

# WITHDRAWAL SHEET

## Clinton Library

Collection: Domestic Policy Council-Reed, Bruce  
 OA/Box: OA 18939  
 File Folder: CEOs

Archivist: RDS  
 Date: 3/19/04

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	Bill Signer to Reed re: information for meeting, 1p (partial)	12/12/96	P6/B6
2. memo	Bill Signer to Reed re: information for Kleis, 1p (partial)	12/12/96	P6/B6

**RESTRICTIONS**

- P1** National security classified information [(a)(1) of the PRA].
- P2** Relating to appointment to Federal office [(a)(2) of the PRA].
- P3** Release would violate a Federal statute [(a)(3) of the PRA].
- P4** Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P5** Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P6** Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

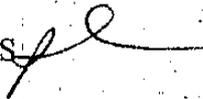
C. Closed in accordance with restrictions contained in donor's deed of gift.

- B1** National security classified information [(b)(1) of the FOIA].
- B2** Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- B3** Release would violate a Federal statute [(b)(3) of the FOIA].
- B4** Release would disclose trade secrets or confidential commercial financial information [(b)(4) of the FOIA].
- B6** Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- B7** Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- B8** Release would disclose information concerning the regulation of financial institutions [(b)(9) of the FOIA].
- B9** Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

March 3, 1997

MEMORANDUM FOR RAHM EMANUEL AND BRUCE REED

FROM

PAT LEWIS 

RE

CHIEF EXECUTIVE MAGAZINE REQUEST

As you can see from the attached, Arnie Pollard is interested in having the President participate in a roundtable that focuses on welfare to work initiatives.

I spoke with him, and he mentioned that he's talking to Eli Segal about possibilities. Lorrie McHugh wanted to make sure you both were aware that this is being discussed.

Cynthia/Tom -  
This would be  
helpful to CEO  
effort.

BR

February 26, 1997

Pat Lewis  
Media Affairs  
The White House  
Washington, DC 20502

Dear Pat:

I'm pleased we had a chance to chat today. I'm enclosing the October issue of *Chief Executive* magazine, in which you will find (see tabbed page) our coverage of last September's *Chief Executive* Roundtable on foreign trade, held in the Roosevelt room.

We'll be back in touch after our meeting with Eli Segal.

Best regards,



**CHIEF  
EXECUTIVE**

January 20, 1997

THE PRESIDENT HAS SEEN

2-10-97

97 FEB 3 AM 11:11

President Bill Clinton  
The White House  
Washington, DC 20500

Dear President Clinton:

Congratulations. First of all, on your success in putting that bridge to the 21st century in place. May your trip--our trip--across it prove productive and successful for all of us.

As I promised when we met at the National Business Leaders Endorsement event in Stamford last fall, I'm (belatedly) enclosing last October's issue of *Chief Executive* magazine containing a feature article covering the very successful foreign trade Special Roundtable held in the Roosevelt Room. Your team acquitted itself superbly, and we've had very positive feedback from the participating CEOs. With the election now successfully behind you, we hope to entice you into personal involvement in a future such *Chief Executive* Roundtable.

In the meanwhile, as our nation's chief executive, I've arranged a subscription (good through the millennium) to *Chief Executive* magazine for you. I hope that it will prove to be a useful and enjoyable information tap into the CEO mindset for you, as you travel across that bridge.

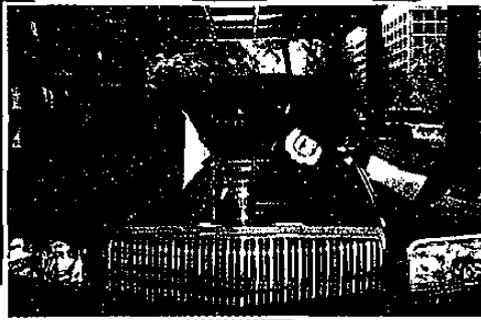
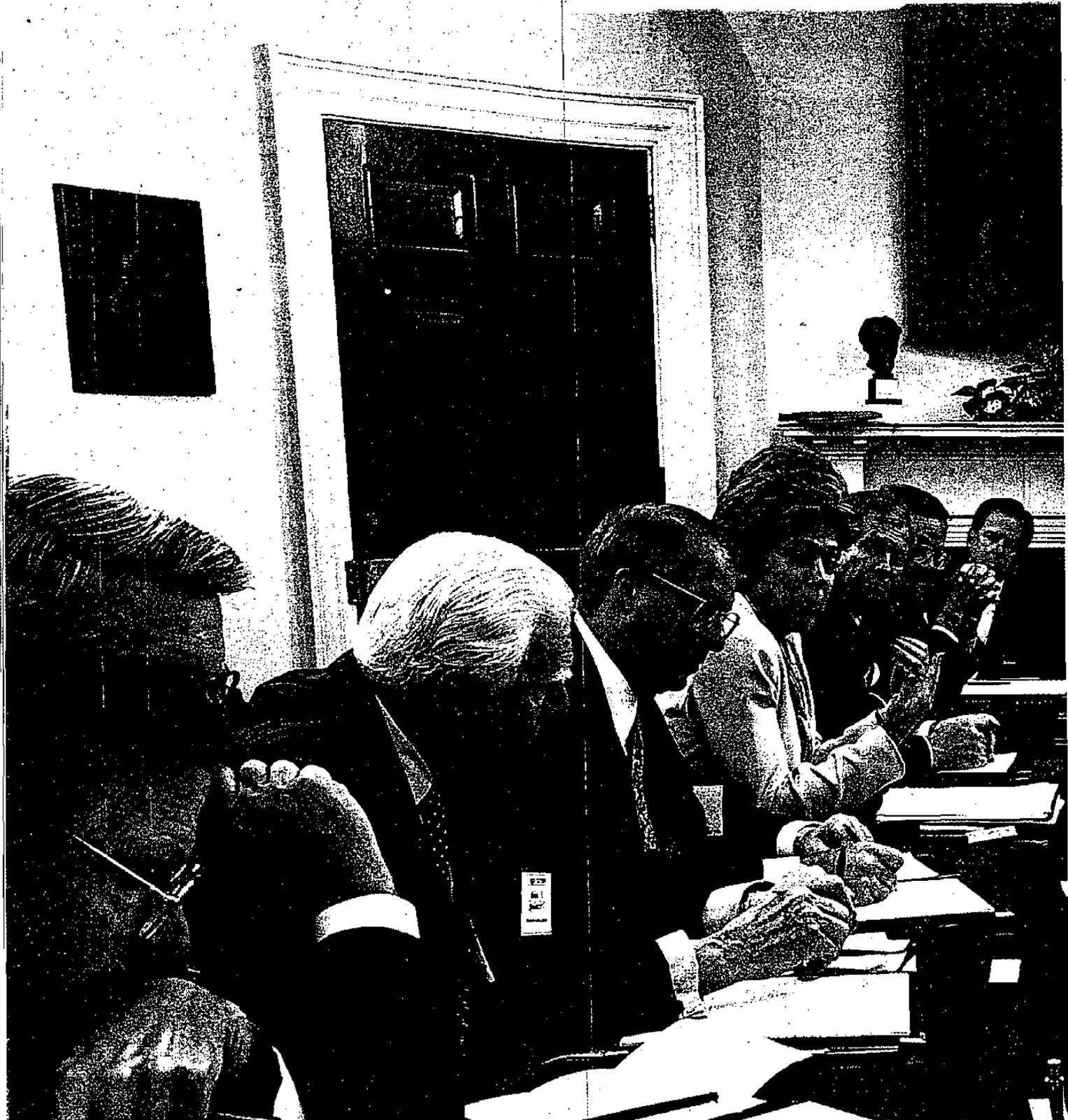
Good luck.

Best regards,



cc: Thomas McLarty  
Mark Grobmyer

*McLarty talk  
sugg. by  
to Eli Segal / Bruce Kent.  
my and at four  
topic*



WHITE HOUSE  
ROUNDTABLE

## TRADE WINDS

THE CLINTON ADMINISTRATION IS VOCALLY PRO TRADE. BUT IS THAT FREE OR MANAGED TRADE? AT A SPECIAL *CE* ROUNDTABLE CONDUCTED IN THE WHITE HOUSE, PARTICIPATING CEOs TALKED WITH NATIONAL ECONOMIC ADVISOR LAURA D'ANDREA TYSON AND COUNSELOR TO THE PRESIDENT MACK McLARTY.

With the completion of the Uruguay Round and the creation of the World Trade Organization, the world seemed to be headed for a more open global trading system. Then came the bitter confrontations with Japan over auto parts and with China over Most Favored Nation renewal. The U.S. withdrew its offer to open the satellite phone market, calling other countries' efforts to open their markets inadequate. While the U.S. has numerous trade cases pending at the WTO, Brazil, Venezuela, India, and the European Union have filed claims that the U.S. isn't playing by the rules it has championed.

Has America soured on free trade? Earlier this year, Steven Wagner, president of Washington-based polling firm QEV Analytics, interviewed members of Congress and monitored focus groups of average Americans to assess their attitudes toward trade. Wagner found the two parties inversely symmetrical in their attitudes. Whereas the Republican leadership is staunchly pro free trade, many freshman members of Congress are much less so, having "absorbed the negative rhetoric of Ross Perot and Pat Buchanan." The Democratic house leadership is consistently negative on free trade, but party rank-and-file are "more ambivalent than negative." The average American

*Participants at White House roundtable, held in partnership with Andersen Consulting, in the Roosevelt Room adjacent to the Oval Office.*



*From left to right: Participants gather at the Carlton Washington D.C. hotel for a preliminary discussion prior to the White House meeting; limo waits to whisk CEOs off to the White House; CEOs head for the Roosevelt Room; participants stop for a final shot in front of the West Wing.*

WHITE HOUSE  
ROUNDTABLE

is ambivalent about the benefits of free trade, according to Wagner, because, "we have an economy in transition where it's easy to stir up apprehension."

But despite the administration's vocal support—and several victories—for open trade, some observers argue its policies are confusingly followed by moves for managed trade or steps that encumber markets with new regulations. With administration support, the environmental and labor lobbies have succeeded in gaining permanent seats at the trade table of U.S. policy, according to William H. Lash, associate professor of international trade law at George Mason University and a former International Trade commissioner. When environmental or labor considerations become another non-tariff barrier, he argues, this undermines the GATT principle of nondiscrimination and distorts world trade.

Part of Clinton's National Export Strategy aims to increase distribution of global opportunities that would lower export costs. Such moves have been applauded by free and managed traders alike. But the administration doesn't stop there. The NES targets "big emerging markets" for coordinated government export penetration, Exim Bank loans, and government-negotiated contracts on behalf of industry sectors such as aerospace, telecommunications, and environmental technology. "These sectors may well be the future for U.S. exports," Lash remarks, "but shouldn't the decision be made by businessmen and not



National Economic Advisor Laura D'Andrea Tyson

bureaucrats?" The sale of Boeing and McDonnell Douglas aircraft to Saudi Arabia—a deal "made possible" by the vigorous efforts of the late Commerce Secretary Ron Brown, Secretary of State Warren Christopher, and Counsel to the President Mack McLarty—highlights the dilemma of managed trade even when U.S. business is the beneficiary of government favor. Competing nations will respond in kind and increase their own managed trade policies and export finance, adding further to the distortions of global markets: Will this come back and bite the American taxpayer when U.S. managed trade has to compete with other nations managing their trade?

In the following roundtable, held in partnership with Andersen Consulting and

conducted in the Roosevelt Room of the White House, National Economic Advisor Laura D'Andrea Tyson outlined the administration's international trade strategy, arguing that it has been vigilant in removing tariff barriers and opening up markets in response to specific concerns of participating CEOs. Tyson and McLarty were joined by SEC Chairman Arthur Levitt.

—J.P. Donker

PARTNERS IN TRADE

**Laura D'Andrea Tyson (National Economic Advisor):** In a 1993 speech at American University, President Clinton clarified the U.S. policy toward the international economy and free trade as such: "We must compete, not retreat." That statement still holds true three years later. To achieve that aim, we have attempted to strengthen our competitive capacity at home and to work with the rest of the world to break down barriers to competition.

On the domestic front, we now have the lowest deficit as a share of GDP among the G-7 countries. We've created more high-wage jobs than the other six countries combined. Technology, quality products, innovation, and tremendous sales efforts have led to increased improvement and competitiveness in the automotive, computing, and aircraft industries, among others.

In the international arena, we are trying to negotiate trade agreements and are working with business and foreign governments to improve selling opportunities.



From left to right: Fluor's Les McCraw, Gulfstream Aircraft's Bryan Moss, Commerce International's Mark Grobmyer, American Gas Association's Mike Baly, USAir's Stephen Wolf, Bombardier Aircraft Division's Michael Graff, Aetna International's Rick Copeland, Andersen Consulting's Stephen Smith.

# A Who's Who Of Roundtable Participants

**Michael Baly III** is president and chief executive of Arlington, VA-based American Gas Association, a national trade association comprising 275-plus natural gas utilities and pipeline companies in the U.S., Canada, and Mexico.

**Frederick C. Copeland Jr.** is president and CEO of Hartford, CT-based Aetna International, an insurance subsidiary of \$7.4 billion Aetna Life & Casualty.

**John D. Correnti** is president and CEO of Charlotte, NC-based Nucor, a \$3.4 billion manufacturer of steel products.

**Albert R. Gamper Jr.** is president and CEO of Livingston, NJ-based CIT Group, a commercial and consumer lending firm with \$17.8 billion in assets.

**Philip H. Geier Jr.** is chairman and CEO of New York-based Interpublic Group of Cos., a \$2.2 billion group of advertising agencies.

**Michael S. Graff** is president of Canada-based Bombardier Aircraft Division, a division of \$5.2 billion transportation company Bombardier.

**Mark W. Grobmyer** is chairman of Little Rock, AR-based Commerce International, a consulting company. He is also The Center for the Study of the Presidency Liaison to the White House.

**Dean LeBaron** is chairman of Boston, MA-based Batterymarch Financial Management, one of the investment management subsidiaries of Legg, Mason, which manages \$35 billion through several independently operated firms.

**Arthur Levitt** is chairman of the SEC.

**William E. Mayer** is dean of the University of Maryland's School of Business, former president of CS First Boston, and chairman of Chief Executive Group L.P.

**Leslie G. McCraw** is chairman and CEO of Irvine, CA-based Fluor, a \$9.3 billion construction and engineering company.

**Thomas "Mack" F. McLarty** is Counselor to the President of the U.S.

**Ernest S. Micek** is chairman, president, and CEO of Minneapolis, MN-based Cargill, a \$51 billion marketer and processor of agricultural, financial, and industrial commodities.

**Donald E. Moffitt** is chairman, president, and CEO of Palo Alto, CA-based Consolidated Freightways, a \$5.7 billion transportation company.

**Bryan T. Moss** is vice chairman and CEO of Savannah, GA-based Gulfstream Aircraft, a business aircraft company with revenues of around \$1 billion.

**Maurice L. Reisman** is the former CEO of Crossland Federal Savings Bank in New York and current president of Bennis and Reisman.

**John J. Roberts** is vice chairman of New York-based American International Group, a \$25.8 billion insurance company.

**Stephen M. Smith** is managing partner, Federal Government Practice in Washington, DC, a division of Andersen Consulting, a \$3.45 billion management consulting firm.

**W. Keith Smith** is chairman and CEO of Pittsburgh, PA-based Boston Co. and Dreyfus, units of Mellon Bank, which has \$40.6 billion in assets.

**Laura D'Andrea Tyson** is the U.S. National Economic Advisor.

**Thomas C. Wajnert** is chairman and CEO of Morristown, NJ-based AT&T Capital, a \$1.5 billion machinery and equipment leasing company that owns and manages more than \$11 billion in assets.

**Stephen M. Wolf** is chairman and CEO of Arlington, VA-based USAir Group, a \$7.5 billion commercial airline carrier. □

This is essentially a partnership effort. We are on track to develop an open trade area in Asia Pacific by 2020, and one in the Americas by 2005. This year, we will be going to Singapore with a proposal to the World Trade Organization to eliminate all tariffs in the technology area.

I recently heard someone say that when they turn on the radio in the Midwest, all they hear is people complaining about NAFTA. It's incumbent upon all of us to address the powerful forces of isolation and consumer protectionism that swirl around this country and are becoming more powerful in Congress.

How can we address this sentiment? One way is through education, making it clear to people that if we cut ourselves off from 95 percent of the world's consumers in the fastest-growing markets in the world, they will cut us off, and that will be the end of our prosperity going into the future. And at the federal and corporate levels, we must address the underlying insecurities that foster protectionist tendencies. Americans must feel they have the keys—education and training, the ability to move health and pensions around, the ability to change jobs—to make the most of the opportunities or to confront the challenges. The only way to do that is for business and government to work together as partners.

## SANCTIONED POLICIES

**Arnold B. Pollard (CE):** In the area of intellectual property issues, Microsoft is frus-

trated because for every unit it sells internationally, eight are knocked off illegally—with China being the most serious offender. How can we resolve this problem?

**Tyson:** It is likely to be a continuing struggle. This year, we came close to imposing stringent sanctions on the Chinese for their failure to enforce an intellectual property protection agreement pertaining to our firms that they had signed a year ago February. After talking to many companies, we found things had not gotten any better, and in some instances, had gotten worse. So we put together a plan that spelled out how many plants had to be closed down and what kind of monitoring system had to be put in place. At the eleventh hour, the Chinese agreed to this plan.

We created a periodic review process to determine whether the enforcement plan is being honored; the first review will take place some time this fall, so I can't tell you how it's been working just yet.

**Dean LeBaron (Batterymarch Financial Management):** I travel a lot internationally and often hear the word "bully" used to describe the U.S. because of the size of our markets. Clearly, we are not seen as an intellectual leader in free trade practice. In fact, we continually claim that trade is not an instrument of foreign policy, yet we threaten trade sanctions and revoke China's Most Favored Nation status, while extending it to other nations that commit the same offenses.

**Tyson:** Keep in mind that you are talking



From left to right: Interpublic Group's Phil Geier, Boston Co./Dreyfus' Keith Smith, Batterymarch's Dean LeBaron.

**'THERE'S NO SUCH THING AS TOTAL FREE TRADE AND  
NO SUCH THING AS PERFECT PROTECTION.  
THAT'S WHY WE ARE IN TRADE NEGOTIATIONS TODAY.'**

NATIONAL ECONOMIC ADVISOR LAURA D'ANDREA TYSON

about two different kinds of sanctions. One is the use of economic sanctions for economic reasons, and the other is the use of economic sanctions for non-economic reasons. Unfortunately, both the Japanese and Chinese have created a pattern in which they take no action until they evaluate the sanctions we threaten. We got action with the Chinese on intellectual property protection because they believed our threatened sanctions were going to be harmful to them. Of course, those sanctions also would have hurt us economically, but the cost was not as great as the costs of not enforcing the intellectual property protection agreement. I would rather have the enforcement mechanism be handled by the WTO rather than our imposing sanctions, but China is still not a member because it won't meet the commercial conditions its trading partners require.

The Japanese claim that the U.S. wants to manage trade, set quotas, and not have any real competition. That characterization is misleading. Right now, we are involved with the Japanese in two disputes, one in the aviation area and the other in insurance. We want to have an Open Skies arrangement. That is hardly what I'd call managed trade.

In terms of sanctions for non-economic reasons, we believed that the threatened use of sanctions would bring benefits in terms of our foreign policy objectives that we could see no other way to realize. For example, we could not get our multilateral

trading partners to agree on the situations with Libya and Cuba right now, so we turned to sanctions. We would love for our trading partners to come to us with some alternatives.

**Ernest S. Micek (Cargill):** The problem is that these sanctions seem to serve a short-term purpose. I worry that we are doing some long-term damage to trade because if we unilaterally impose a sanction, dozens of other countries are waiting in the wings to replace us. In China, for example, we are an agricultural supplier. The Chinese are the customers. When we take actions that threaten them, they do not see us as a reliable supplier.

**Tyson:** In the case of threatening sanctions for intellectual property rights enforcement, we spoke to a large group of American industry leaders, including companies that might be adversely affected by retaliation by China. The consensus was that if we don't send a clear signal to China early on, as she grows in importance in the international economy without adhering to international rules, we will give up too much in the long term.

In these kinds of negotiations and relationships, the threatened use of economic sanctions is, unfortunately, part of the process. The closer we can move toward a rules-based system, the better off we will be.

In terms of sanctions for non-economic reasons, you're saying we got the cost part of the equation wrong. That may very well be. But I think it's important for the business community to mobilize its own evidence and present it to Congress.

**GROWING UP**

**Albert R. Gamper Jr. (CIT Group):** You indicated a linkage between a strong U.S. economy and an effective trade policy. Are you satisfied with the levels of economic growth we are seeing today?

**Tyson:** The first half of this year, the economy has been growing at a rate of more than 3 percent. Our prediction for the year is 2.6 percent. On a measured growth rate, given the projected rate of growth of the labor force and projected rates of growth of productivity for the foreseeable future, we are saying the economy will grow around 2.3 percent or 2.4 percent on a sustained basis. However, the private-sector growth rate is much higher—3.2 percent. The reason the overall growth rate is slightly lower is because the government is contracting. I think we have a strongly growing economy, though I would like to see us do better, and I think we are on that path.

**J.P. Donlon (CE):** Some economists differ on your growth statistics. Studies by the National Association of Manufacturers and the American Enterprise Institute, for example, say that current average annual growth for the last four years is around 1.9 percent to 2.1 percent and below the historical average of 3.2 percent.

**TAX CONVERGENCE**

**Thomas C. Wajnert (AT&T Capital):** I'm a little confused about the convergence of international tax policy with trade policy, particularly regarding some new proposals for taxing foreign source income and inventories manufactured outside the U.S. I have some concerns in my own business about the passive income rules for financial-services companies operating outside the U.S.

**Tyson:** After a great deal of analysis, we decided that adjustments in our tax policy in the area of foreign source income would not have a significant effect on the competitiveness of U.S. producers or their locational decisions. In the short term, we just want to make adjustments to the existing code that won't harm U.S. competitiveness. Longer term, we may look at some cross-country standardization in major tax areas.

**A MATTER OF ETHICS**

**Leslie G. McCraw (Fluor):** From an ethical standpoint, American companies are often at a disadvantage because other countries don't have regulations prohibiting bribery and corruption as the U.S. does. How is the administration dealing with this, and



From left to right: American International Group's John Roberts, Nucor's John Correnti, National Economic Advisor Laura D'Andrea Tyson.

What can the business community do?  
**Tyson:** An interagency effort is under way to make some decisions on this issue. We also have been encouraging the international community, through the Organization of Economic Development, to make a more active effort.

**Thomas "Mack" F. McLarty (Counselor to the President of the U.S.):** Latin American leaders, amid a strengthening of democracy, are beginning to take a much more engaged and proactive role in this matter, particularly those in Brazil and Mexico.

#### DEVIL'S IN THE DETAILS

**John D. Correnti (Nucor):** Our disadvantage is dealing with an overwhelming number of U.S. government regulations. Russia, the Ukraine, and Third-World countries don't have to deal with agencies such as the EEOC, OSHA, and the EPA. And it isn't so much the regulations that bother me, it's the accompanying paperwork. God forbid you don't cross every "t" and dot every "i." The legal profession is doing very well. In the meantime, I can't even get the head of the EEOC to return my phone call.

**Tyson:** When he first took office, President Clinton signed an executive order requiring agencies to conduct cost-benefit analyses and risk assessments, to be actively involved with companies in terms of assessing regulations, and to reduce paperwork. That's happening now. In fact, 55 regulations have been eliminated;



Counselor to the President Mack McLarty

along with 16,000 pages of paperwork.

**Arthur Levitt (Securities and Exchange Commission Chairman):** The paperwork problem will never end unless business keeps the pressure on and maintains a dialogue with the agencies themselves. It's just the nature of the process.

**W. Keith Smith (Boston Co. and Dreyfus):** Hopefully, technology will help alleviate some of that burden. But it also brings its own share of problems. As technology continues to evolve, it will change the world and the way we compete. This can be seen in the Internet and how it is changing the way we sell and distribute goods and services. How can the govern-

ment help the business community both protect itself and take advantage of these evolving trends?

**Tyson:** The administration actively has sought to reduce the controls on our technology exports, particularly in computers and telecommunications. On the Internet, we've assembled a group to examine what kinds of adjustments should be made in commercial policy as more and more transactions are conducted electronically.

#### NOTHING IS PERFECT

**William E. Mayer (CE):** Has your thinking on the various international trade issues we've talked about changed in the past four years?

**Tyson:** Not in a fundamental way. I believe that there's no such thing as total free trade and no such thing as perfect protection. It's going to take a concerted, sectorial effort to figure out what the barriers are. It was easy in the days when the barrier was simply a tariff. Then, the solution was to reduce the tariff 50 percent. Today, the structural barriers of intellectual property protection also carry cultural or systemic differences in how businesses are organized. That's why we are in trade negotiations today.

We have to actively try to eliminate these barriers and try every track. If we can't get it multilaterally, we have to try it bilaterally. If we can't get it bilaterally, we might have to try a sanction. If we let the perfect be the enemy of the good, we'll never get anywhere. □



From left to right: CIT Group's Al Gamber, USAir's Stephen Wolf, Interpublic Group's Phil Geler, AT&T Capital's Tom Wajnert, Consolidated Freightways' Don Moffitt, Cargill's Ernie Micek, SEC Chairman Arthur Levitt, Boston Co./Dreyfus' Keith Smith.

March 3, 1997

Mr. Morton Bahr  
President  
Communications Workers  
of America, AFL-CIO  
501 Third Street, N.W.  
Washington, D.C. 20001-2797

Dear Morty:

Thank you for writing to me. I appreciate your words of support for my Administration.

I understand your concerns and the concerns of many members of the labor movement regarding Sprint. As you may know, while the Vice President was in Los Angeles for the AFL-CIO winter conference, he met with a former Sprint employee to discuss first-hand the concerns addressed in your letter. The Vice President has shared these concerns with me, and my Administration continues to monitor this situation carefully. We remain firmly committed to protecting the rights of America's working men and women.

I value having the benefit of your perspective on this issue. The points you raise concerning Sprint's labor-management situation are troubling, and I have asked my staff to follow up with you on this. I look forward to working with you as we continue our efforts to protect the rights of America's workers and to foster a trend of increased corporate responsibility and citizenship.

It was good to see you at the State Dinner for President and Mrs. Frei last week. Keep in touch.

Sincerely, **BILL CLINTON**

BC/LIJ/RSM/RLM/jfc-jfc-lynn-ckb (Corres. #3393591)  
(2.bahr.m)

cc: Eli Segal, Nat'l Service, with copy of incoming; John Podesta, GFL/WW; Bruce Reed, 2FL/WW; Gene Sperling, 2FL/WW; Elena Kagan, 216 OEOB; Maria Echaveste, 2FL/WW; Jennifer O'Connor, Labor; Kathleen Wallman, 2FL/WW; Jim Dorskind/TDS, 94 OEOB; Jody Kaplan, 22 OEOB; David Strauss, 280 OEOB

Xeroxed copy of personally signed original to NH through Todd Stern

CLEAR THRU TODD STERN

PRESIDENT TO SIGN



THE PRESIDENT HAS SEEN  
3-6-97

FEB 28 1997

~~cc: Elena  
C. Rice  
L. Hogan  
M. Echeverste  
return  
BR~~

CHIEF OF STAFF TO THE PRESIDENT  
THE WHITE HOUSE

WR-CEOS

February 26, 1997

MR. PRESIDENT:

Please note the attached memo from Eli Segal describing the organization, mission, and short term action plan of "Work Now" -- a soon to be created 501(c)(3) organization whose founding board members will be the CEOs of the five companies you referenced in the State of the Union.

The central mission of "Work Now" will be "to help businesses of all kinds move people permanently from welfare to work."

SOB/Bolton/Calvin

Erskine

When can we have  
off - need to see H&M.

BR

cc: John Podesta  
Sylvia Mathews  
Vicki Radd  
Rahm Emanuel  
Bruce Reed  
Gene Sperling

ELI J. SEGAL

February 25, 1997

MEMORANDUM

TO: THE PRESIDENT

SUBJ: WORK NOW (WN)

This is a memo which goes to the organization, mission and short term action plan of WN (working title only). Its creation reflects one of the most hopeful reactions to your signing the welfare reform legislation and your frequent challenges to the business community that there is much it needs to do if we will truly "end welfare as we know it".

1. Organization

WN is a soon to be created 501(c)(3) organization. Its incorporators (and perhaps "Founding Board" members) will be the CEOs of the five companies you referenced in the State of the Union. It is unclear who will be the Chair, but his identity will be determined shortly.

The organization will be aggressively non-partisan, results driven and comparatively easy to join. It will be scrupulously independent, but its mission and its agenda will be completely consistent with your vision of welfare reform. I do not expect it to look for any government funds, at least at the beginning.

It will have a Board of Directors of about 15-20 composed of businesses of all sizes and from all sectors; some of its Board may include Governors and other prominent Americans. All companies will be encouraged to join, provided they are prepared to make a commitment to use their resources to help move people from welfare to work. One measure of success in WN's first year will be whether it can reach a membership of an agreed upon number of companies, perhaps 5000. Membership will not require payment of a fee.

2. Mission

A partial but intensive review of organizations engaged in welfare reform-related activities suggests one niche which is likely to represent the heart and soul of WN's

mission: to help businesses of all kinds move people permanently from welfare to work. WN's customer will be the businesses themselves, rather than welfare recipients, legislatures, Governors or state welfare agencies. WN will encourage, mobilize, reward and provide technical assistance to all of the following:

- ( a ) large and small companies whose growth will depend on hiring and retaining substantial numbers of people for entry level positions (e.g., Burger King);
- ( b ) other large companies without significant employment growth plans (e.g., Monsanto) or those with such growth plans but without a significant number of entry level positions (e.g., Microsoft); in all of these cases, WN will look to notions of corporate responsibility and moral suasion of companies and their vendors in designing a meaningful agenda; and
- ( c ) a broad range of so-called "intermediaries" from temporary organizations like Manpower and Kelly (one of the largest growth categories in an era of downsizing) to for profit and not for profit organizations like America Works and Strive, springing up overnight in response to welfare waivers of recent years and the welfare reform legislation of 1996.

WN will not, of course, be indifferent to "the front end" of welfare reform: motivated, prepared welfare recipients. However, the more WN engages in activities at the front end, e.g. GED, literacy, mentoring, substance abuse treatment, job training and readiness, the more its mission is blurred and it invades the turf of others. One possible exception to this thrust may be in the area of micro enterprise. It is also possible that some of the means WN will utilize to reach businesses (e.g., 800 numbers and Web sites) can also be used to match businesses and potential employees, but that is further down the road.

Mut do  
St Guy Str

Because there is no reliable national way of counting those who move from welfare to work, WN will need to look to other indices of success. WN will have individual company success stories to tell, job producing partnerships of its members to report, and the equivalent of Baldrige awards to announce; once WN sees positive patterns emerging from its work and study, it will publicize them, help replicate them to the extent resources permit and transmit them to appropriate government executives. WN may also report on obstacles it uncovers to welfare reform from the perspective of the private sector, perhaps in a manner similar to that of the Small Business Conference of your first term.

### 3. Activities of the Organization.

There are three broad categories of activities within which WN will work (subject always to avoiding duplication with the work of other organizations):

#### ( a ) Education

- (1) business outreach -- WN will become a comprehensive source of information to businesses in finding potential employees and uncovering what public and private resources are available;
- (2) training -- WN will coordinate the use of existing company resources to aid in training, including the training universities of 110 companies; WN may create a human resources speakers bureau (although National Alliance for Business and National Governors Association are looking at this as well);
- (3) recommendations to government (federal, state and local).

#### ( b ) Hiring

- (1) pledges -- businesses, some with and some without experience hiring and retraining those formerly on public assistance, commit to hire or apprentice workers;
- (2) consortium -- new members join an ever expanding group of WN businesses that would hire workers who had received training, apprenticeships or entry level positions at other member businesses;
- (3) awards -- WN will bestow recognition on selected participating companies.

#### ( c ) Grants -- possible recipients/activities include:

- (1) micro enterprises (but this may properly be the realm of government and foundations);
- (2) studies of successful programs; and
- (3) large scale public works projects (e.g., rehabilitating a train station, creating a public park, etc).

### 4. Action Plan

WN contemplates three stages over the next year, in each of which there are logistical, functional and communications tasks to fulfill:

- ( a ) creation and clearinghouse (months 1 - 3) -- WN announces its plans, its 800 number and its Web site; becomes a source of information for businesses seeking the names of like-minded businesses or useful

resources in their geographic area or their industrial sector;

( b ) program initiation (months 4 - 6) -- WN announces its first 1000 members; announces its consortium plan (see above); makes first grants to study model programs ;

( c ) in-depth programs (months 6 - 12) -- membership grows to 5000; WN reports on number of new jobs its members have created, especially through its consortium (unless too modest at this stage); announces PSA campaign to combat stigmatization of hiring workers from welfare; announces intensive project in demonstration city; issues its first advisory report to government; announces first annual employer award recipients.

## 5. Presidential Engagement

The mission of WN will be enhanced by Presidential engagement from the beginning. Possible activities include, but are not limited to the following:

- ( a ) publicity around the launch;
- ( b ) events in different geographic areas and different industries with business leaders who have joined WN by "taking the pledge" and/or have actually hired and retained former welfare recipients;
- ( c ) publicity around the first (and perhaps subsequent) awards to model employers.

## 6. Conclusion

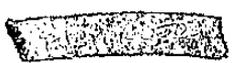
Overall, the mission, functions and indices of success of WN will need greater refinement over the next few weeks. The basic judgment, however, is to focus welfare to work activities on what businesses themselves can do. With skill and discipline, we can carve out a role in this undertaking that will permit the private sector to translate good intentions into meaningful results.

cc: w/ incoming:  
Bob Nash  
Bob Nash  
Bob Nash

THE WHITE HOUSE  
WASHINGTON

RAHM -  
Is he interested?  
BR

December 24, 1996



Gerald S. McGowan  
Lukas, McGowan, Nace & Gutierrez  
Suite 1200  
1111 Nineteenth Street, N.W.  
Washington, D.C. 20036

Dear Gerry:

Thanks for following up on our conversation about Mark Warner. I certainly appreciate your recommendation that he play a leading role in our efforts to move people from welfare to work and have made Bob Nash aware of your suggestion.

Hillary and I hope you have a joyous holiday season.

Sincerely,

Bill Clinton

Thanky

LUKAS, MCGOWAN, NACE & GUTIERREZ

CHARTERED

1111 NINETEENTH STREET, N.W.

SUITE 1200

WASHINGTON, D.C. 20036

(202) 857-3500

RUSSELL D. LUKAS  
GERALD S. MCGOWAN  
DAVID L. NACE  
THOMAS GUTIERREZ  
ELIZABETH R. SACHS  
GEORGE L. LYON, JR.  
PAMELA L. GIST  
DAVID A. LAFURIA  
TERRY J. ROMINE  
MARCI E. GREENSTEIN\*  
MARJORIE GILLER SPIVAK  
J. JUSTIN McCLURE\*  
MARILYN SUCHECKI MENSE  
PAMELA GAARY HOLRAN  
B. LYNN F. RATNAVALE

\* NOT ADMITTED IN D.C.

CONSULTING ENGINEERS  
THOMAS G. ADCOCK, P.E.  
MEHRAN NAZARI  
ALI KUZEHKANANI  
SHAHRAM HOJATI, D.SC.  
LEROY A. ADAM  
LEILA REZANAVAZ  
FARID SEYEDVOSOGHI

OF COUNSEL  
JOHN J. MCAVOY  
J.K. HAGE III\*

TELECOPIER  
(202) 842-4485

Email: [lmng@fcclaw.com](mailto:lmng@fcclaw.com)  
<http://www.fcclaw.com>

WRITER'S DIRECT DIAL

December 13, 1996

Hand Delivered

The Honorable William J. Clinton  
The White House  
Washington, DC 20500

Dear Mr. President:

As we discussed at our lunch last week, my friend of 15 years, Mark Warner, would be an excellent choice to be your business point person on the Welfare to Work project.

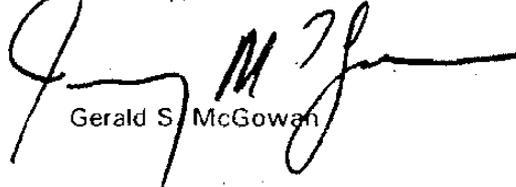
Mark is a very successful telecom entrepreneur, having founded three public and ten private companies in the last ten years. Today, those thirteen companies employ over 4000 people. In addition, he founded and currently chairs the innovative Virginia Health Care Foundation, a public-private partnership which provides health care to over 40,000 Virginians.

Mark understands both the challenges and rewards a government program would provide business, and the critical need for the private sector to join the government in helping transition welfare beneficiaries to work. Indeed, I understand that over eighteen months ago, Mark hired a person off the Alexandria, Virginia welfare rolls to work in his flagship company, Columbia, Capital Corporation. She is still employed with the company, and by Mark's account has been a model employee.

Except for Tim Johnson, Mark came closer to winning than any other Senate challenger in the country. His showing earned him respect throughout Virginia as a man with a bright political future, as well as giving him a nationwide profile.

The unfinished business of welfare reform is to ensure that jobs are available when welfare recipients leave the welfare rolls. I believe Mark's experience and contacts would make him a perfect person to play a leading role in this crucial effort.

Sincerely,

  
Gerald S. McGowan

**THE WHITE HOUSE**

**WASHINGTON**

January 9, 1997

**CEO WELFARE TO WORK MEETING**

**DATE:** FRIDAY, JANUARY 10, 1997  
**TIME:** 10:15 AM  
**LOCATION:** CABINET ROOM  
**FROM:** ALEXIS HERMAN  
BRUCE REED

**I. PURPOSE**

The purpose of this meeting is to (1) speak with these companies about what they have done or hope to do soon to help move people from welfare to work, (2) discuss what government can do (through tax credits like the Work Opportunity Tax Credit and subsidies) to encourage businesses to take a chance on hiring welfare recipients and (3) ask each of these companies to assist in recruiting other businesses to commit to hiring people off of welfare.

**II. BACKGROUND**

Last August as part of the welfare reform signing ceremony and again at the Democratic Convention, you challenged the private sector to play a role in moving welfare recipients to work. At the convention, you said: "...[E]very business person in America who has ever complained about the failure of the welfare system [should] try to hire somebody off welfare, and try hard."

This will be the fourth time you have met with CEOs about this issue and the first meeting hosted at The White House. Today, you will meet 13 CEOs who have either developed their own programs or invested in other community endeavors to meet your challenge.

In September you went to Kansas City, MO, to praise the efforts of the Kansas City Full Employment Council. At that time you acknowledged two CEOs, Bill Esery of Sprint and Robert Shapiro of Monsanto, for stepping forward and embracing your challenge. During your Kansas City visit, Sprint donated an 800 number so that any employer who wants to meet your challenge can call and learn how. That number will be up and running soon. Since your Kansas City visit, the number of CEOs who want to meet your challenge has grown to include more than 100 companies.

In October and November you met with CEOs to seek their assistance with the jobs challenge, first in Stamford, CT and then Nashville, TN.

As you know, the FY '98 budget will contain \$3.4 billion to create job opportunities for the hardest-to-employ welfare recipients, many of whom reside in urban areas. Your staff is working on this proposal.

### III. PARTICIPANTS

Mike R. Bowlin, Chairman and CEO, ARCO, Los Angeles, CA

Barbara Turner, President, Boscart Construction, Washington, D.C.

Robert Lowes, CEO, Burger King, Miami, FL

Carolyn Stradley, President, C&S Paving, Marietta, GA  
(Ms. Stradley introduced you at the CEO event in Stamford, CT, this past October)

Elliot F. Gerson, President, ETC w/CareerTrack, Boulder, CO & Washington, D.C.

Mitchell Fromstein, CEO, Manpower, Milwaukee, WI

Robert Shapiro, Chairman & CEO, Monsanto, St. Louis, MO

Charles Martin, CEO, OrNda, Nashville, TN

Rachel Hubka, CEO, Rachel's Bus Company, Chicago, IL

Bill Esery, Chairman & CEO, Sprint, Kansas City, MO

Ben Cammarata, President & CEO, T.J.X. Company, Framingham, MA

Gerald Greenwald, CEO, UAL Corporation, Chicago, IL

Jim Kelly, Chairman & CEO, UPS, Atlanta, GA

(Please see Attachment for additional information on the efforts these companies are making to move people from welfare to work)

#### Administration Participants:

Erskine Bowles

Secretary Kantor

Mack McLarty

Leon Panetta

Secretary Reich

Secretary Rubin

Secretary Shalala

Eli Segal

### IV. SEQUENCE OF EVENTS

10:00am - 10:15am

Briefing in the Oval Office

10:15am - 11:15am

Meeting in Cabinet Room

--**The President** enters Cabinet Room and greets guests.

--Press enters Cabinet Room for **President's** remarks only.

--**The President** makes opening remarks then calls on Jim Kelly of UPS to make remarks.

--Upon conclusion of Kelly's remarks, **The President** calls on Rachel Hubka of Rachel's Bus Company to make remarks.

--Upon conclusion of Hubka's remarks, **The President** calls on Mitchell Fromstein of Manpower to make remarks.

--Upon conclusion of Fromstein's remarks, **The President** asks for the other participants to make comments or offer their own remarks.

--**The President** concludes meeting by asking CEO's to recruit other business leaders to support this effort.

## V. REMARKS

Provided by Communications.

## VI. Press

Pool spray of President's remarks.

## VII. ATTACHMENT

Background information on each companies efforts to move people from welfare to work.

## **ATTACHMENT**

The following information gives the status of efforts each company is making to meet your welfare to work challenge.

**Mike R. Bowlin**  
**Chairman and Chief Executive Officer**  
**ARCO**  
**Los Angeles, CA**

ARCO is located in downtown Los Angeles. Through the ARCO Foundation, ARCO has sought to improve educational and employment opportunities in the LA urban core. ARCO invests in education and inner-city revitalization through grants that have supported literacy and math programs, training programs for inner city residents, and entrepreneurship programs for low-income women.

**Barbara Turner**  
**President**  
**Boscart Construction**  
**Washington, D.C.**

Turner has been working closely with people on welfare for several years. Boscart Construction has sponsored several memberships for people on welfare in the Carpenters District Council Union Apprenticeship Program. For those who are not ready to join the union, Turner offers an internal program that has her journey level trade employees working side by side with welfare recipients, teaching them the skills they will need to obtain employment in the construction industry. Through her efforts, Turner has enabled more than twenty-five people to go from welfare-to-work.

**Robert Lowes**  
**CEO**  
**Burger King**  
**Miami, FL**

Since 1989, Burger King has been helping children from disadvantaged families stay in school through Burger King drop-out prevention programs. Since its inception, this program has served 9,000 children, approximately 45 percent of whom were from families receiving AFDC.

Now, Burger King would like to expand its efforts with welfare families by helping recipients overcome the obstacles that prevent them from becoming productive members of the workforce. Burger King would like to pursue three strategies: First, Burger King is considering sponsoring community training and job readiness efforts. Second, Burger King is exploring partnerships with local child care and transportation providers to offer welfare recipients these services. Finally, Burger King would like to explore opportunities for welfare recipients to move up the career ladder once employed.

**Carolyn Stradley**  
**President**  
**C&S Paving**  
**Marietta, GA**

Carolyn co-founded a program called the "Georgia Womens Business Initiative". The program was established in conjunction with Kennesaw College and is devoted to educating, training and emotionally preparing "hi-risk" women for employment. The program's focus is to teach these women the skills to become employable and teach them the skills that will ultimately make them employers. This program helps women on welfare, in prison, single mothers and women in corporate America who want to go into business for themselves.

As you know, Carolyn introduced you at an event in Stamford, CT this past October. Her dedication to empowering disadvantaged women stems from her own life experiences. At age eleven, Carolyn became an orphan. During her teenage years she was homeless and supported herself by working odd jobs while also attending high school. During her late teens she became involved with asphalt contracting work. In 1979 she left the company she was with, obtained a loan from the bank to purchase a dump truck and began her own asphalt construction business. Today she is the President of her own company which has annual revenues of over 5 million dollars. Carolyn's company paved the Olympic Track in Atlanta and the Georgia Dome.

**Elliot F. Gerson**  
**President**  
**ETC w/CareerTrack**  
**Boulder, CO**  
**Washington, D.C.**

ETC, the education, training and communications lifelong learning company and subsidiary of Tele-Communications, Inc. recently joined forces with CareerTrack, an established leader in personal and professional development training. Now called ETC w/CareerTrack, the company plans to build on CareerTrack's record of training more than 750,000 people per year in 900 seminars in more than 500 cities over four continents. Plans call for an expansion of the ETC product line and client-customized training programs as well as new delivery systems, including cable, satellite, corporate Intranets, and the World Wide Web, making them available anytime, anywhere. ETC w/Career Track works with Fortune 500 companies and believes that they can facilitate recruiting many of them into this effort. For your information, Tony Coelho is the CEO of this company.

**Mitchell Fromstein**  
**CEO**

**Manpower  
Milwaukee, WI**

Manpower is a successful job placement agency with over 1200 offices around the country. Most Manpower offices currently conduct business in the suburbs. However, while there are jobs in the suburbs, Manpower has a severe shortage of people for those jobs. As a result, Manpower began opening branches in the inner-city and because they have met with success, are seriously considering a significant expansion in urban areas.

Manpower's business volume is not orders from customers, but is recruiting those who are job ready. If recruits lack specific job skills, Manpower will train them. However, Manpower does not provide basic education. People applying for placement through Manpower must be functionally literate as determined during the intake process, though a GED or high school degree is not required. Recruits are employees of Manpower until they are hired full time by an employer. Recruits are paid by Manpower while they are in temporary jobs, so both the employee and employer can assess each other. If there is a match, the recruit leaves Manpower for the new employer. About 40 percent of temporary workers end up in full-time permanent jobs. Manpower is paid only by the employer and will not take money from the recruit, including converted welfare benefits.

**Robert Shapiro  
Chairman & CEO  
Monsanto  
St. Louis, MO**

In response to your welfare-to-work challenge to CEOs, Robert Shapiro and Monsanto have designed a four-city welfare to work pilot program. The pilot sites will be St. Louis, MO, Chicago, IL, Pensacola, FL, and Greenwood, SC. Monsanto believes it can offer welfare recipients clerical and support job opportunities, and can influence their contractors, vendors and suppliers to hire welfare recipients. Further, Monsanto will work with community organizations, offering leadership and donating supplies to help make community-based welfare-to-work efforts a success.

By November 1997, Monsanto expects to have identified and begun partnerships with 1-2 major contractors and 1-2 community organizations in each location. By April, they hope to find about 50 welfare recipients jobs. Monsanto would then evaluate its success and expand if successful.

**Charles Martin  
CEO  
OrNda  
Nashville, TN**

OrNda is the second largest hospital corporation in the country with about 9 billion in revenues. OrNda would like to be a leader in the effort to employ people off of long term welfare. OrNda believes it can be a leader in this effort for two reasons: 1) OrNda hospitals are located primarily

in inner cities, and 2) hospitals employ hundreds of people in entry level positions. OrNda would like to use its George Washington University Hospital, which they purchased in November of 1996, as a pilot for its efforts.

**Rachel Hubka**  
**CEO**  
**Rachel's Bus Company**  
**Chicago, IL**

After taking a lien on her home, Rachel Hubka started Rachel's Bus Company in North Lawndale, one of Chicago's poorest neighborhoods. As she began to recruit drivers for her new company, despite high unemployment in the area, she could not find enough applicants who could meet the strict regulatory criteria for school bus drivers. As a consequence, Rachel's Bus Company began offering a free, comprehensive training program to drivers with no experience. The training program guides drivers through the entire screening and licensing process. It also demands a strict work culture based on pride and professionalism, including a dress code. Additionally, she offers employees financial performance incentives, and advancement opportunities into company management.

Rachel's Bus Company has been in Chicago for over six years and employs 100 drivers, most from the surrounding neighborhood.

**Bill Esery**  
**Chairman & CEO**  
**Sprint**  
**Kansas City, MO**

Sprint began hiring people off of welfare in its headquarters in Kansas City through the Kansas City Full Employment Council -- a one stop shop offering GED training, basic job training, job placement and the like.

Last September, Sprint also donated an 800 number so that any employer in America can call to find out what he or she can do to help move people from welfare to work in their own communities. The White House is working with various non-profit organizations to staff a central phone bank for the toll free number as well as the National Governors Association to determine the best method of getting updated information on the various state programs.

**Ben Cammarata**  
**President & CEO**  
**T.J.X. Company**  
**Framingham, MA**

TJX is the world's largest off-price apparel retailer with 596 T.J. Maxx stores and 466 Marshalls stores.

TJX has set up a working group to develop a program that will hire people directly from welfare. By the year 2000, Mr. Cammarata believes his company will have moved at least 5,000 people from welfare to work. T.J.X. hopes to set up pilot programs in Lynn, MA, Boston, MA and Charlotte, NC. They recognize that the issues they must address include: assimilation, transportation, child care, health care, and economic supplements.

**Gerald Greenwald**  
**CEO**  
**UAL Corporation**  
**Chicago, IL**

Greenwald would like to take a leadership role in encouraging corporations to meet your challenge to provide employment opportunities for people on welfare. UAL will undertake their own internal study to try to develop a program that will meet this challenge.

**Jim Kelly**  
**Chairman & CEO**  
**UPS**  
**Atlanta, GA**

UPS employs 290,000 domestic workers and is the largest employer of the teamsters in the nation. UPS has the highest paid workers in the transportation industry and is one of the largest employers of part-time workers, most of whom qualify for a health benefit package.

UPS is committed to employing workers both on welfare and at risk of ending up on welfare and is doing so through several avenues.

- 1) Through the 1994 School to Work Opportunities Act, UPS partnered with five colleges and local high school systems to help high risk students stay in school. As an incentive to stay in school, UPS offers students flexible, part-time jobs at \$8.00/hr with benefits along with the opportunity to earn community college credits without leaving the work site. UPS has initiated similar programs in Chicago and Kentucky and plans to expand to nine additional locations.
- 2) UPS became a member of the Student Work Consortium (SWC), a student recruitment program developed by the University of Texas and employers across the Dallas-Forth Worth area. Because the SWC was expanded to welfare recipients, UPS is providing part-time job opportunities with good wages and benefits to welfare recipients.
- 3) UPS aggressively and successfully uses the Targeted Jobs Tax Credit (TJTC). Over the past seven years, UPS has hired 25,655 TJTC qualified employees. UPS will continue its TJTC involvement through the Work Opportunity Tax Credit.

**WHITE HOUSE STAFFING MEMORANDUM**

DATE: 1/9/97 ACTION/CONCURRENCE/COMMENT DUE BY: 1/10/97 9:00 am

SUBJECT: Welfare / CEO Remarks

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McCURRY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QUINN	<input type="checkbox"/>	<input type="checkbox"/>
LIEBERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RASCO	<input type="checkbox"/>	<input type="checkbox"/>
RAINES	<input type="checkbox"/>	<input type="checkbox"/>	REED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input type="checkbox"/>	<input type="checkbox"/>
CURRY	<input type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STIGLITZ	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	STREETT	<input type="checkbox"/>	<input type="checkbox"/>
HALE	<input type="checkbox"/>	<input type="checkbox"/>	TYSON	<input type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input type="checkbox"/>	<input type="checkbox"/>	HAWLEY	<input type="checkbox"/>	<input type="checkbox"/>
HIGGINS	<input type="checkbox"/>	<input type="checkbox"/>	WILLIAMS	<input type="checkbox"/>	<input type="checkbox"/>
HILLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Sperling</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KLAIN	<input type="checkbox"/>	<input type="checkbox"/>	<u>Waldman</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LAKE	<input type="checkbox"/>	<input type="checkbox"/>	<u>Bowles</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>Radd</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			<u>Podesta</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			<u>Mathews</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			<u>Fagan</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Comments to Terry Edwards

RESPONSE:

'97 JAN 9 PM 8:25

**PRESIDENT WILLIAM J. CLINTON**  
**WELFARE TO WORK MEETING WITH BUSINESS LEADERS**  
**THE WHITE HOUSE**  
**JANUARY 9, 1997**

Good morning. In a few minutes we will begin a meeting with these business leaders and members of my Cabinet to discuss what we all must do together to provide jobs and training for people who will be making the transition from welfare to work as mandated in the new welfare law. But, before we talk more about this, I want to report some good economic news. The Department of Labor is reporting this morning that unemployment is down and wages are continuing to rise for working Americans. Eleven million new jobs have now been created during the past four years and unemployment is now at TK. This is further proof that our economy is strong and our economic strategy is working. I want to publicly thank out-going Labor Secretary Reich for all he has done to help us achieve this strong economic recovery. He has been a highly valued member of my team and I wish him well.

The meeting we are convening here this morning builds on the extraordinary efforts we have made over the past four years to allow states the freedom to test their own welfare reform strategies. Last year, I signed a law that revolutionizes our approach by making welfare reform a national mandate. But that was not the end of reform, it was the beginning. Now we have to launch a national effort in every state and every community to make sure jobs are available for people who will be making the transition from welfare to work. As a first step in that effort, every state must tailor a welfare reform plan that requires and rewards work, imposes time limits, increases child care payments, and demands personal responsibility. We have already given the green light to 26 states to carry out their welfare reform plans. Today, I am pleased to announce that three more states -- Louisiana, Maryland and North Carolina have been given the green light to implement their plans.

The steps we have taken over the last four years, combined with a growing economy have helped reduce the welfare rolls by 2.1 million people. **But welfare reform is not the responsibility of government alone. It is the responsibility of every American. Welfare reform will only work if businesses take the lead in turning welfare checks into pay checks.** The best way to move people off welfare is through a job. My balanced budget has a plan to support businesses that provide those jobs. So, today, I want to encourage companies to hire people off welfare and to join with these business leaders in becoming real partners in welfare reform. I firmly believe that with a combination of government incentives, private initiative and personal responsibility, we can achieve our goal of moving people from dependence to independence.

Thank you.

EXECUTIVE OFFICE OF THE PRESIDENT

09-Jan-1997 09:54am

TO: ~~Bruce N. Reed~~  
TO: Kathy McKiernan  
TO: Peter O'Keefe  
  
FROM: Lyndell Hogan  
Domestic Policy Council  
  
SUBJECT: Draft write up on CEO programs

Bruce, Kathy and Peter,

As an attachment is my draft summary of the corporate welfare to work programs and ideas. It's long -- 4 pages plus -- but all of the information is relevant. As you'll see, there is still some information missing -- specifically full info on Sprint and info on United. Peter, can you add that?

I'm in a meeting through 1:30 today in the building, so if you need me, just beep me (it will be nice to get a break).

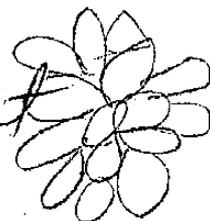
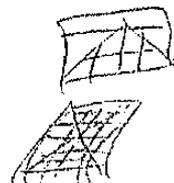
FYI, no one has looked at this.

Bruce -

Peter is working this  
into the briefing memo.

I thought you might want  
it now for writing the

Pres. Comments -  
Lyn



**DRAFT**  
**CEO Welfare To Work Meeting**  
**Friday, January 10, 1997**

There is a large and varied role for corporations to play in meeting the President's welfare to work challenge. Following are summaries of the efforts and ideas of 11 companies and their CEOs who have committed to meeting the President's challenge.

Some of the following companies invested directly in their poor communities by starting a business that has created jobs. Others are using their leadership and profits to fund educational and welfare to work efforts in their communities. Still others are exploring ways to either directly train and hire welfare recipients or to place welfare recipients in existing private sector jobs in surrounding communities. Finally, some are exploring options to offer those new to the workforce the necessary transitional supports including child care, health care and transportation.

Mike R. Bowlin  
Chairman and  
Chief Executive Officer  
ARCO  
Los Angeles, CA

ARCO is located in downtown Los Angeles. Through the ARCO Foundation, ARCO has sought to improve educational and employment opportunities in the LA urban core. ARCO invests in education and inner-city revitalization through grants that have supported literacy and math programs, training programs for inner city residents, and entrepreneurship programs for low-income women.

Dave Bing  
President & CEO  
Bing Manufacturing  
Detroit, MI

Dave Bing, a former Chrysler Corp. executive and Detroit Pistons all star, teamed up with entrepreneur Mel Far (a former Detroit Lions player) to create an auto systems supplier in Detroit. The company, located in an empowerment zone, has over \$100 million in sales with 540 employees at five companies, all in Detroit. By the end of '97, all of the companies will be unionized. Eighty-five percent of the employees are residents of Detroit. Most of the firm's line workers were unemployed before being hired. Bing Manufacturing is also working with the Michigan Jobs Commission to offer employee training in partnership with community colleges.

Robert Lowes  
CEO  
Burger King  
Miami, FL

Since 1989, Burger King has been helping children from disadvantaged families stay in school through Burger King drop-out prevention programs. Since its inception, this program has served 9,000 children, approximately 45 percent of whom were from families receiving AFDC.

Now, Burger King would like to expand its efforts with welfare families by helping recipients overcome the obstacles that prevent them from becoming productive members of the workforce. Burger King would like to pursue three strategies: First, Burger King is considering sponsoring community training and job readiness efforts. Second, Burger King is exploring partnerships with local child care and transportation providers to offer welfare recipients these services. Finally, Burger King would like to explore opportunities for welfare recipients to move up the career ladder once employed.

Mitchell Fromstein  
Manpower  
Milwaukee, WI

Manpower is a successful job placement agency with over 200 (??) offices around the country. Most Manpower offices currently conduct business in the suburbs. However, while there are jobs in the suburbs, Manpower has a severe shortage of people for those jobs. As a result, Manpower began opening branches in the inner-city and, because they have met with success, are seriously considering a significant expansion in urban areas.

Manpower's business volume is not orders from customers, but is recruiting those who are job ready. If recruits lack specific job skills, Manpower will train them. However, Manpower does not provide basic education. People applying for placement through Manpower must be functionally literate as determined during the intake process, though a GED or high school degree is not required. Recruits are employees of Manpower until they are hired full time by an employer. Recruits are paid by Manpower while they are in temporary jobs, so both the employee and employer can assess each other. If there is a match, the recruit leaves Manpower for the new employer. About 40 percent of temporary workers end up in full-time permanent jobs. Manpower is paid only by the employer and will take no money from the recruit, including converted welfare benefits.

Robert Shapiro  
Chairman & CEO  
Monsanto  
St. Louis, MO

In response to the President's welfare-to-work challenge to CEOs, Robert Shapiro and Monsanto have designed a four-city welfare to work pilot program. The pilot sites will be St. Louis, MO, Chicago, IL, Pensacola, FL, and Greenwood, SC. Monsanto believes it can offer welfare recipients clerical and support job opportunities, and can influence their contractors, vendors and suppliers to hire welfare recipients. Further, Monsanto will work with community organizations, offering leadership and donating supplies to help make community-based welfare-to-work efforts a success.

By November 1997, Monsanto expects to have identified and begun partnerships with 1-2 major contractors and 1-2 community organizations in each location. By April, they hope to find about 50 welfare recipients jobs. Monsanto would then evaluate its success and expand if successful.

Charles Martin  
CEO  
OrNda  
Nashville, TN

OrNda is the second largest hospital corporation in the country with about 9 billion in revenues. OrNda would like to be a leader in the effort to employ people off of long term welfare. OrNda believes it can be a leader in this effort for two reasons: 1) OrNda hospitals are located primarily in inner cities, and 2) hospitals employ hundreds of people in entry level positions. OrNda would like to use its Washington, D.C. hospital as a pilot for its efforts.

Rachel Hubka  
CEO  
Rachel's Bus Company  
Chicago, IL

After taking a lien on her home, Rachel Hubka started Rachel's Bus Company in North Lawndale, one of Chicago's poorest neighborhoods. As she began to recruit drivers for her new company, despite high unemployment in the area, she could not find enough applicants who could meet the strict regulatory criteria for school bus drivers. As a consequence, Rachel's Bus Company began offering a free, comprehensive training program to drivers with no experience. The training program guides drivers through the entire screening and licensing process. It also demands a strict work culture based on pride and professionalism, including a dress code. Additionally, she offers employees financial performance incentives, and advancement opportunities into company management.

Rachel's Bus Company has been in Chicago for over six years and employs 100 drivers, most from the surrounding neighborhood.

Bill Esery  
Chairman & CEO  
Sprint  
Kansas City, MO

Sprint began hiring people off of welfare in XXX at its headquarters in Kansas City through the Kansas City's Full Employment Council -- a one stop shop offering GED training, basic job training, job placement and the like -- and the local Investment Commission (??).

Last September, Sprint also donated an 800 number so that any employer in America can call to find out what he or she can do to help move people from welfare to work in their own communities.

Ben Cammarata  
President & CEO  
T.J.X. Company  
Framingham, MA

TJX is the world's largest off-price apparel retailer with 596 T.J. Maxx stores and 466 Marshalls stores.

TJX has set up a working group to develop a program that will hire people directly from welfare. By the year 2000, Mr. Cammarata believes his company will have moved at least 5,000 people from welfare to work. T.J.X. hopes to set up pilot programs in Lynn, MA, Boston, MA and Charlotte, NC. They recognize that the issues they must address include: assimilation, transportation, child care, health care, and economic supplements.

Gerald Greenwald  
CEO  
UAL Corporation  
Chicago, IL

To come from Peter O'Keefe.

Jim Kelly  
Chairman & CEO  
UPS  
Atlanta, GA

UPS employs 290,000 domestic workers and is the largest employer of the teamsters in the nation. UPS has the highest paid workers in the transportation industry and is one of the largest employers of part-time workers, most of whom who qualify for a health benefit package.

UPS is committed to employing workers both on welfare or at risk of ending up on welfare and is doing so through several avenues.

1) Through the 1994 School to Work Opportunities Act, UPS partnered with five colleges and local high school systems to help high risk students stay in school. As an incentive to stay in school, UPS offers students flexible, part-time jobs at \$8.00/hr with benefits along with the opportunity to earn community college credits without leaving the work cite. UPS has initiated similar programs in Chicago and Kentucky and plans to expand to nine additional locations.

2) UPS became a member of the Student Work Consortium (SWC), a student recruitment program developed by the University of Texas and employers across the Dallas-Forth Worth area. Because the SWC was expanded to welfare recipients, UPS is providing part-time job opportunities with good wages and benefits to welfare recipients.

3) UPS aggressively and successfully uses the Targeted Jobs Tax Credit (TJTC). Over the past seven years, UPS has hired 25,655 TJTC qualified employees. UPS will continue its TJTC involvement through the Work Opportunity Tax Credit.



**U.S. Chamber of Commerce**  
1615 H St. NW  
Washington, DC 20062-2000

Media Relations Department (202) 463-5682

# NEWS

**FOR IMMEDIATE RELEASE  
UPON RECEIPT**

**Contacts: (202) 463-5682 Frank Coleman  
Joe Davis**

## **U.S. CHAMBER: ADMINISTRATION AND CONGRESS SHOULD FURTHER ADDRESS WORKPLACE NEEDS TO MOVE PEOPLE OFF WELFARE**

WASHINGTON — The U.S. Chamber of Commerce said today that American business will find it difficult moving people from welfare to work without an expanded commitment from Congress and the Clinton administration to pass other common-sense training, preparation and community workforce programs.

"It's a foregone conclusion that the private sector will have a hard time absorbing these people into the workforce," said Jeffrey H. Joseph, vice president, domestic policy. "Employers are committed to the civic challenge of moving people from welfare to work. But, the recently passed welfare reform legislation addressed only one part of a bigger problem in training and developing unskilled workers."

The Chamber said many businesses are just starting the process to evaluate their training and development programs in terms of welfare reform, and cooperation with state and local governments is key to improving or modifying those programs to address the needs of the new emerging workforce.

"Business' goal is to become efficient in educating and training new workers, but earlier indications show that there is a disconnect in what is expected from welfare reform legislation versus what is possible now," said Joseph.

The Chamber supported welfare reforms passed by Congress and signed by the President.

#30#

97-03

4566210

Confirmed Attendees:

Gerald Greenwald  
CEO  
UAL Corporation

Bill Esery  
Chairman & CEO  
Sprint

Robert Shapiro  
Chairman & CEO  
Monsanto

Ben Cammarata  
President & CEO  
T.J.X. Company

Mitchell Fromstein  
Chairman & CEO  
Manpower Inc.

Rachel Hubka  
CEO  
Rachel's Bus Company

*80% familiar with.*

*Sprint 800 #  
NGA mtg.*

*Ask them to recruit other CEOs  
How can we best stabilize -  
the business community  
- not effort among businesses*

*Paul Sprang  
- VE #1's*

Pending:

Charles Martin  
CEO  
OrNda

Michael Bowlin  
Chairman & CEO  
ARCO

Kent Nelson  
Chairman & CEO  
UPS

Richard Notebaert  
Chairman & CEO  
Ameritech

*Commerce  
Treasury  
Lelton  
HHS  
SBA?*

*OMB?*

*Burger King, Chase*

Dave Bing  
President & CEO  
Bing Manufacturing

Unable to attend:

J. W. (Bill) Marriott, Jr.  
Chairman  
Marriott Hotels

Jack Greenberg  
Chairman  
McDonald's USA

*Bruce  
Lynn Degeen  
is trying*

EXECUTIVE OFFICE OF THE PRESIDE  
EXECUTIVE OFFICE OF THE PRESIDE

NT  
NT

08-Jan-1997 06:12pm

TO: Bruce N. Reed  
FROM: Kathy McKiernan  
Office of the Press Secretary  
CC: Cathy R. Mays  
SUBJECT: Can you have someone take a shot at these for Frid  
SUBJECT: \_\_\_\_\_

ay event?

Bruce -- these are a few of the questions I can think of off the top of my head. Can someone on your staff take a crack at them?

I'm working with Lynn on more general paper about the event. These Q & As would be for Mike, and I need to do a more generic version for the CEOs to use to talk to the media after the event. Anything else you could think of would be great.

Q: What was accomplished today?

A: can we draft something here?

Q: How involved is the White House going to be in this effort?

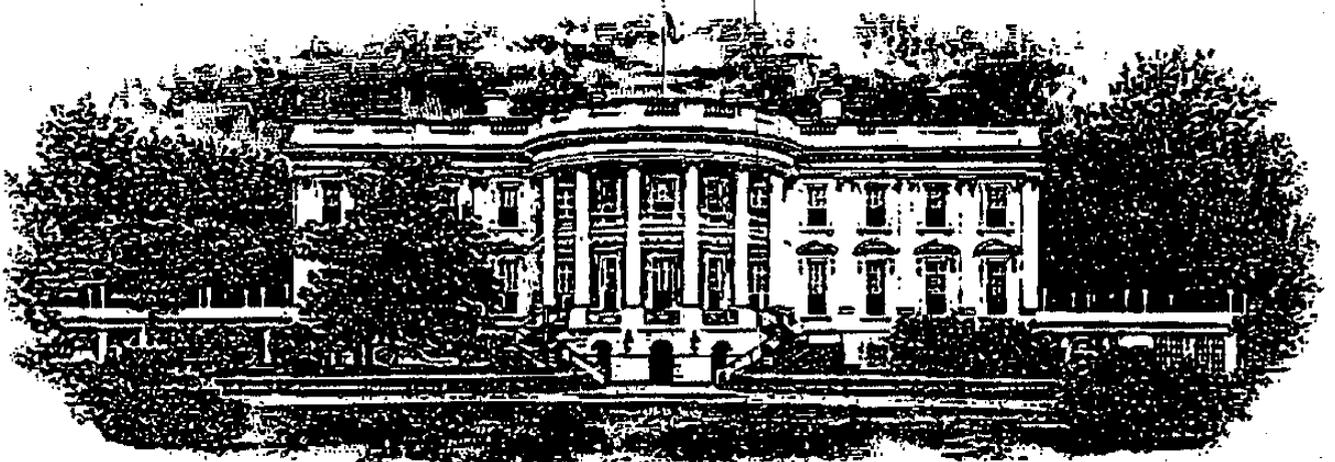
A:

Q: By relying on the private sector is the President taking a hands off approach to moving recipients into work? How are you monitoring this to ensure that people aren't falling through the cracks?

A:

# THE WHITE HOUSE

## Office of the Press Secretary



### FACSIMILE TRANSMISSION

To: Cathy Bruce

Fax number: \_\_\_\_\_

From: Kathy M

Number of pages (including cover): \_\_\_\_\_

Comments: Draft press paper follows. Any  
changes?

Note: This facsimile is for official government business, and is intended for the person to whom it is addressed. If there are any difficulties with this transmission, please call (202) 456-2580.

## PRESIDENT CLINTON MEETS WITH CEOS FOR SESSION ON MOVING AMERICANS FROM WELFARE TO WORK

January 10, 1997

President Clinton today will hold a working discussion today with 11 CEOs from large and small corporations who have committed to answer his challenge to help put welfare recipients to work. Among the business leaders attending today's session are the CEOs from United Airlines, Burger King and UPS, as well as a small business owner from Chicago, Illinois, Rachel Hubka, who put many poor residents in her community to work when she launched her own bus company. A full list of the CEOs expected to attend is attached, as is information on the welfare to work efforts they have undertaken or plan to put in place.

As President Clinton has said, there is a large and varied role for corporations to play in the welfare to work effort. Some of the companies attending today's session invested directly in their poor communities by starting a business that created jobs. Others are using their leadership and profits to fund educational and welfare to work efforts in their communities. Still others are exploring ways to either directly train and hire welfare recipients or to place welfare recipients in existing jobs, and to offer needed transitional supports including child care, health care and transportation.

Today's session will allow the President to hear from the business leaders about what they have done and about what the government can do to support this mobilization of the private sector. This meeting follows up on the President's challenge to business leaders on October 7 in Stamford, Connecticut, when he called on the private sector to help put those on welfare to work. That day, the President said:

*"And this new system, if we do it right, gives us the chance to do what we should have done all along, which is to take poverty out of politics and turn welfare into not just a state-based, but a community-based program where people are dealt with as people ...."*

*The welfare reform bill was just the first step. We now have to figure out how to reform welfare. That's very different than passing a bill. We actually have to go out and do it. And while the states and the communities will be able to do a lot of this, we still have certain responsibilities -- one I am attempting to meet by giving special tax credits to people who hire people off welfare and keep them hired for a year. And we think that will help to move people -- a million people -- from welfare to work ...*

*I am very gratified that every person here, every one of these executives has promised to do what they can to help us meet this national challenge. I thank you for that. And I want you to help me get more executives, more businesses in every community in the country to do it."*

(more)

Finally, Burger King would like to explore opportunities for welfare recipients turned workers to move up the career ladder.

**Mitchell Fromstein**  
**Manpower**  
**Milwaukee, WI**

Manpower is a successful job placement agency with over 200 (??) offices around the country. Most Manpower offices are in the suburbs and focus on job placements in those suburbs. However, while there are jobs in the suburbs, Manpower has a severe shortage of people for those jobs. As a result, Manpower began opening branches in the inner-city and, because they have met with success, are seriously considering expanding throughout urban areas.

Manpower's business volume is not orders from customers, but is recruiting those who are job ready. If recruits lack specific job skills, Manpower will train them. However, Manpower does not provide basic education. People applying for placement through Manpower must be functionally literate as determined during the intake process, though a GED or high school degree is not required. Recruits are employees of Manpower until they are hired full time by an employer. Recruits are paid by Manpower while they are in temporary jobs, so both the employee and employer can assess each other. If there is a match, the recruit leaves Manpower for the new employer. About 40% of temp workers end up in full-time permanent jobs. Manpower is paid only by the employer and will take no money from the recruit, even converted welfare benefits.

**Robert Shapiro**  
**Chairman & CEO**  
**Monsanto**  
**St. Louis, MO**

In response to the President's welfare-to-work challenge to CEOs, Robert Shapiro and Monsanto have designed a four-city welfare to work pilot program. The pilot sites will be St. Louis, MO, Chicago, IL, Pensacola, FL, and Greenwood, SC. Monsanto believes it can offer welfare recipients clerical and support job opportunities, and can influence their contractors, vendors and suppliers to hire welfare recipients. Further, Monsanto will work with community organizations, offering leadership and donating supplies to help make community-based welfare-to-work efforts a success.

By November 1997, Monsanto expect to have identified and begun partnerships with 1-2 major contractors and 1-2 community organizations in each location. By April, they hope to find about 50 welfare recipients jobs. Monsanto would then evaluate its success and expand if successful.

Following are summaries of the efforts and ideas of 11 companies who are attending today's session and are committed to meeting the President's welfare to work challenge.

**Mike R. Bowlin**  
**Chairman and**  
**Chief Executive Officer**  
**ARCO**  
**Los Angeles, CA**

ARCO is located in downtown Los Angeles. Through the ARCO Foundation, ARCO has sought to improve educational and employment opportunities in the LA urban core. ARCO invests in education and inner-city revitalization. ARCO grants have supported literacy and math programs, training programs for inner city residents, and entrepreneurship programs for low-income women.

**Dave Bing**  
**President & CEO**  
**Bing Manufacturing**  
**Detroit, MI**

Dave Bing, a former Chrysler Corp. executive and Detroit Pistons all star, teamed up with entrepreneur Mel Far (a former Detroit Lions player) to create an auto systems supplier in Detroit. The company, located in an empowerment zone, is doing over \$100 million in sales with 540 employees at five companies, all in Detroit. By the end of '97, all of the companies will be unionized. Eighty-five percent of the employees are residents of Detroit. Most of the firm's line workers were unemployed before being hired. Bing Manufacturing is also working with the Michigan Jobs Commission to offer employee training in partnership with community colleges.

**Robert Lowes**  
**CEO**  
**Burger King**  
**Miami, FL**

Since 1989, Burger King has been helping children from disadvantaged families stay in school through Burger King drop-out prevention programs. Since its inception, this program has served 9,000 children, approximately 45 percent of whom were from families receiving AFDC.

Now, Burger King would like to expand its efforts with welfare families by helping recipients overcome the obstacles that prevent them from becoming productive members of the workforce. Burger King would like to pursue three strategies: First, Burger King is considering sponsoring community training and job readiness efforts. Second, Burger King is exploring partnerships with local child care and transportation providers to offer welfare recipients these services.

**Charles Martin**  
**CEO**  
**OrNda**  
**Nashville, TN**

OrNda is the second largest hospital corporation in the country with about 9 billion in revenues. OrNda would like to be a real leader in the effort to employ people off of long term welfare receipt. OrNda believes it can be a leader in this effort for two reasons: 1) OrNda hospitals are located primarily in inner cities, and 2) hospitals employ hundreds of people in entry level positions. OrNda would like to use its Washington, D.C. hospital as a pilot for its efforts.

**Rachel Hubka**  
**CEO**  
**Rachel's Bus Company**  
**Chicago, IL**

After taking a lien on her home, Rachel Hubka started Rachel's Bus Company in North Lawndale, one of Chicago's poorest neighborhoods. As she began to recruit drivers for her new company, despite high unemployment in the area, she could not find enough applicants who could meet the strict regulatory criteria for school bus drivers. As a consequence, Rachel's Bus Company began offering a free, comprehensive training program to drivers with no experience. The training program guides drivers through the entire screening and licensing process. It also demands a strict work culture based on pride and professionalism, including a strict dress code. Additionally, she offers employees financial performance incentives, and advancement opportunities into company management.

Rachel's Bus Company has been in Chicago for over six years and employs 100 drivers, most from the surrounding neighborhood.

**Bill Esery**  
**Chairman & CEO**  
**Sprint**  
**Kansas City, MO**

Sprint began hiring people off of welfare in XXX at its headquarters in Kansas City through the Kansas City's Full Employment Council -- a one stop shop offering GED training, basic job training, job placement and the like -- and the local Investment Commission (??).

Last September, Sprint also donated an 800 number so that any employers in America can call to find out what he or she can do to help move people from welfare to work in their own communities.

**Ben Cammarata**  
**President & CEO**  
**T.J.X. Company**  
**Framingham, MA**

TJX is the world's largest off-price apparel retailer with 596 T.J. Maxx stores and 466 Marshalls stores.

TJX has set up a working group to develop a program that will hire people directly from welfare. By the year 2000, Mr. Cammarata believes his company will have moved at least 5,000 people from welfare to work. T.J.X. hopes to set up pilot programs in Lynn, MA, Boston, MA and Charlotte, NC. They recognize that the issues they must address include: assimilation, transportation, child care, health care, and economic supplements.

**Gerald Greenwald**  
**CEO**  
**UAL Corporation**  
**Chicago, IL**

To come from Peter O'Keefe.

**Jim Kelly**  
**Chairman & CEO**  
**UPS**  
**Atlanta, GA**

UPS employs 290,000 domestic workers and is the largest employer of the teamsters in the nation. UPS has the highest paid workers in the transportation industry and is one of the largest employers of part-time workers, most of whom who qualify for a health benefit package.

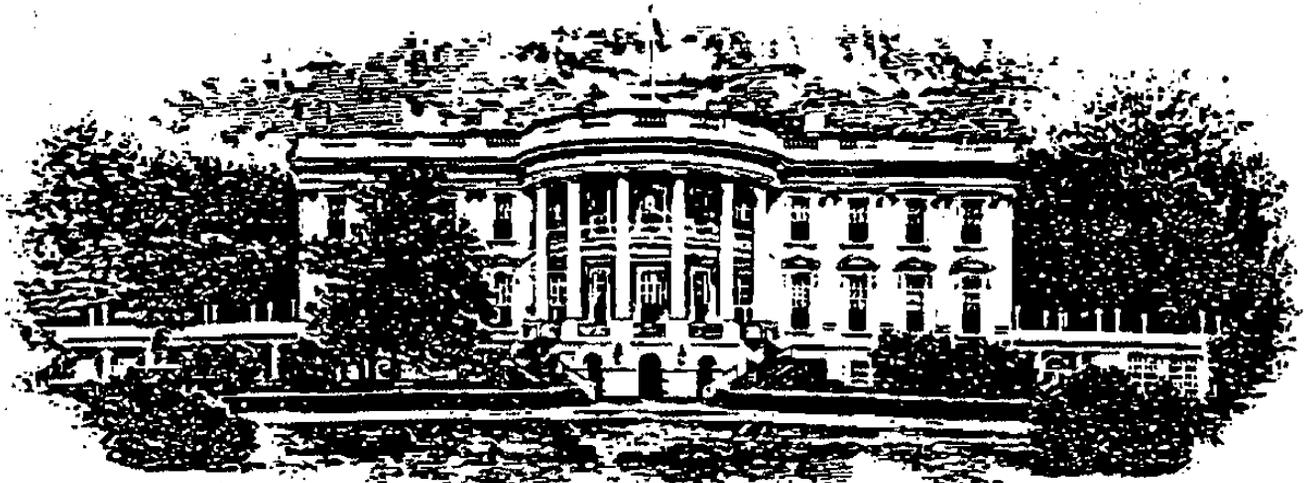
UPS is committed to employing workers both on welfare or at risk of ending up on welfare and is doing so through several avenues.

- 1) Through the 1994 School to Work Opportunities Act, UPS partnered with five colleges and local high school systems to help high risk students stay in school. As an incentive to stay in school, UPS offers students flexible, part-time jobs at \$8.00/hr with benefits along with the opportunity to earn community college credits without leaving the work cite. UPS has initiated similar programs in Chicago and Kentucky and plans to expand to nine additional locations.
- 2) UPS became a member of the Student Work Consortium (SWC), a student recruitment program developed by the University of Texas and employers across the Dallas-Forth Worth area. Because the SWC was expanded to welfare recipients, UPS is providing part-time job opportunities with good wages and benefits to welfare recipients.
- 3) UPS aggressively and successfully uses the Targeted Jobs Tax Credit (TJTC). Over the

past seven years, UPS has hired 25,655 TJTC qualified employees. UPS will continue its TJTC involvement through the Work Opportunity Tax Credit.

-30-30-30-

# THE WHITE HOUSE



## OFFICE OF PUBLIC LIAISON

**Alexis M. Herman, Director**

**Phone (202) 456-2930**

**FAX (202) 456-6218**

**Number of Pages (Including cover):** 3

**Date:** 9/9/96

**To:** Bruce Reed

**From:** Cheri Carter

**FAX Number:** x 65557

**Office Number:** \_\_\_\_\_

**Comments:** Bruce, the second page from Sprint  
is the piece I asked them to submit  
if the President and Essey happened  
to have 5 minutes together. You should be  
aware of these issues as you do the briefing  
paper I haven't talked to Monsanto  
that has been

*Cheri*  
*thanks*

WR-CEOs

**William T. Esrey**

**Chairman,  
Chief Executive Officer  
Sprint**

**William T. Esrey was elected president and chief executive officer (CEO) of Sprint in 1985 and chairman in 1990.**

**Esrey joined Sprint, then known as United Telecommunications, Inc., in 1980 as executive vice president of corporate planning. In January 1982, he became president of United Telecom Communications, Inc., a subsidiary of Sprint, and directed the efforts that resulted in the decision to construct the first all-digital, fiber-optic national network. In January 1984, he was named executive vice president and chief financial officer of Sprint.**

**Prior to joining the company, he was a managing director of Dillon, Read and Co. from 1970 to 1979. Earlier, he held management positions with AT&T, New York Telephone Company and Empire City Subway Co., Ltd.**

**He serves on the boards of The Equitable Life Assurance Society of the United States, Panhandle Eastern Corporation and General Mills, Inc.**

**Esrey earned a bachelor's degree in economics at Denison University and a master's degree at the Harvard Graduate School of Business Administration.**

Arriving at Salon 1 at the Ritz in Kansas City at 11am:  
Bill Esrey, CEO of Sprint  
Grever Synam, Sprint

Issues which may come up in the brief meeting which I understand is being arranged between the President and Bill Esrey:

- \* Congratulations & thank the President for signing Telecommunications Act.
- \* Sprint has some refinements to the FCC's Rules to implement the Telecom Act, but we're generally pleased that those Rules are aggressive and, if fully enforced, will ensure that local competition will become a reality.
  - Sprint encourages the President to support the FCC's effort to implement the new Rules (especially in getting the States to follow them); and
  - Sprint will support the FCC in Court appeals.
- \* Encourage the President to empower the DOJ to make sure that local telephone competition is real (and the Bell Companies no longer have monopoly power) before the RBOCs are allowed into competitive long distance markets.
- \* Encourage the nomination of an equally strong replacement for Anne Bingaman as Assistant Attorney General for Antitrust (who's leaving DOJ on November 15).
- \* Encourage the President to pursue the nomination of Gina Keeney to become an FCC Commissioner (to fill the vacancy left by Andy Barrett):
  - President Clinton named Gina to the position after the FCC's Local Interconnection order (which Gina was primarily responsible for) was released on Aug 8; and
  - the Senate may not have time to confirm the appointment before it adjourns in early October (although we're lobbying Senators Larry Pressler and Trent Lott to hold a confirmation hearing - they seem to be blocking the nomination in deference to Bell Companies); and
  - if the Congress adjourns before Gina is confirmed, the President can make a "recess appointment" (which means Gina can serve in the position for a year, provided that the Senate confirms her in that time).

## EXECUTIVE SUMMARY

In a unique and highly successful business-driven training model, Marriott's "Pathways to Independence...A Training for Jobs Program" has started hundreds of disadvantaged individuals on the road to full-time employment and satisfying careers with Marriott and other hospitality industry employers. All participants who successfully complete this competency-based program are offered full-time employment with benefits with Marriott or with another employer.

Each Pathways program cycle is six weeks in length and typically trains 12-18 participants. The 180-hour training cycle comprises 60 hours of classroom training and 120 hours of occupational skills training. Classroom and occupational skills training are conducted on-site at designated Marriott businesses by experienced, practicing Marriott managers and supervisors, a key element of Pathway's success. Training is, therefore, reality-based and current to the needs of the hospitality industry. Participants understand they are being trained by a potential employer, and managers and supervisors know they are training individuals who may become their employees. Both the participants and Marriott are therefore invested in the success of the program.

During the 180 hours of training, participants are in a bonafide training program and are not considered employees of Marriott. They, therefore, do not receive wages or benefits from the company. To ensure their presence in a bonafide training capacity for the occupational skills training, Marriott guarantees that participants do not displace any current Marriott associates, or cause a reduction in their work hours. In addition, participants are given classroom assignments to complete during their occupational training, and they are trained and supervised by experienced department personnel. Trainees follow a customized Pathways schedule, and work site activities include job shadowing and hands-on practice in a real work setting.

Weekly evaluations by trainers during the program ensure participants are always aware of their progress, and that there is ample opportunity to address issues and concerns. Once participants are placed into full-time jobs, the program then provides six months of follow-up services to promote job retention.

To conduct Pathways, Marriott seeks the partnership of government funding sources in cost-sharing for the program. Marriott recognizes that its primary benefit from this investment is well-trained employees for its businesses. This is, however, extraordinary training the company cannot afford to provide on its own. Marriott bears the costs of curriculum development, use of its training facilities, training supplies, most training materials, training equipment, and program monitoring, oversight, and travel. Government reimbursement is needed for dedicated time which Marriott managers and supervisors spend on the program.

As do other organizations, Marriott constantly seeks qualified individuals to be hired into its workforce. With Pathways, however, Marriott is also able to take the unique and proactive measure of training individuals who are not otherwise qualified, and develop them into qualified, competitive individuals to be hired into its business. Marriott believes that Pathways is an effective tool for helping disadvantaged individuals acquire marketable job skills, and for meeting the challenge Marriott faces with development of a qualified workforce.

## **HISTORY**

"Pathways to Independence....A Training For Jobs Program" was created in 1990 by Marriott Community Employment & Training Programs to address the company's need for a tool which would be effective in developing and retaining qualified employees for Marriott's businesses. Since then, the program has grown tremendously, and it has served participants and Marriott businesses in large and small cities across the country, including Atlanta, New Orleans, Chicago, Denver, Los Angeles, Anaheim, Philadelphia, Washington, D.C., Lake-of-the-Ozarks, MO., and Charleston, W.V.

Developed in response to research conducted by Marriott Community Employment & Training Programs, Pathways to Independence is designed not only to teach skills necessary to obtain a job, but also to address factors associated with individuals being unable to retain a job, such as inappropriate behavior, poor communication skills, substandard work ethic, tardiness and no-shows, low self-esteem, and personal issues such as transportation and inadequate child care.

Pathways to Independence has received numerous awards and recognition for its ability to prepare participants for the world of work and for jobs in the hospitality industry. Because many of the skills taught in Pathways to Independence are transferable to other industries, Marriott has also been approached by non-hospitality industry businesses for assistance in developing such a program for their businesses. With the changing realities of business and the growing skills gap of applicants, Marriott continues to revise and update Pathways to Independence to ensure it meets the training needs of the participants and the most current needs of the industry.

# SKILLS ACQUISITION

## *PATHWAYS TO INDEPENDENCE*

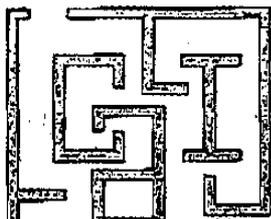
The Pathways to Independence program is a combination of classroom instruction and occupational skills training. After completing Pathways to Independence, participants demonstrate a working knowledge of important hospitality industry topics, many of which are reinforced in both the classroom and occupational skills training. In addition, participants learn life management techniques which help them function more effectively at home and at work. Training topics include:

- ♦ Maintaining a positive attitude
- ♦ Being dependable and reliable
- ♦ Committing to long-term job placement
- ♦ Participating in a teamwork environment
- ♦ Building confidence and self-esteem
- ♦ Balancing work and personal life
- ♦ Servicing customers and handling complaints
- ♦ Using customer service telephone skills
- ♦ Preventing workplace accidents and food-borne illness
- ♦ Using basic first aid
- ♦ Applying the Heimlich maneuver
- ♦ Formulating a personal budget
- ♦ Establishing and managing credit
- ♦ Opening and managing a checking account
- ♦ Meeting expenses with entry-level wages
- ♦ Differentiating between necessities and luxuries
- ♦ Communicating effectively
- ♦ Accepting and offering constructive criticism
- ♦ Exploring career opportunities in the hospitality industry
- ♦ Completing job applications and resumes
- ♦ Job interviewing skills
- ♦ Adhering to grooming and hygiene policies
- ♦ Setting and achieving goals
- ♦ Appreciating and working with diverse groups of people
- ♦ Managing and coping with stress

In addition to 60 hours of classroom training, participants complete 120 hours of occupational skills training which include job shadowing and "hands-on" job practice. During their occupational skills training, Pathways to Independence participants wear Marriott uniforms and they interact with Marriott guests, co-workers, managers and supervisors. Participants learn to perform the same job tasks as employees who hold positions with Marriott. When participants graduate from the Pathways to Independence program, they have marketable training experience which will help them qualify for entry-level positions in the hospitality industry.

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1  
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE FOLLOWING PAGE HAS HAD MATERIAL REDACTED. CONSULT THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER FOR FURTHER  
INFORMATION.



Chambers Associates Incorporated • Public Policy Consultants

805 15th Street, N.W  
Suite 500  
Washington, D.C. 20005  
(202) 371-9770  
FAX (202) 371-6601

TO: BRUCE REED  
FROM: BILL SIGNER  
DATE: DECEMBER 12, 1996  
SUBJECT: PERSONAL INFORMATION FOR DECEMBER 16 MEETING

Following are the dates of birth and Social Security numbers for those meeting with you on Monday, December 16 at 1:30 p.m. If you have any questions, please call me at (202) 371-9770.

Karen Winterbottom:  
McDonald's

P6/(b)(6)

Susan Oven  
Dayton Hudson

P6/(b)(6)

Janet Tully

P6/(b)(6)

William A. Signer

P6/(b)(6)

*Carol Kreis*

*CIC - NOTC*

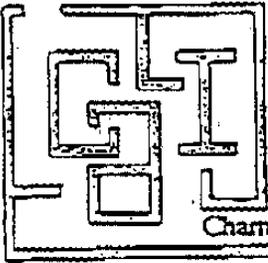
*Paperwork*

*Welfare offices in Indiana*

*Marriott*

Janet M. Tully  
Director  
Employment and Training Initiatives  
Community Employment and Training Programs

Marriott International, Inc.  
Marriott Drive, Dept. 935.47  
Washington, D.C. 20058  
301/380-6896  
301/380-2111 Fax



Chambers Associates Incorporated - Public Policy Consultants

805 15th Street, N.W.  
Suite 500  
Washington, D.C. 20005  
(202) 371-9770  
FAX (202) 371-6601

FACSIMILE COVER SHEET

Date: 12/13

If you have any problems receiving this Fax,  
or wish to respond, please call (202)371-9770.

TO: Bruce Reed

COMPANY: DEVB

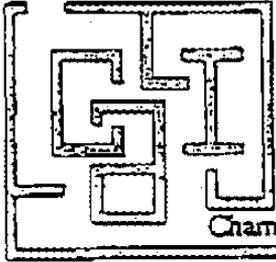
FAX: 451-5557

FROM: Bill Signer 2 pages including cover.

The information contained in this facsimile message is intended for the use of the individual or entity named above and may be privileged and confidential. If you are neither the intended recipient nor the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us by telephone and destroy the facsimile message received. Thank you.

COMMENTS/MESSAGE:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Original will follow by:  overnight mail  regular mail  messenger  will not follow



Chambers Associates Incorporated - Public Policy Consultants

805 15th Street, N.W  
Suite 500  
Washington, D.C. 20005  
(202) 371-9770  
FAX (202) 371-6601

### FACSIMILE COVER SHEET

Date: 12/13

*If you have any problems receiving this Fax,  
or wish to respond, please call (202)371-9770.*

TO: Bruce Reed

COMPANY: White House

FAX: 456.5557

FROM: Boill Signer 2 pages including cover.

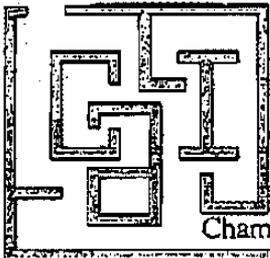
The information contained in this facsimile message is intended for the use of the individual or entity named above and may be privileged and confidential. If you are neither the intended recipient nor the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us by telephone and destroy the facsimile message received. Thank you.

COMMENTS/MESSAGE:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Original will follow by: [ ] overnight mail [ ] regular mail [ ] messenger [ ] will not follow

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 2  
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE FOLLOWING PAGE HAS HAD MATERIAL REDACTED. CONSULT THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER FOR FURTHER  
INFORMATION.



Chambers Associates Incorporated • Public Policy Consultants

805 15th Street, N.W.  
Suite 500  
Washington, D.C. 20005  
(202) 371-9770  
FAX (202) 371-6601

TO: BRUCE REED  
FROM: BILL SIGNER  
DATE: DECEMBER 12, 1996  
SUBJECT: PERSONAL INFORMATION FOR CAROL KLEIS

Carol Kleis will also attend the meeting on Monday, December 16 at 1:30 p.m. Here  
Social Security number is [REDACTED]. Her date of birth is P6/(b)(6)

## THE WHITE HOUSE

Office of the Press Secretary  
(New York, New York)

For Immediate Release

February 18, 1997

→ Memo on permanent underclass  
 ✓ Set CIA with memo  
 → Develop tax credit  
 for nonprofit

REMARKS BY THE PRESIDENT  
TO THE SIXTH ANNUAL BUSINESS ENTERPRISE AWARDS LUNCHEONThe New York Public Library  
New York, New York

1:42 P.M. EST

THE PRESIDENT: Thank you very much, Jim and Norman and to all of you who are involved in the Business Enterprise Trust. Our host, the New York Public Library, thank you for this magnificent room. And to -- especially to our awardees.

I'm glad Bill Moyers told that story about Calvin Coolidge and Alice Roosevelt Longworth because I was looking at these -- I had a great time today. I sort of hate it that I have to speak, I was having such a good time looking at the films and looking at the people. But I was thinking to myself, why am I here, because this is such an interesting program; why do they need me here for? And I then I thought, well, Norman Lear has been trying to get me to come here for four years. (Laughter.) He's hard to say no to. Every person's friendship carries a certain burden; you know that. That's it. (Laughter.) And as Calvin Coolidge said, a man's got to eat. (Laughter.)

So, Norman, I want to thank you for that stick of bread and the cookie at lunch. It was great. (Laughter.)

Ladies and gentleman, Norman Lear told that old story about his grandfather -- in 1981, I had the distinction of being -- entering my name for the first time in Ripley's when I became the youngest former governor in the history of the American republic. (Laughter.) With dim career prospects and in my entire state only one person offered me a job, Norman Lear called me and asked me if I would consider coming to work in another one of his endeavors. And I never forgot it -- mostly because no one else wanted me to come to work at anything. (Laughter.) And we've been friends ever since. He doesn't have to do this. He does it because he believes in it and he loves it and he believes that all of us have a higher purpose in our endeavors.

I have known Jim Burke for a long time. In his former life, he headed a great company with two plants in my state that were the embodiment of a lot of what you recognize here every year. And since then, he has headed the Partnership for a Drug-Free America. I don't think any American citizen could wish to have a person in charge of the endeavor to make our country drug-free who was deeper, more committed, more passionate, more whole-hearted than Jim Burke. America owes him an enormous debt of gratitude for his efforts there. (Applause.)

I was thinking about what all this meant today in terms of what I actually need to talk to you about as President. What is Marriott's effort to provide real services to many of their employees, including a lot of them whose first language is not English and who weren't born here? What does that mean for what I have to say? What does Motorola's commitment to lifetime education and training for its employees -- something we do in the military, I might add, but something which Motorola does at an investment of three times the industry average. What does that mean? What does the incredible story of Olmec Toys mean?

MORE

If I ever need anything sold, I'm calling you.  
(Laughter.) I've now run all my elections -- where were you when I needed you? (Laughter.)

What does it mean for children to be able to see in their toys, their dreams, and imagine that there is a connection between their small lives and their big dreams? I don't know how many of you read Max DePree's books, but I have, and when I read "Leadership As An Art" I was overwhelmed. I said to myself, why in the living daylights didn't I know that already? Why haven't I been doing that? Why would anybody ever try to do it any other way? What does all this mean?

What I think it means is not only that it's possible to be a good business person and a good citizen; that it's possible to do things like grow the economy and preserve the environment; that you can make a profit and still be decent to your employees; that you can be efficient and still recognize the dignity and the importance of the larger society of which you're a part -- that's all true, but I think what it really means is that the most fulfilled people in life are those whose lives are most whole and most in harmony with others with whom they live and come in contact and work; and that in a funny way we're all trying, in different ways, to end the isolation of our endeavors and find some real integrity, some wholeness to them; to connect ourselves to each other in a way that enables us to flourish as individuals and to find personal success by making the whole stronger and better.

And that brings me to what I actually need to talk to you about today, which is how we're going to do that for those among us who are the poorest Americans, who are on welfare and who are now the object of the welfare reform law which I signed last year. Because they, too, deserve that. And in some ways, those who have become permanently dependent on public assistance have been isolated from the rest of us by people whose political views span the entire spectrum.

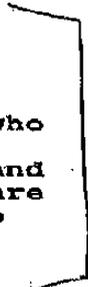
I hear people who think of themselves as conservatives demeaning people on welfare sometimes by saying, well, none of them want to go to work and, you know, the only answer to that is just to walk away. They won't do anything unless they're faced with starvation. And then I hear people who are more liberal demeaning them in a way that can be equally deadening, by saying, well, the poor things, they can't work, and so we have to just take care of them. Of course, we'll take care of them at a substandard level, so that every month from now to the rest of their lives they'll always be acutely conscious of what they cannot do and cannot be and cannot become.

I believe that we never intended to create a class of permanently dependent people in our society. I believe it only happened because the welfare system we set up for people who had genuine misfortune -- the typical welfare recipient 60 years ago was a West Virginia minor's widow, with no education and no expectation of being in the work force, and children running around the house that had to be cared for, and a society that did not require high levels of education for success.

Today, basically, there are two groups of people on welfare, half the people in this system or any other system would work just fine for her because they run into a little trouble and then they need a little help. But they get themselves out of it, and they go right on about their business and don't get back on welfare again. And they do just fine. And this system -- it's not very good, but it's about as good as anything else because they made it work and they go on with their lives.

Then there are the rest of the people on welfare -- slightly more than half -- who essentially have become part of a group of people in America known in a kind of pejorative sense

MORE



often as a permanent under class -- mostly younger women and their young children with little or no education, little or no job experience, little or no ability to move into the work force on a sustained basis.

There are another group of people, by the way, that have not been part of this public debate at all, who are at least as big a social concern to me, and those are the single men who are ineligible to get welfare payments in almost every state because they're single men, they don't have children they're supporting. And they live on food stamps and whatever else they can scrounge up, but they're hardly ever in the work force. And we have paid for that as well.

The isolation of these people from the rest of us has cost them in ways that are obvious, but we have paid as well -- all the families that haven't been formed, all the jobs and all the economic activity that hasn't been there.

So for four years, we've been working on this because I believe we could do better. And in four years, we've had the biggest reduction in welfare rolls in history -- 2.25 million. But it happened for several reasons. It happened about half because we had 11.5 million jobs in the last four years, and that had never happened before. It happened about 30 percent because over 40 states were already working on welfare reform -- moving people from welfare to work. And we don't really know why the other 20 percent got off welfare -- partly because we had a 50 percent increase in child support collections.

But now we have a law that says every state must design a system to move able-bodied people who are adults from welfare to work in two years. That's what the law says. And I won't bore you with all the details, but let me give you the bottom line. The bottom line is that in the next four years, with a smaller welfare population and people who are, therefore, harder to place, we have to move as many people into the work force as we did in the last four years when we had 11.5 million jobs and a 50-percent increase in child support enforcement, and 43 states already out there working on welfare reform.

And you have to help. And you have to find a way to make it good business. And I believe you can. And that's what I came here to say. We cannot be the country we ought to be if 20 percent of our children are living in poverty. We cannot be the country we ought to be if we say there are all these folks out here that literally we're prepared to have physically separate from us. And if any of you have ever really spent any time with folks on welfare you know that most of them are actually dying to go to work. And a painful number literally don't know the first thing about how. And we have a lot of work to do.

But what I want to say to you is this is not an insurmountable problem. Let me just give you a couple of numbers. Keep in mind I said in order to meet the requirements of the law, which I have carefully reviewed now, we'll have to move about a million people more into the work force. That will reduce the welfare rolls by about 2.7 million because of the size of welfare families.

Now, how in the wide world are we going to do this? Well, the first thing you need to know is that there are about 826,000 businesses in America with more than 20 employees. There are 1.1 million nonprofit organizations in America -- I don't have the employment breakdown on them. There are 135,000 houses of worship in America with 200 or more members; and over 200,000 with 100 or more members.

Under the new law every state in the country can take what used to be the welfare check and actually just go give it to an employer to train -- properly train -- not have some momentary fly-by-night meaningless education program, but to

MORE

actually properly train the employee and to pay a wage subsidy to help train people on literally the habits of work. There is no excuse not to do that. If the law passes that I have proposed we'll also have a 50-percent tax credit of up to \$10,000 for doing it.

Every state can, for single men who don't get welfare checks, can give food stamp funds to the employer for the same purpose. The tax credits are no good to the houses of worship and the community nonprofits who don't pay taxes, but the cash subsidies would be. There are all kinds of things that can be done, but if you just look at the sheer numbers of employers out there we could do this million people in a snap and help to break the back of the isolated under class in America, and make poverty what it used to be -- at least in our imagination -- which is a way-station on the way to the middle class for people who would work and learn.

Over the weekend, Charlene Barshefsky, our Trade Ambassador, concluded an agreement on telecommunications that industry leaders estimate will bring 1 million new jobs to America -- that one agreement -- in the next 10 years. But none of them will go to people who are illiterate. None of them will go to people who can't find their way on a bus or a subway to work. None of them will go to people who literally don't have the self-confidence to be able to look people dead in the eye and talk to them and relate to them.

This country will never be what it ought to be if there are people who are literally beyond the message of Max DePree or Motorola or Olmec Toys or all these other things. We have got to realize, especially because so many of them are children, that they are our responsibility, too.

And so I ask you today, whether you belong in the category of folks who've criticized the welfare system without really knowing anybody on welfare, or whether you belong in a category of folks who patronize people on welfare and, therefore, undersold what they could become, or whether, like most of us, you've probably done a little bit of both in your life, they are our people. They are a big part of our future.

The law now says that those who can work have to work. And now that we as a nation have put that requirement on them, we have to make sure that those who have to work can work. It is our highest responsibility. But we should do it not with any spirit other than a desire to further what we saw in every one of these films today, and to make sure every American can be a part of the whole. And if that happens, they will be better, but so will we.

Thank you and God bless you. (Applause.)

END

1:57 P.M. EST