective). Director Witt has convened a group of senior FEMA representatives to examine and help resolve this issue. This group will meet the week of January 24 in San Francisco to further examine issues associated with seismic retrofitting of this building.



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

ASSOCIATE DIRECTOR
FOR ECONOMICS AND GOVERNMENT

January 18, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Leon Panetta

SUBJECT: Los Angeles Earthquake -- Information

With the help of the agencies, my staff has pulled together the following information about yesterday's earthquake in Los Angeles and associated Federal costs that may be needed to repair the damage. In a separate package for this trip, we have prepared documents for you to release DOT and SBA contingency funds which were previously appropriated but are not needed for flood recovery. (1) The \$45 million in DOT funds will be used to make immediate repairs to ease the traffic crisis -- beyond debris removal but less ambitious than the large-scale reconstruction. (2) The \$95 million in SBA contingency funds will support \$239 million in loans. These sums, however, are only a first installment to signal our commitment to move quickly.

Currently Available Federal Resources: Total \$2.5 Billion

In recent years a number of emergency supplemental appropriations have helped cover the costs of an unprecedented series of major natural disasters. As you know, many of these requests also included emergency contingency funds that the President could periodically release to cover unanticipated costs or the cost of future disasters. The following contingency funds and other unobligated balances are available for Los Angeles:

- o The Department of Transportation currently has an estimated \$41 million, of which \$25 million are contingency funds, available to cover the costs of removing debris from interstates and major highways. The Department also has another \$600 million in borrowing authority to meet emergency costs. (These borrowed funds must be "repaid" to the Highway Trust Fund by a subsequent appropriation.)
- o SBA currently has \$215 million in remaining administrative and subsidy budget authority contingencies available to assist Los Angeles. The available subsidy BA will support \$728 million in loans. This compares favorably with the \$593 million in loans disbursed by the SBA after the Loma Prieta earthquake in 1989.

- o FEMA estimates that it currently has \$1,144 million available in disaster relief assistance, approximately one-third of which is contingency funding.
- o Economic Development Administration estimates that it currently has \$88.5 million in unobligated funds available to assist the Los Angeles area, but we have not included that in the total above because it is likely to be needed for flood recovery and relocation assistance.

Damage Estimates Available At This Time: \$1.35 Billion + Highways

At this point, I have very preliminary cost estimates from the SBA, FEMA and HUD. SBA estimates its costs to be \$400-\$600 million, while FEMA and HUD estimate their costs at \$500 million and \$250 million respectively.

I have asked the Department of Transportation to give me their preliminary estimates as soon as possible.

As a crude approximation -- not for public discussion -- Deputy Secretary Mort Downey notes that the total Federal emergency supplemental costs for highways damaged by Loma Prieta in the Bay Area are \$1.3 billion. That catastrophe, however, involved major structural work on only two roads, while the Los Angeles disaster will involve at least nine. Initially DOT has predicted 30-60 days as the timeframe for better cost estimates. The delay results from the need to do extensive inspections, including ultrasound testing to uncover hidden structural weaknesses. We have asked them to explore every feasible means of accelerating that process by, for example, borrowing inspectors from other states.

I expect to receive estimates soon from other agencies (e.g. EPA, Veterans Affairs, GSA) that may have some role in the emergency relief efforts, or will have damaged facilities to repair.

Funding History for Other Major Disasters

Attached is a summary table of Federal government spending for recent major natural disasters.

Attachment

SUMMARY OF DISASTER RELIEF EXPENDITURES
(resources in millions)

05:45 PM
18-Jan-94

<u>Department/Agency</u>	<u>Hurricane Hugo</u>	<u>Loma Prieta Earthquake</u>	<u>Hurricane Andrew/Iniiki/ Typh. Omar</u>	<u>Midwest Flood¹</u>
Fed. Emergency Management Agency..	1,521	702	2,591	1,138
Small Business Administration 5.....	473	593	982	509
Department of Transportation.....	---	1,315 ²	90	201
HUD: FHA Mortgages.....	---	---	2,398	---
HUD (non-FHA).....	---	---	312	250
Corps of Engineers.....	110	15	531	337
Department of Agriculture.....	230	4	359	1,710
All Other.....	492 ³	368	1,240 ⁴	534
Total.....	2,827	2,997	8,503	4,679

1/ All amounts for the Midwest flood are estimates based upon the President's current request and include contingencies.

2/ Includes an additional \$315 million that will be requested in the President's FY 1995 budget.

3/ \$373 million of which is for DoD to repair damage to military installations.

4/ \$725 million of which is for DoD to repair damage to military installations.

5/ SBA numbers represent direct loan levels.

I:\data\htf\quake\disaster

WAIVER OF FEMA 25% LOCAL MATCH ON PUBLIC ASSISTANCE

Q: The Administration reduced the standard 25-percent State/local match for FEMA public assistance disaster relief funds to a 10-percent local match for the Midwest floods. Will you do the same for this California earthquake?

A: We worked hard to achieve a consensus during the legislative debate on the flood, and we need to be consistent. All our citizens need to know that the Federal government will not only move quickly to provide help in such emergencies, but will also ensure that such help is provided fairly according to the same rules.

The decision to reduce the 25-percent local match is based primarily upon the severity of the disaster relative to the fiscal capacity of the State and local governments, or on the economic impact of the disaster in relation to the economy of the nation as a whole.

We can't tell whether an adjustment in the match is called for until we have better numbers from the joint Federal-State damage assessment teams. But we will be fair, and we will move quickly.

[There was also a complicated adjustment in the USDA match under the CCC program. That will not be relevant in this disaster.]

OMB

Possible Questions and Answers on Los Angeles Earthquake

Question: How has the seismic retrofitting program for California bridges evolved and what is its current status?

Answer: The February 9, 1971 San Fernando Earthquake prompted California to evaluate both its current design practices and the need to retrofit existing bridges. Using the results of new research and evaluation of the current world-wide knowledge of bridge performance during seismic events, the California Department of Transportation (CALTRANS) identified vulnerable elements of existing bridges and the need to provide for greater ductility and seismic resistance for existing bridges. As a result, they embarked upon a systematic program to priority rank and retrofit existing bridges along with upgrading their design criteria for new bridges. The initial phase of the CALTRANS program was to install hinge and joint restraints to prevent deck joints from separating. This was judged by CALTRANS engineers and their researchers to be the most cost-effective initial retrofit action to take. All 1260 California bridges judged as needing restrainers were retrofitted by 1990.

The hinge and joint restrainers have performed well but shear and ductility failure of columns such as occurred in Los Angeles at I-605/I-5 during the moderate 1987 Whittier Earthquake emphasized the inadequacies of pre-1971 column designs. Research begun earlier was given further impetus by the Whittier Quake.

The 1989 Loma Prieta proved the reliability of previously installed restrainers but the Cypress Avenue (I-440) viaduct failure in San Francisco brought additional emphasis to the need for column retrofit. The California legislature and CALTRANS decisionmakers made additional funds available for both research and retrofit. CALTRANS began a \$750 million bridge retrofit program with this new funding authority.

All structures were priority ranked based upon a systematic evaluation of their relative seismic hazard and vulnerability and their importance as emergency and transportation routes. A three phase program was followed:

- 1) Install hinge and joint restrainers. This work was completed in 1990 at a total cost of \$55 million.
- 2) Single column structures, judged to be the most vulnerable structures, are generally given higher priority for retrofit. As of early 1993, column retrofit was either complete, under construction or design completed and advertising scheduled for 255 of the 262 bridges identified as requiring single column retrofit. As of January 1994, 90 percent of this \$116 million program has been completed.
- 3) Multiple column structures requiring retrofit are considered lesser priority than single column bridges but they have been priority ranked and a program begun. Of the nearly 2400 bridges evaluated or under evaluation in this program, about 160 have been designed, scheduled or retrofitted as of 1994. Current estimates are that about \$1300 million would be required to completely retrofit all of the 550 bridges judged

to need multiple column retrofit in order to meet current CALTRANS Seismic Safety criteria.

Six of the eight structures which failed during the January 17, 1994 event were scheduled for retrofit in 1994. Two had been screened out as not needing retrofit because they were not close to a known fault. The 1994 earthquake epicenter occurred at a previously unknown fault.

Extensive research in California and elsewhere is continuing and new knowledge and lessons learned from each seismic event will be applied to the CALTRANS retrofit program on a continuing basis.

HNG-32
01/18/94

THE WHITE HOUSE

WASHINGTON

January 18, 1994

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Lorraine Miller

SUBJECT: House Members and the California Earthquake

I. SUMMARY

You will be meeting with members of the California delegation whose districts have been affected by the earthquake. Additionally, members representing the greater Los Angeles area have also invited. Members want information and you can expect a good turn out.

II. DISCUSSION

According to FEMA, the members most affected by the earthquake are Reps. Anthony Beilenson, (D) 24th, Howard P. (Buck) McKeon (R) 25th, Howard L. Berman (D) 26th and Julian Dixon, (D) 32nd.

Beilenson, a nine termmer, claims a tough re-election bid this year and is particularly interested in being seen by his constituents as being actively involved in earthquake recovery. He is disappointed that you will not visit a site in his district, but understands you do not want to make your visit disruptive.

Howard (Buck) McKeon, is a first termmer. McKeon has two of the most widely reported areas of impact in his district, Northridge and Granada Hills. McKeon is concerned about San Creta, a city of some 140 -150 thousands persons just north west of Northridge, has not received it's just media attention nor support from FEMA and the Red Cross. McKeon has expressed concern about the interchange of highways 5 and 14. These two highways are essential to the free flow of traffic and major commercial routes. Your viewing of the interchange of highways 118 and 405 are in McKeon's district.

page 2

Rep. Howard Berman, a six term, has raised concern about the number of people he is seeing that are not staying in shelter. It's his feeling that people fear the structural damage of their homes and apartment buildings a simply refuse to go in them. As a result of building fear, people are choosing to sleep in the parks where there may/may not have services available. Emergency housing is becoming a major concern for his people.

Rep. Julian Dixon, an eight term, reports major damage to the Santa Monica Freeway that runs east-west through the center of his district. He has nine community areas that have major residential and commercial damage. Housing is becoming a major issue of his people also.

Attached is a listing of Members affected, other members from the greater Los Angeles area invited and their committee assignments.

California Members/Burbank

Committee Assignments

Senator Boxer

Banking, Housing and Urban
Affairs, Budget and Environment and
Public

Senator Feinstein

Appropriations, Judiciary and Rules
and Administration

Rep. Xavier Becerra

Education and Labor, Judiciary, and
Science, Space and Technology

Rep. Anthony Beilenson

Rules

Rep. Howard Berman

Budget, Foreign Affairs and
Judiciary

Rep. Julian Dixon

Appropriations

Rep. David Drier

Rules, Joint Committee on the
Organization of Congress

Rep. Jane Harman

Armed Services, Science, Space and
Technology

Rep. Howard (Buck) McKeon

Education and Labor, and Public
Works and Transportation

Rep. Carlos Moorhead

Energy and Commerce and Judiciary

Rep. Lucille Roybal-Allard

Banking, Finance and Urban Affairs,
and Small Business

Rep. Henry Waxman

Energy and Commerce, chair
subcommittee of Health and the
Environment, and Government
Operations

Rep. Walter Tucker

Public Works and Transportation, and
Small Business

Rep. Maxine Waters

Banking, Finance and Urban Affairs,
Small Business and Veteran Affairs

SOUTHERN CALIFORNIA EARTHQUAKE INSURANCE SITUATION

Estimated losses:

There are no reliable estimates of either the total or insurable damage in the Los Angeles quake. The Insurance Information Institute says that the earthquake is "similar to" the San Francisco quake, in both intensity and the types of areas hit. In the San Francisco quake, there was about \$7 billion of total damage, and insurance payments were about \$960 million. A large portion of the uninsured amount was damage to highways and other infrastructure, which governments self-insure. (In comparison, Hurricane Andrew generated \$16 billion of insurance payments.)

What does insurance cover?

Almost all homeowners carry homeowner's insurance. It covers fire and water damage, no matter what the cause. Therefore, homes destroyed by fires caused by the earthquake will be covered under the regular homeowner's policy.

Under California law, all insurers must offer earthquake coverage to homeowners, but it is not part of the regular homeowner's policy. Earthquake insurance in California costs about \$1 per \$1,000 insured, and has a 10% deductible. In other words, on a \$200,000 house (modest for California), a policy would cost \$200 a year, and would only pay for claims over \$20,000. Prices are higher in the areas most at risk, ranging up to \$6 per \$1,000. Earthquake insurance covers claims for damages caused directly by the quake, such as structural damage, broken windows, or collapsed roofs and walls.

Many automobile owners carry comprehensive auto insurance, which covers damage to the car from whatever source, including earthquakes. Some businesses carry property insurance that covers fire and water damage, and business interruption insurance that covers loss of revenues. However, many small businesses are probably not covered at all and many businesses whose property is covered for fire and water damage are probably not covered for earthquake damage.

Who has insurance?

About 15 to 25 percent of Californians carry earthquake insurance on their homes. However, the number is said to be as high as 40% in high risk areas, such as the San Fernando Valley. State Farm, which has about 25% of the California homeowner's market, says about 40% of its policyholders have earthquake insurance. Allstate, with 15% of the market, says about 30% of its policyholders are covered. (Similar estimates are not available for business coverage.)

What are the insurance companies doing?

The insurance companies are mobilizing claims agents from around the country to go to Los Angeles. The Malibu office they jointly opened to help with claims from the fires has been redirected to help earthquake victims.

Why isn't there more coverage?

The price of homeowner's insurance in California is apparently deterring people from purchasing coverage. The insurance industry asserts that too few people in too few states believe they are really at risk for earthquakes, and therefore it is impossible for the companies to spread the geographic risk sufficiently to enable them to lower the price. Although parts of Alaska, Hawaii, Washington state, Nevada, Idaho, Montana, Wyoming, Utah, Tennessee, Arkansas, Missouri and Kentucky are at high risk for earthquakes, and parts of many other states are at some risk, fewer than 5% of the homeowners in risk areas outside California carry earthquake insurance.

Insurance companies also assert that current tax law makes it difficult to build up reserves over time to cover catastrophic events such as earthquakes. Therefore the price of insurance in any one year is higher than it would be if risk could be more efficiently spread out over time.

Coverage is also restricted by availability. While earthquake insurance must be offered in California, that is not the case elsewhere. Other disasters, most notably Hurricane Andrew, have been followed by a withdrawal (or attempted withdrawal) by insurance companies from all or a part of the market.

What can be done?

A coalition of organizations including insurance companies, insurance agents, the AFL-CIO, realtors, lenders, state emergency managers and fire-fighters, is sponsoring the Natural Disaster Protection Act of 1993. This has been introduced in the Senate as S. 1350 by Senator Inouye and has 13 cosponsors and in the House as H.R. 2873 by Congressman Mineta with 62 cosponsors. Hearings were held in the Senate last November and will be held in the House on January 25.

The bills would:

- o encourage hazard mitigation through a program under which FEMA would certify comprehensive state disaster plans and states would be eligible for grants funded by insurance premiums to develop and implement the plans;

- o require FEMA to establish premiums and deductibles for earthquake and tsunami insurance (which is also currently not widely available), which would be made part of the standard homeowner's policy, with premiums remitted to a federal trust fund which would be used to cover claims from these perils; and
- o require FEMA to establish reinsurance premiums to cover situations in which insured losses from a natural disaster or series of natural disasters exceeded 15% of the insurance industry's surplus in one 12-month period (currently 15% equals about \$24.5 billion), which premiums would be paid by insurers to a separate federal trust fund to build up for use when there is a series of catastrophes.

The bills have been slowly building support. They present some interesting ideas for solving both the coverage and availability problems. On the other hand, there are difficult budget and tax issues. We will be working with the coalition over the next several weeks to develop an Administration position on the legislation.

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NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

94-5

Washington, DC 20219

For: IMMEDIATE RELEASE

Contact: Dean DeBuck 202 874-4700

Date: JANUARY 18, 1993

OCC OUTLINES RELIEF ON SOUTHERN CALIFORNIA EARTHQUAKE

Comptroller of the Currency Eugene A. Ludwig announced today various initiatives to assist national banks and their customers affected by the earthquake in southern California.

The OCC's field office in Los Angeles will work with the national banks in the earthquake area to explain and to provide the various forms of regulatory relief available to them. These national banks will be told that, for branches destroyed or severely damaged, they may establish temporary facilities without approval or authorization.

"Banks have a critical role to play in helping Los Angeles recover from this calamity," said Comptroller Ludwig. "We want to make sure that the regulatory system does not get in the way of this critical effort."

The OCC will also issue a bulletin to encourage institutions to work constructively with borrowers experiencing difficulties due to the earthquake. The OCC encourages national banks to make efforts to assess the credit needs of businesses and communities affected by the earthquake.

To help the affected communities, the OCC will advise in the bulletin that:

- National banks may work with borrowers by extending terms of repayment or restructuring borrowers' debt obligations;
- National banks may seek to ease credit extension terms for new loans with certain borrowers, consistent with prudent banking practices;
- The OCC will take into account the unusual circumstances in dealing with any increases in levels of delinquent and nonperforming loans caused by the earthquake;
- The OCC will issue, under provisions of the Depository Institutions Disaster Relief Act of 1992 (DIDRA), an order to waive real estate appraisal regulations for real estate affected by the earthquake;
- The OCC will grant temporary relief to eligible financial institutions from the capital requirements when assets increase due to the influx of insurance proceeds or government assistance.

THE WHITE HOUSE

WASHINGTON

January 18, 1994

MEMORANDUM FOR THE PRESIDENT

FROM Donsia Strong, DPC

SUBJECT Federal Benefits to Illegal Immigrants

Throughout the community struck by the earthquake, California residents are camping in public parks because their homes are too severely damaged to return to them. Like other California residents, the homes of illegal immigrants have been damaged by the earthquake. News reports have indicated recent immigrants are especially afraid of returning to their apartments partly because of their experiences in earlier earthquakes that occurred in Mexico as well as cultural differences in how one responds to a disaster.

No one has asked directly about whether illegal immigrants are eligible for disaster benefits. However, because the disaster area designation provides federal benefits, questions may arise as to what benefits may be provided to illegal immigrants and our rationale for providing the benefits.

The only relevant federal benefits illegal immigrants are eligible for are:

- ◆ **Stafford Disaster Relief Act.**
The Act prohibits discrimination based upon national origin.
Provides for federal disaster assistance during or because of a Presidential declared disaster.
The assistance may take the form of (1) temporary housing assistance; or (2) individual family grants of up to \$11,000.
(Illegal immigrants are not eligible for unemployment assistance.)
Release may be attached.
- ◆ **Public Housing Assistance.**
Because no HUD regulation existed barring illegal immigrants from receiving public housing, in 1989, DOJ found that HUD could not bar illegal immigrants from renting public housing. (In 1988, HUD proposed a regulation restricting illegal immigrant's access to public housing; however, this regulation was never finalized because then-Secretary Kemp did not want to offend the Latino community and he believed such a regulation would add to the homeless population.) The proposed regulation continues under review at HUD.

We do not believe that the potential for disaster relief in any way provides a magnet for people to migrate to the U.S. It would be inhumane to deprive them of very basic necessities in a disaster situation.

**ANHEUSER-BUSCH COMPANIES**

For further information, contact
Paul Wagman or Barry Murov
in St. Louis at 314/982-1700

In Los Angeles, contact Jeanne Ouellette
at 213/629-4974

In Sacramento, contact Chris Thompson
at 916/441-7606

FOR IMMEDIATE RELEASE

News

From: Fleishman-Hillard, Inc.
200 North Broadway
St. Louis, Missouri 63102
(314) 982-1700 FAX 314 982-0596

Anheuser-Busch Donates \$1 Million and Launches Four-Point Program To Assist Los Angeles Earthquake Victims

ST. LOUIS, Mo., Jan. 18, 1994 -- Anheuser-Busch Companies, Inc. today announced that its charitable foundation will make an immediate cash donation of \$1 million to help victims of the Los Angeles earthquake. The company also announced a follow-up four-point program to aid the community.

The financial donation will be made by the Anheuser-Busch Foundation to the American Red Cross and the Salvation Army, the private organizations leading the relief effort. Each will receive \$500,000, with the money earmarked for the counties hit hardest by yesterday's earthquake.

In addition to the donation, the four-point Anheuser-Busch LA earthquake relief effort will include:

- Production and distribution of fresh drinking water to help the tens of thousands of Los Angeles area residents currently without a reliable source of safe water. Water will be produced by the company's brewery in Fairfield, CA and, as needed, by its brewery in Fort Collins, CO.

-more-

Anheuser-Busch donation
add one

- Donations of fresh bread and other food products produced by the company's Rainbo and Earth Grains bakeries in Sacramento, Oakland, Stockton and Fresno. These bakeries are operated by the company's Campbell Taggart subsidiary.
- Donations of clothing from the company's Promotional Products Group.
- An expanded Operation Brightside clean-up program, administered through local community groups, to undertake small-scale repair and improvement projects in Los Angeles area neighborhoods damaged by the earthquake. The company has supported this community improvement program in Los Angeles for many years, employing community young people to clean-up public areas in their neighborhoods and surrounding areas.

The company will work closely with public officials and relief agencies in the next several days to target this aid to people, organizations and areas most in need.

"The thoughts and concern of the 45,000 Anheuser-Busch employees go out to the families and individuals who suffered losses in Monday's earthquake," said August A. Busch III, chairman and president. "Anheuser-Busch has major production and distribution facilities in California and thousands of employees who were affected by the earthquake. We want to do all we can to help our friends and neighbors at a time of great stress."

Anheuser-Busch has a long history of assisting victims of natural disasters dating back at least to the 1906 San Francisco earthquake. At that time, company president Adolphus Busch was in San Francisco and arranged for the company to send \$100,000 to help with relief efforts.

Anheuser-Busch donation
Add two

In 1989, Anheuser-Busch and its charitable foundation provided major funding and in-kind donations of water, food, clothing and clean-up programs to assist in the recovery from the San Francisco earthquake.

Last summer, the Anheuser-Busch Foundation donated \$500,000 to the American Red Cross and Salvation Army for midwestern flood relief and produced about 12 million cans of fresh drinking water for flood victims and relief workers.

Anheuser-Busch Companies, Inc. is a diversified company whose subsidiaries include Anheuser-Busch, Inc., the world's largest brewer; Campbell Taggart, Inc., the nation's second largest producer of fresh baked goods; Eagle Snacks, Inc.; and Busch Entertainment Corporation, which operates 10 family-oriented theme parks. The company's California operations include two breweries, in Van Nuys and Fairfield; an Eagle Snacks plant, in Visalia; Sea World of California, in San Diego; and the four bakeries. The company employs nearly 8,000 people in California.

The company's brewery in Van Nuys sustained some damage in the earthquake, but no injuries to employees or others at that site. The extent of the damage is still being assessed, and it is not yet known when the brewery will resume normal operations.

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THE WHITE HOUSE

WASHINGTON

January 18, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: TOM EPSTEIN 

SUBJECT: POLITICS OF 1989 SAN FRANCISCO EARTHQUAKE

The federal response to the 1989 San Francisco earthquake was widely criticized, largely for the "too little, too late" and unprofessional FEMA operation. Two days after the quake, Vice President Quayle stopped in the area on his way back from Asia. He managed to offend people with his "breezy attitude," as well as the brevity and superficiality of his visit. Five days later, President Bush came to the region, received a briefing from FEMA with Senator Wilson, Rep. Pelosi, Speaker Brown, and Mayor Agnos (now our HUD regional director). He helicoptered to Oakland, toured the Cypress Freeway, did a press conference, and departed. Neither Bush nor Quayle spent any significant time with victims of the disaster. A week after the quake, FEMA had still not established a Disaster Assistance Center (DAC).

In the intermediate time period, Bay Area quake victims had problems obtaining emergency checks for temporary housing, mortgage assistance, and home repair grants. Many displaced seniors and others who depend upon entitlement benefits also experienced difficulty receiving their regular checks through the mail. SBA loan applications proved exceedingly cumbersome. Individuals and local governments which needed FEMA inspections and/or approval to qualify for reimbursement before making needed repairs were often held up for weeks. The great success of the first year was the reopening of the Bay Bridge.

Long term, the big problem continues to be the unrepaired Cypress Freeway. Four and a half years after the quake, construction has not yet begun on the major north-south thoroughfare of the East Bay and a principal feeder line of the Bay Bridge. Local politics have played a part in the delay, since residents near the collapsed freeway want it moved to an industrial area a few blocks to the west. Engineering and money issues have also slowed things down. People are mixed regarding who deserves the most blame. It also took over three years to repair the I-280 spur into downtown San Francisco, and several access ramps are still not completed. Another problem was removal of the debris from the collapsed roads. It took well over a year to clean out many of the most damaged areas, leaving huge slabs of cracked concrete as a monument to government inefficiency.

CALIFORNIA POLITICAL BRIEFING

prepared by Tom Epstein

January 18, 1994

POLITICAL NUMBERS

1992 Primary

Clinton	47%
Brown	40%
Others	12%

1992 General

Clinton-Gore	47%
Bush-Quayle	32%
Perot-Stockdale	21%

November, 1993 Election Results:

Prop 174 (School Vouchers) lost 70%-30%

Prop 172 (1/2-cent sales tax increase) won 58%-42%.

Prop 170 (delete 2/3 vote requirement for property tax increase) lost badly.

Democratic candidate Gary Patton lost the race to retain Sam Farr's Santa Cruz Assembly seat by 6%.

In a December special state senate election, Democrat Steve Peace narrowly retained a recently vacated San Diego seat. Democrats hold just a two-seat margin in the Senate.

Recent Polls:

A November, 1993 California Field Poll showed the following:

- * President's job performance numbers up 11% since August (38% excellent/good; 35% fair; 25% poor)

- * 54% like the President somewhat or a lot; 22% dislike him

- * Californians supported the President's health plan 57%-31%. Democrats supported it 75%-13%.

A late October Mellman-Lazarus-Lake poll gave the President a 62% favorable rating, but job performance was 45% positive, 52% negative.

OTHER PRESIDENTIAL VISITS

The President has visited California on eight previous occasions:

- * In late February, he promoted the economic plan in Santa Monica and announced a technology package in Silicon Valley

- * In mid-May, he did a town hall in San Diego and two job training events in Los Angeles, plus a Mike Woo endorsement

- * In June, he addressed the NEA in San Francisco
- * In August, he promoted the base transition program in Alameda County
- * In September, he did a reinventing government event in Silicon Valley
- * In October, he visited Sacramento for a town hall, San Francisco for the AFL-CIO convention, and Los Angeles for a fundraiser and senior health event
- * In November, he stopped in San Francisco for a Feinstein fundraiser, attended church in Pasadena, and visited a Northeast Los Angeles church festival.
- * In December, an economic roundtable was held in Canoga Park, followed by two fundraisers in Beverly Hills.

GENERAL POLITICAL LANDSCAPE

Californians are gearing up for a busy election year, with many initiatives and competitive races dotting the political landscape. Term limits have fostered an epidemic of retirements and office-shopping: every member of the State Assembly and half the State Senate (16 of the 20 are Democrats) will turn over by the end of 1996. Meanwhile, corruption trials continue to percolate through Sacramento. Last November, a former Democratic State Senator and a prominent insurance industry lobbyist were convicted of multiple felonies.

Governor Wilson remains unpopular, though he has pursued a consistently aggressive strategy in recent months blaming the federal government for most of California's problems. The "twin pillars" of his re-election message are jobs (he's for them) and crime (he's against it). He recently returned from a national tour of corporate headquarters touting California as good for business, but the earthquake forced the cancellation of his January "Crime Summit" in Los Angeles. In his State of the State, he called the administration's defense cutbacks and base closures both unwise and responsible for the state's unemployment problems. Even more cynically, he offered a small tax cut to low and middle income taxpayers to compensate for what he called the Clinton middle class tax increase. His new budget left a \$3 billion hole to be filled by the federal government. Specifically, he requested \$2.3 billion to offset the costs of illegal immigration, including \$1.7 billion for K-12 education. The press treated the governor's request as unrealistic, but Democratic legislative leaders indicated they would join the governor and lobby Washington in support of at least part of his proposal.

Our response to the Wilson assault is two-pronged: we point out all we have already done for California while cautioning that the federal budget simply doesn't permit massive new spending programs. We also note that Wilson never made similar requests from the prior regime. This administration has increased California's allotment for immigration costs (about \$500 million), indigent health care (almost \$600 million), and low-income students (\$50 million), and over 2 million California families received tax cuts totaling \$3.7 billion under the EITC. Moreover, California has benefited greatly from our defense transition program, receiving nearly a quarter of all funding released so far under this \$20 billion, 5-year program. Wilson, of course, never requested

immigration funding from President Bush, nor did he promote defense conversion strategies at either the state or federal level as governor or senator. The governor's proposal for a multi-billion dollar new spending program to offset costs of illegal immigrants is a non-starter in Congress. In fact, the administration did request an additional \$400 million for illegal immigrant emergency health care, but Congress deleted the appropriation.

Despite an upward bump from Wilson's assault on illegal immigration last summer, he remains deeply unpopular and confronted with numerous issues that may haunt his reelection hopes. His job approval is only 31% (55% disapprove) and he trails both potential Democratic opponents by more than 15%. He has suffered from the aforementioned corruption trial, in which the convicted lobbyist boasted that the governor's lottery director was "our gal." Within days, she had resigned, but at least two other advisors to the governor maintained close contacts with the principal lottery supplier. He also came under scrutiny for financing a two-week trade mission to the Far East through a phony nonprofit organization underwritten by the business executives who travelled with him.

Other recent political items of note. . . The state enacted a bill last session moving the *1996 Presidential Primary* up to the fourth Tuesday in March. Los Angeles is also mounting a bid to be the site for the *1996 convention*. *School voucher* proponents are expected to try again with a more moderate measure next fall, a *three strikes and you're out* mandatory life imprisonment initiative will qualify for the ballot, an underfunded grassroots coalition announced plans to pursue a *single-payer health care initiative*, and at least two extremely punitive *illegal immigration initiatives* are being circulated.

STATEWIDE CANDIDATE ROUNDUP

Kathleen Brown is still the favorite in the gubernatorial primary against John Garamendi. She leads by 12 to 17% in the recent polls and has added to her already huge fundraising advantage. Brown's switch on NAFTA, while likely to hurt her in the general election, effectively disarmed Garamendi of his most potent primary issue against her. She finished the year with over \$5 million on hand. On policy matters, she has announced a comprehensive immigration program that strongly criticized Wilson's approach while endorsing a national identity card, greater penalties on employers of illegal workers, and more frequent workplace inspections. She also called for using the military to back up the Border Patrol. Wilson responded quickly, attacking her for misstating facts and general naivete on the subject. She has also delivered major policy addresses on education and crime. On the latter issue, she endorsed very strong penalties (including 3 Strikes, You're Out), but opposes the death penalty.

Meanwhile, *Garamendi* is taking public credit for the administration's health care proposal as he promotes it all over the state. He is also very visible helping fire victims with insurance problems--both the fires and the earthquake gave him significant free

media opportunities. His high-profile assaults on the insurance industry have played well with voters, but created a deep reservoir of opposition from the insurance industry. With Wilson as their ally, they have passed legislation limiting his authority and instigated audits that are certain to embarrass Garamendi when they are completed next year. Pledging to run a unique grassroots campaign, he has promised to visit every county in the state. While not releasing a specific figure, he claims to have over a million dollars in the bank.

Senator Feinstein's most serious challenger is multi-millionaire Congressman Michael Huffington, who announced his candidacy last November. "Stop her before she taxes again," is his battle cry, strongly denouncing her budget vote. He is a pro-choice environmentalist and supported allowing gays to serve in the military. With the recent withdrawal of Congressman Christopher Cox from the race, his only primary opponent is right wing wacko Bob Dannemeyer. Feinstein attracted widespread favorable publicity with her strong sponsorship of the assault weapons ban, effectively countering Republican opposition and getting the amendment through the Senate. She has been getting good reviews on her first year in office and raised \$1 million at her Presidential fundraiser in November. She has requested a second fundraising event with the President.

Former state party chair Phil Angelides is challenging Senate President David Roberti in the race for State Treasurer. Roberti, who has been extremely helpful to the administration in the smog check controversy (see below), may benefit from a flaky recall campaign being conducted against him by opponents of his support for an assault weapons ban. San Francisco District Attorney Arlo Smith and Orange County Assemblyman Tom Umberg will battle for the right to challenge incumbent Republican Attorney General Dan Lungren. A variety of state legislators and others are considering races for Controller and Secretary of State assuming the incumbent, March Fong Eu, receives her coveted ambassadorship (she will get Micronesia pending her background check). Mike Woo has emerged as the favorite for Secretary of State. Controller Gray Davis is running unopposed for the Lieutenant Governor nomination.

LOS ANGELES POLITICS

A social and economic depression has infected Los Angeles--first the riots, then the riot-related trials, the fires, and now the earthquake. For the only time in their lives, many Southern Californians have lost faith in the future. Many younger homeowners have seen their equity shrink by tens of thousands of dollars with the precipitous drop in real estate values. Most economic forecasts indicate the worst is still to come, with more layoffs expected in defense-related industries. On the positive side, L.A. coped peacefully with the Reginald Denny beating trial verdicts, though many feel the jury was too lenient. Meanwhile, a third defendant pled guilty to one felony and was released from jail. The two police officers convicted in the Rodney King beating trial were finally incarcerated in November.

In the June, 1993 election, Republican businessman Richard Riordan defeated Democratic Councilman Michael Woo by a 54-46% margin. Riordan is the first Republican mayor of Los Angeles in thirty years. Since the election, the administration has actively reached out to him. He has met twice with the President and hosted a reception for Attorney General Reno. Riordan has campaigned for our crime bill, but opposed NAFTA. On Thanksgiving weekend, he said nice things about the President on Face the Nation. L.A. recently received the largest grant from our community police program, \$4 million. Riordan's campaign chair and top political advisor is Bill Wardlaw, who chaired the Clinton campaign in California in both the primary and the general.

Riordan has received favorable publicity from the L.A. Times of late for a variety of actions. With the helpful intervention of Secretary Pena, Riordan's tough stance with the airlines forced them to back down from a threat to not pay increased landing fees. He continues to explore every avenue of paying for more police, and Congressman Howard Berman has offered a compromise proposal supporting the Mayor's efforts to use airport revenue for public safety. Riordan's worst publicity concerns some of his appointments, especially a deputy mayor for business development (Al Villalobos, an ally of City Councilman Richard Alatorre) who had declared bankruptcy several times and whose business partner went to jail.

Four newcomers were elected to the L.A. City Council in July, including the first openly homosexual councilmember, Jackie Goldberg. Two long-time incumbents were defeated as Los Angeles voters demonstrated a strong desire for change. The city also elected a minority majority School Board for the first time: five of the seven members are non-Anglo. In December, westside County Supervisor announced he would not seek re-election. City Councilman Zev Yaroslavsky is the favorite to succeed him.

KEY ISSUES

Immigration remains the hot button issue for 1994 in California. With Wilson relentlessly exploiting economic and racial fears, Democrats have scrambled to look tough without crossing the line into jingoism. Feinstein has made many public pronouncements, including advocating a one dollar border-crossing fee. Boxer called for National Guard troops to patrol the border, a notion that is making some progress in Congress. Kathleen Brown continues to push hard on negotiating with the Mexican government to evict alien criminals in mid-sentence. Several members of Congress strongly support this proposal, as well. Attorney General Reno raised this issue in recent discussions with her Mexican counterpart, and they agreed to explore possible cooperative arrangements. Brown's immigration speech sharply attacked Wilson on the health and education issues and challenged his "magnet" theory--suggesting instead that a job, not a handout, was the underlying motivation for illegal immigrants. The President's new budget will include a significant immigration initiative, but will fall far short of Wilson's funding request.

The EPA's tough stance on **auto emission legislation** resulted in a confrontation with Democratic legislators and the governor in the 1993 legislative session which culminated in the issuance of proposed sanctions on January 7. Under the federal Clean Air Act, states must meet EPA standards or risk losing federal highway monies. The sanctions will not take effect until the spring, leaving the state time to develop a plan acceptable to EPA and enact it in the next few months. EPA negotiated with the key players during the fall and winter, making substantial progress. A few important hurdles must still be cleared, however, including dealing with the governor and the highly independent chair of the Senate Transportation Committee, Quentin Kopp of San Francisco. The initiation of sanctions did not play well in Sacramento, with Katz and the governor's office criticizing EPA for heavy-handed bureaucratic behavior. Last week, the Senate Transportation Committee passed a bill that doesn't meet EPA standards, and our allies in the legislature are attempting to slow it down. The earthquake freeway damage will force a reevaluation of our strategy on this issue.

In August, Secretary Babbitt announced a public hearing would be required before the controversial Ward Valley property could be transferred to the state for use as a low level **radioactive waste disposal site**. Governor Wilson raised the stakes on this issue in October by approving the operating permit for the facility pending Babbitt's decision on the land transfer. When Wilson refused to negotiate in good faith over the details of the hearing, Babbitt announced in November that he would postpone his hearing until state court challenges to the license are completed. Opposition to the facility is led by Senator Boxer, the L.A. Times, State Senate President Roberti, environmentalists, and Hollywood types.

Another environmental issue in the news is Senator Feinstein's **Desert Protection Act**, which would set aside millions of acres of California desert for national park and wilderness status. Expected to move rather easily through the Senate, the bill was temporarily stalled in committee in a bitter partisan struggle, but Feinstein successfully moved it out of the Senate and passage now seems assured. There is some disagreement between Feinstein and environmentalists over grazing provisions in the bill.

Finally, federal agencies are moving to restrict the amount of **water** that can be diverted from the San Francisco Bay to Central Valley agriculture and cities in Southern California. Several federal laws require this action, which will prove controversial when finalized during the winter. Wilson's reaction has been schizophrenic, blaming the Feds for heavy-handedness while keeping the door open to continuing discussions.

THE WHITE HOUSE

WASHINGTON

January 18, 1994

MEMORANDUM FOR THE PRESIDENT

FROM: Paul Deegan
National Economic Council

SUBJECT: Background Information on the California Economy

This memorandum presents background information about current conditions and issues in California. It addresses (i) issues of major concern in the state, and (ii) Administration programs that will help the state.

I. PRESSING ISSUES IN CALIFORNIA

- *Federal Reserve on the California Economy* -- Economic weakness persists in California. Manufacturing, construction, trade and financial sectors remain sluggish. Sluggish conditions also persist in most real estate markets in southern California. (Source: Federal Reserve, 12/8/93)
- *L.A. Businesses Hit Hard By Quake* -- Corporations with major operations in the Valley (such as Rockwell, Lockheed, Hughes Aircraft, 20th Century Insurance and Great Western Bank) all remained closed on January 18. Home repair firms such as HomeBase are reporting brisk business in plumbing and electrical supplies, flashlights, batteries, generators and other items. (Source: UPI, 1/18/94)
- *Norton AFB* -- On January 18, the Air Force signed a lease, transferring the airfield portion of Norton AFB to the San Bernadino International Airport Authority (SBIAA). The SBIAA will now begin work to create a passenger airport and business park at Norton. Tuesday's action follows resolution of some thorny issues (a compromise was reached accommodating the needs of local homeless providers) and marks a major step forward for defense conversion in Southern California. The transfer is fully consistent with the goals of your five-point plan to speed economic development when bases close (announced by you on July 20).

- **NAFTA** -- California's exports to Mexico and Canada reached \$13.9 billion in 1992, and supported 190,000 jobs. (Source: USTR)

CA's Exports to Mexico, 1987-1992 -- Thousand \$ (Source: DoC)

	<u>1987</u>	<u>1992</u>	<u>% Change</u>
Total Exports to Mexico	2,260,000	6,560,000	190%
Electric & Electronic Equipment	430,000	1,500,000	250%
Industrial Machinery & Computers	385,000	1,035,000	170%
Transportation Equipment	80,000	390,000	380%
Fabricated Metal Products	130,000	345,000	160%

- **Satellite Sales to China** -- The Administration has taken a decision that will allow Hughes to export the bulk of the \$100 million dollar Los Angeles-built Apstar 2 satellite for launch from China. We will soon be meeting with the Chinese to discuss our concerns about proliferation, and if an agreement can be reached, we could lift sanctions that would permit additional exports of Hughes satellites. (Source: NEC/NSC)
- **Hughes Aircraft Exporting to Mexico** -- In 1991, the Mexican government signed a \$200 million contract with Hughes Aircraft to build two communications satellites (to be used for voice, data, TV, facsimile transmission, etc.). Roughly 1,000 jobs in Southern California are tied directly or indirectly to the program. The first launch is scheduled for November. (Sources: USTR & Hughes Aircraft)
- **Erosion of the Manufacturing Base** -- According to DoC, employment in manufacturing fell from 2,259,000 in 1989 to 1,974,000 in 1992 -- a net loss of 285,000 jobs.

Net decline in total employment in manufacturing (California, 1989-1992):

- Transportation Equipment, excl. Motor Vehicles	(-67,000 jobs)
- Electronic Equipment, excl. Computer Equipment	(-52,000 jobs)
- Instruments and Related Products	(-38,000 jobs)
- Fabricated Metal Products	(-26,000 jobs)

- **LAX Landing Fees** -- On July 1, LAX increased landing fees from \$0.51 to \$1.56 per 1,000 lbs of aircraft. The airlines argued that the increase was excessive, refused to pay, and pursued remedies in court. On December 1, Secretary Pena convened representatives of both the airlines and the airport. The 20 hours of mediation and negotiation that followed over two days resulted in a binding agreement: the airlines will pay the higher fees, including about \$17 million in retroactive fees, under protest. The airlines will continue to pursue judicial and administrative remedies. The airport promised not to use these revenues for nonairport purposes. The airport will refund the monies as required if litigation results in a finding that the charges are excessive. The city intends to seek a change in federal law that bans diversion of airport revenues.

- **Export Controls** -- Our relations with the high-tech community improved as a result of actions to liberalize export controls on computers. In early November, 25 senior Administration officials attended a high-tech summit in San Francisco. The response from industry was positive. John Young and Regis McKenna have been asked to organize follow-up activities. Vice President Gore recently gave a speech in Los Angeles on the Information Super Highway which was well received.
- **Barclays Case** -- The Solicitor General's office plans to file a brief in support of California on Wednesday, January 19. At this time, it would be best simply to note that the Administration plans to file in support of California, but to decline to comment further.

III. ADMINISTRATION PROGRAMS THAT WILL BENEFIT CALIFORNIA

According to Treasury estimates, based on a variety of demographic and economic data, your economic growth plan for California (1993-1998) includes the following:

- \$2.6 billion investment in worker training and higher education;
- \$1.8 billion investment in schools and children;
- \$1.7 billion investment in housing and communities;
- \$1.7 billion investment in health and AIDS research;
- \$1.5 billion investment in highways, mass transit and environmental infrastructure;
- \$1.3 billion investment in technology (including defense conversion);
- \$2.3 billion in tax incentives for business investment; and
- \$3.7 billion in tax credits for the working poor (Expanded EITC, fully-phased).

Rep.	EITC Benefits	\$ (millions)	% Families	Higher Taxes
Becerra	69,300 families	119.5	57.3	962 families
Beilenson	23,300 families	40.1	15.7	12,700 families
Berman	44,400 families	76.5	36.1	1,331 families
Dixon	62,500 families	107.7	47.7	3,477 families
Harman	26,100 families	45.0	18.1	10,558 families
Martinez	42,300 families	72.9	33.6	779 families
R.-Allard	63,600 families	109.6	58.1	456 families
Tucker	49,200 families	84.8	40.2	625 families
Torres	28,900 families	49.9	21.8	1,422 families
Waters	60,800 families	104.8	48.4	600 families
Waxman	59,500 families	102.6	49.5	23,000 families
STATE	2,147,000 families	3,702.2	29.7	218,800 families

- **Your Economic Growth Plan Will Create Jobs in California** -- Treasury estimates your economic growth plan will create nearly 2,000,000 new jobs from 1993-1996 -- 900% more than were created from 1989-1992.

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.
- One-stop export assistance centers are in the works, including one for Southern California.

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 November, 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 Supply Center for the expansion of the Port of Oakland and approved the full transfer of San Bernardino County's Norton Air Force Base to the local community.

Grants and Projects

- Well 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, the largest transit grant given to any city.

- 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 almost \$600 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 \$50-40 million per year for California.

- Over \$500 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 100,000 more police on the streets, restrict the sale of assault weapons, create boot camps, toughen many criminal sentences, and require a waiting period prior to the purchase of a handgun (Brady Bill).

- Grants announced in December provided \$150 million from the FY93 budget for new police officers throughout the country. Los Angeles received the largest grant in the nation, \$4 million.

(revised 1/18/94)