

WITHDRAWAL SHEET

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Date: 4/13/04

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Memo	From Peter Tarnoff for Mack McLarty re: weekly report from Dept. of State, 2p	12/9/93	P1/B1 (S)
2. Memo	From Les Aspin for Mack McLarty re: weekly report from Dept. of Defense, 1p	12/9/93	P1/B1
3. Memo	From Madeleine Albright fro Mack McLarty re: weekly report from U.S. representative to U.N., 3p	12/9/93	P1/B1 (C)

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].

PRM Personal records misfile defined in accordance with 44 USC 2201 (3).

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].



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

SEP 30 1993
September 28, 1993
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 2446 -- MILITARY CONSTRUCTION APPROPRIATIONS BILL, FY 1994
(Sponsors: Byrd (D), West Virginia; Sasser (D), Tennessee)

This Statement of Administration Policy provides the Administration's views on H.R. 2446, the Military Construction Appropriations Bill, FY 1994, as reported by the Senate Appropriations Committee. Although the Administration generally supports Senate passage of H.R. 2446, the Senate is urged to address the concerns discussed below.

The Administration urges the Senate to delete funding for unrequested projects and to provide funding for the high-priority programs included in the President's request.

The Committee bill would provide \$763 million for unrequested projects, including \$403 million for the National Guard and Reserve. Most of these projects cannot be executed in FY 1994 because designs have not been initiated and construction could not be started until FY 1995.

The President has requested \$240 million for NATO infrastructure and \$222 million for other overseas construction projects, for a total request of \$462 million. The Committee bill would create a new account for all overseas construction projects, including NATO infrastructure, and would provide a total of \$300 million, \$162 million less than requested. The reduction to overseas project funding could affect NATO infrastructure agreements and treaty commitments, and could undermine our efforts to increase burden-sharing contributions of our allies. Additionally, key overseas initiatives, such as the relocation of naval forces from Subic Bay to Guam, would be seriously underfunded if required to compete with the NATO infrastructure for limited funds.

The Committee bill would reduce the request for the Military Construction, Defense Agencies account by \$569 million. The bulk of this reduction, \$499 million, is a result of the Committee's decision to fund hospital construction projects on an incremental basis, rather than providing full financing up-front as requested. The Administration urges the Senate to fund these projects fully to ensure that sufficient funding is available to complete the projects.

A general provision added by the Committee would reduce each account in the bill by four percent, for an overall reduction of \$415 million. This provision could have serious effects, especially on family housing operation and maintenance, for which there is no flexibility to reprogram funds between fiscal years to cover must-pay bills, such as utilities. The Senate is urged to delete this provision.

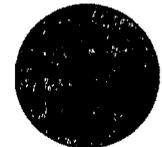


EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

file

THE DIRECTOR

OCT 6 1993



Honorable Robert C. Byrd
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 2446, the Military Construction Appropriations Bill, FY 1994, as passed by the House and by the Senate. As you develop the conference version of the bill, your consideration of these views would be appreciated.

Both the House and Senate versions of the bill would divert funds from requested projects to unrequested, low-priority projects.

The House version of the bill would add over \$500 million to the President's request and the Senate version would add over \$750 million for unrequested projects. More than half of these funds are for National Guard and Reserve projects. In general, funds for the unrequested projects could not be used in FY 1994. Most of the construction would not begin before FY 1995 because the buildings have not yet been designed.

The President has requested \$110.9 million for a Chemical Demilitarization Facility at Anniston Army Depot. The House approved the requested funding for the facility, but the Senate provided only \$25 million because some of the necessary permits have not yet been obtained. The Army recently solicited bids for the project and expects to award the contract in July 1994. The conferees are urged to provide the requested \$110.9 million.

The President has requested \$240 million for NATO Infrastructure and \$222 million for other overseas construction projects. The House bill would provide only \$140 million for NATO Infrastructure and the full amount requested for the other overseas projects. The Senate bill would provide \$300 million for all overseas construction projects, including NATO Infrastructure.

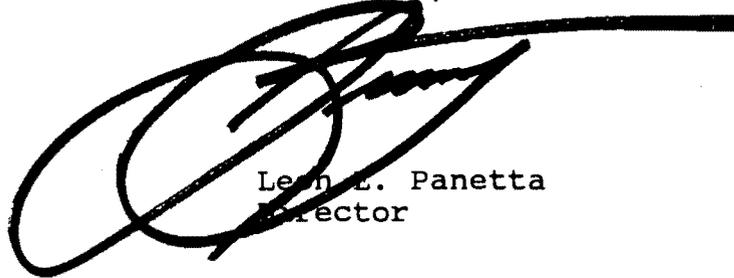
Reductions to NATO Infrastructure would undermine U.S. efforts to increase the burden-sharing contributions of our NATO allies by calling into question the U.S. commitment to programs requiring common funding. Large reductions in this program could reduce the alliance's ability to meet basic mission requirements. The Senate version of the bill would cause valid overseas projects to be deleted since NATO obligations must be satisfied.

The Senate bill contains language that would require the Executive Branch to certify in advance that it will achieve results dictated by Congress in negotiations with foreign states over burden-sharing. This would unconstitutionally interfere with the President's exclusive power to conduct negotiations with foreign states under Article II of the Constitution. The conferees are urged to support the full request for NATO and other overseas projects and to remove the restrictive language.

A general provision in the Senate version of the bill would reduce each account in the bill by four percent. This provision could have serious effects, especially on the operation and maintenance of family housing for which there is no flexibility to reprogram funds between fiscal years to cover must-pay bills, such as utilities. The conferees are urged to delete this provision.

The enclosed table provides OMB's preliminary scoring of the House and Senate versions of the bill. We look forward to working with the conferees to address our mutual concerns.

Sincerely,

A large, bold, handwritten signature in black ink, appearing to read 'Leon L. Panetta', is written over the typed name and title.

Leon L. Panetta
Director

Enclosure

Identical Letters Sent to Honorable William H. Natcher,
Honorable Joseph M. McDade, Honorable W.G. Hefner,
Honorable Barbara F. Vucanovich, Honorable Robert C. Byrd,
Honorable Mark O. Hatfield, Honorable Jim Sasser,
and Honorable Slade Gorton

MILITARY CONSTRUCTION APPROPRIATIONS BILL, FY 1994
(In millions of dollars)

04-Oct-93
08:18 PM
BRB:KBN
MCSF-MCT.WK3

Major Programs	FY 1993 Enacted		FY 1994 Proposed ¹		House Floor ²		Senate Floor ²		Senate Difference From House	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Defense Discretionary										
Military Construction:										
Base realignment and closure account.....	2,034	667	1,828	1,165	1,828	1,165	1,539	1,173	-289	7
Military Construction, Defense-wide.....	323	615	1,078	569	619	542	524	536	-95	-6
Military Construction, Navy.....	376	1,048	655	787	576	774	580	775	4	1
Military Construction, Army.....	431	817	777	763	838	776	724	753	-114	-23
Military Construction, Army National Guard.....	215	305	51	268	204	274	291	277	87	3
Military Construction, Air Force.....	718	1,115	906	1,072	913	1,073	964	1,079	50	7
Military Construction, Air National Guard.....	308	265	142	281	162	283	255	290	93	7
NATO Infrastructure ³	60	255	240	232	140	207	300	229	160	22
Other Military Construction.....	87	197	159	185	183	187	100	182	-82	-5
Family Housing:										
Family Housing, Army.....	1,524	1,441	1,343	1,340	1,286	1,294	1,354	1,341	67	48
Family Housing, Navy and Marine Corps.....	1,044	910	1,209	1,112	1,150	1,078	1,190	1,111	40	33
Family Housing, Air Force.....	1,212	1,083	1,027	1,099	998	1,066	1,049	1,100	51	35
Other Family Housing.....	294	71	179	115	177	114	99	80	-78	-34
Rescissions ⁴	-133	—	—	—	—	—	-195	-21	-195	-21
Four percent across the board cut.....	—	—	—	—	—	—	-415	-109	-415	-109
Allowance (1993 base closure recommendations).	—	—	1,200	30	1,200	30	1,197	30	-3	-
Total, Defense Discretionary.....	8,491	8,788	10,794	9,018	10,274	8,860	9,753	8,869	-520	9

	House 602(b)		Senate 602(b)		House Floor Less House 602(b)		Senate Floor Less Senate 602(b)	
	BA	OL	BA	OL	BA	OL		
602(b) Allocation.....	10,066	8,784	9,794	8,784	208	76	-41	85

¹ No Investment items were proposed.

² OMB scoring is preliminary.

³ Senate NATO Infrastructure funding is included in an unallocated account for all overseas construction projects.

⁴ Rescissions of FY 1992 and FY 1993 BA included in this bill affect the Military Construction Army, Navy, Air Force and Defense-Wide accounts, and the Army, Navy and Marine Corps, and Air Force Family Housing accounts.



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

SEP 29 REC'D
September 24, 1993
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 2518 -- DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994

(Sponsors: Byrd (D), West Virginia; Harkin (D), Iowa)

This Statement of Administration Policy provides the Administration's views on H.R. 2518, the Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, FY 1994, as reported by the Senate Appropriations Committee. The Administration supports Senate passage of H.R. 2518 as reported by the Committee and will work with Congress to address the concerns described below.

President's Investment Program

The Administration appreciates the Committee's funding of high-priority investment proposals within the Departments of Labor, Health and Human Services, and Education. Although we requested additional funds for Head Start, Immunization, Goals 2000 and School to Work, we understand the constraints facing the Committee. These programs remain a high priority and the Administration will work with the conferees in support of these programs.

The Administration is pleased that the Committee has fully funded most of the President's investment proposals for the National Institutes of Health (NIH) and for the Social Security Administration's disability payments. The Administration is also pleased that the Committee has provided a large increase in funding for programs authorized under the Ryan White CARE Act.

FTE Floors

The Administration appreciates the decision to strike from the Committee bill provisions that would have mandated specific FTE levels for the Departments of Labor, Health and Human Services, and Education. This action is consistent with the intent of the President's Executive Order on FTE reductions and the recommendations for reduction of the Federal workforce contained in the report of the National Performance Review.

Funding for Abortions

The Administration is pleased that the Committee has not included a provision that would prohibit the use of Federal funds to pay for abortions for eligible low-income recipients.

Social Security Administration

The Administration is concerned about the provision of the Committee bill dealing with the Social Security Administration's Limitation on Administrative Expenses. The provision would reduce funding from the HI and SMI trust funds for Social Security Administration work on behalf of Medicare beneficiaries by \$200 million and increase OASDI payments by the same amount.

The intent of this provision is unclear. Its effect would be to use OASDI funds for FY 1994 costs attributable to Medicare administrative activities. This one-time subsidy would not be reversed in the future absent legislative language to restore the funds to the OASDI trust funds.

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



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

December 9, 1993

MEMORANDUM FOR MACK McLARTY, THE WHITE HOUSE

FROM: Lloyd Bentsen
SUBJECT: Weekly Report for the week of December 12

KEY DEPARTMENT NEWS

Possible Treasury-related topics for press coverage include:

- o My visit to New York
- o Brady Bill enforcement
- o Bank regulatory consolidation
- o New regulations on the tax deductibility of lobbying expenses

THE WEEK AHEAD

Asia CEO Lunch: In preparation for my January trip to Asia and Russia, I will meet next week with a group of U.S. CEOs whose companies do substantial business in Asia.

New York Visit: I will visit New York Thursday, December 16. A meeting with the Wall Street Journal's editorial board is scheduled, and we are working on events and meetings with the banking community to highlight the administration's Community Reinvestment Act reform and banking regulatory consolidation initiatives.

Brady Bill enforcement: When the Brady Bill finally passed, the Bureau of Alcohol, Tobacco, and Firearms had already mailed out approximately 12,000 renewal notices for federal firearm licenses that expire in December in January. These notices reflect the lower, pre-Brady license fee and will have to be returned for the additional fee mandated by Brady. An estimated 3000 new applications will be similarly affected. As a result, ATF anticipates a substantial increase in Congressional and possibly media inquiries regarding the increase.

REGULATORY ACTION

Tax Deductibility of Lobbying: Next week, IRS should issue proposed and temporary rules

implementing the portion on the budget reconciliation act removing the tax deductibility of lobbying expenses. The rules will cover the estimation of lobbying expenses as a portion of association dues, timing of the expenses, and other aspects of the new law.

The following regulations are expected to be issued shortly:

IRS proposed rule concerning civil actions by persons other than taxpayers. The rule clarifies IRS levy powers against funds held by other federal agencies.

IRS proposed and temporary rule concerning the reissuance of mortgage credit certificates (MCCs). The regulations permit the reissuance of MCCs in connection with the refinancing of the underlying mortgage. Because of low interest rates, MCC holders have requested the ability to refinance mortgages without losing MCC benefits.

Customs Service final rule concerning declarations for works of art. The rule, which was proposed during the prior administration's regulatory initiative, will make it easier for importers to satisfy the paperwork requirements supporting the duty-free treatment of works of art.

Bureau of Alcohol, Tobacco, and Firearms proposed rule concerning multistate appellations of origin on wine labels.

PRESS

I am having off-the-record lunches with Cokie Roberts of ABC and Johnny Apple of The New York Times next week. I will also meet with The Wall Street Journal's editorial board next week. Deputy Secretary Altman will give an interview to Fred Barnes of The New Republic.

Other Treasury press work includes the following:

Tax Deductibility of Lobbying: Because this received significant publicity during the budget reconciliation debates, we expect interest in the new regulations to be limited to tax and lobbying trade press.

Bank Regulatory Consolidation: Treasury officials will be meeting with editorial boards and trade associations to help build support for the administration's proposal to consolidate bank regulatory functions of the OTS, OCC, FDIC and Federal Reserve into one agency.

CNN to interview Customs Service official on child pornography: On December 13, Customs Service child pornography expert Donald Huycke will provide an interview to CNN Medical News regarding child pornography issues and Customs' successful "Operation Longarm." Senior Special Agent Huycke will address trends in the smuggling of child pornography, the use of computers to disseminate child pornography, and Customs' interdiction efforts. The interviewer may ask about the commitment of the Administration to fight child pornography, an issue that has been raised recently in the press. Agent Huycke is

expected to answer that the commitment, from his perspective and experience, has been 100%. The FBI and other interested parties will also be interviewed by CNN. Air date is uncertain.

Tax Tips on C-SPAN: IRS will offer end-of-year tax tips to consumers on C-SPAN tomorrow, December 10, from 6:30 to 7:00 p.m. EST.

Excessive Executive Compensation: We are considering the release of regulations ending the tax deductibility of executive compensation in excess of \$1 million. The regulations will definitely draw press attention when released, but no release date has yet been set.

WEEK IN REVIEW

A. Events and Issues

On Wednesday, I joined the bank regulatory agencies in announcing the Administration's new regulations reforming the Community Reinvestment Act. Reaction was mostly favorable among both community groups and the banking industry.

B. Travel - This Friday and Saturday, I will travel to Easton, Maryland for a Treasury senior staff conference. No public events are scheduled.

C. Speeches - Today, I addressed the 1993 U.S. Savings Bonds Volunteer Committee meeting.

SECRETARY'S SCHEDULE FOR THE WEEK

My schedule next week includes the following:

December 14 Lunch with Cokie Roberts

December 15 Lunch with U.S. CEOs doing business in Asia

December 16 New York City visit

Wall Street Journal editorial board

Possible other events: banking CEOs breakfast, CRA event with Congressman Floyd Flake, and business press roundtable

December 17 Lunch with Johnny Apple

RTC Oversight Board meeting

SECRETARY SCHEDULE FOR MONTH

My schedule for the next month includes the following:

December 20 Lunch with Mort Zuckerman from U.S. News

January 12-22 Russia/Asia trip

DEPUTY SECRETARY'S SCHEDULE FOR WEEK

Deputy Secretary Altman's schedule next week includes the following:

December 14 Congressman David Hobson regarding health care

Fred Barnes interview

December 16 Chicago editorial boards

Chicago visit with Senator Simon

December 17 David Broder

Departmental Initiatives Update

Credit Crunch Initiative - The newly announced Community Reinvestment Act reform should both help spur banks to provide more credit to poor and moderate incomes areas and lessen the regulatory burden on the banking industry in general.

Government Securities Regulation - No new developments

Tax Simplification - No new developments

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

PRESS

ARMY RESERVE AND NATIONAL GUARD RESTRUCTURING:

After years of discussion between the Army reserve, Army National Guard and the regular Army, we have been able to get agreement on a plan to restructure and draw down the Army National Guard and the Army Reserve.

The plan is viewed as more pro-National Guard and Reserve than the Bush Administration's, and fulfills President Clinton's 1992 commitment made before the National Guard Association in Salt Lake City. It is supported by the key associations that have been lobbying Congress and protects the Governor's ability to respond to disasters here at home.

The restructuring is central to our Bottom-Up Review war-fighting strategy and I plan to make an announcement on it tomorrow.

YEAR-END REVIEW

We are preparing a year-end review document listing the Administration's major defense-related accomplishments during our first year. The list will be available to media who are working on year-end articles. It will also serve as talking points for people who talk to the media, fact sheets for Members of Congress, and general information for op-ed pieces. We will furnish copies to the White House for inclusion in the President's year-end activities. The list will be available during the week of December 13.

I have also agreed to a breakfast on Thursday December 16, with the Sperling group of defense reporters to talk to them about our NATO initiatives and the Administration's overall accomplishments.

C-17

On Wednesday, December 15, we will announce the administration's approach to dealing with the C-17 program. The announcement will state that we will continue the C-17 program for two years to give McDonnell Douglas the opportunity to show modern production capability (and thus be able to deliver large numbers of aircraft in a timely fashion) and demonstrate that the plane meets performance requirements. We will also announce plans to negotiate a unified settlement on all outstanding claims and will continue (in concurrence with Congressional directives) to look at the capability of a mixed fleet including non-development aircraft.

I sent a more detailed memo to the President last week on this.

HEALTH CARE REFORM

Three positive news articles on how the President's health care reform would improve health care for military dependents have come out recently in military community targeted publications. We will send these on to the Health Care war room.

Dr. Ed Martin, the Assistant Secretary for Health Affairs today met with approximately 250 military medical professionals in the Hawaii region to outline the military health care reform and how the President's plan will enhance the system.

On Monday, December 13, Health Care representatives will meet again with the Military Service Personnel departments, Public Affairs offices, the Surgeon General Offices, and the Armed Forces Information Services to further develop and expand a unified public information strategy to explain how the proposed changes effect the DoD health system.

COUNTERPROLIFERATION:

The reporting of the counterproliferation initiative was largely positive. To address some questions of detail and maintain momentum on the initiative prior to the January summit, we are seeking interviews related to the components of the initiative with selected technical and trade publications.

MYSTERY ILLNESS:

Yesterday, Assistant Secretary Ed Dorn, General Blanck of Walter Reed (who has been overseeing our military medicine Persian gulf research team) and my Chief of Staff met with their counterparts from VA and HHS and Christine Varney to improve the interagency process and come up with a long-term plan for the administration to deal with both facts and political issues. I hope to arrange a meeting with Secretaries Brown and Shalala for the end of next week outlining the interagency strategy.

B-2 DELIVERY

On Friday, December 17, the Air Force will deliver the first of its B-2 Bombers to its operational base at Whiteman AFB in Missouri. Delivery will continue at a rate of 3-4 per year until 1998 when the full order of 20 will be complete. We will give a press backgrounder tomorrow on the plane's development and capability.

M1A2 TANK SALES TO SWEDEN:

As part of the national export strategy outlined in the Administration's Promotion Coordinating Committee, Deputy Secretary Perry met with the Swedish Minister of Defense in Sweden to back efforts to sell the M1A2 Tank. I have followed up with a letter to him this week and will keep you informed of our progress.



U.S. Department of Justice

Office of the Associate Attorney General

The Associate Attorney General

Washington, D.C. 20530

December 10, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: WEBB HUBBELL, ASSOCIATE ATTORNEY GENERAL

SUBJECT: WEEKLY REPORT FOR THE DEPARTMENT OF JUSTICE

KEY DEPARTMENT NEWS

On December 13, the Attorney General will hold a press conference announcing the settlement of mortgage lending discrimination case. She will also attend a press conference with Dr. Lee Brown on model state drug programs.

On December 14, the Attorney General and the Deputy Attorney General will address the national conference of the Organized Crime and Drug Enforcement Task Force in New Orleans, LA.

On December 16, the Ninth Circuit will hear oral argument in Meinhold v. DOD, the Navy homosexual discharge case.

We anticipate that President Clinton and Attorney General Reno will announce the recipients of the policing grant awards.

Briefs in the "Golden Venture" litigation (note: involves asylum claims based on China's coercive family planning policies) will be filed as soon as today. The White House Counsel is fully involved in this issue.

The trial in the Buttino case, a class action challenge to the FBI's policy on homosexual conduct, may be continued or settled next week.

THE WEEK AHEAD

Mortgage Lending Discrimination. On December 13, the Attorney General will announce the settlement of an investigation into alleged discriminatory lending practices by a financial institution. As part of the settlement, the institution has agreed to create a fund to compensate minorities who were unfairly denied loans.

LEGISLATIVE AFFAIRS

Despite Congress being out, we continue to do outreach work with the Hill. We are focusing on the following:

- The HASC staff will receive a briefing on counterproliferation tomorrow.
- Representative Kennedy's and Evans' staff received a briefing on Desert Storm chemical agent detections.
- The HASC staff received a briefing on the civilian management drawdown incentives.

In addition, Senators Carl Levin and John Warner are visiting Mogadishu this weekend.

Navy Homosexual Discharge Litigation. On December 16, the Ninth Circuit will hear oral argument in Meinhold v. DOD. In this case we are appealing the district court's original injunction and amended injunction which clearly bars the implementation of the President's new policy regarding homosexuals serving in the military.

Prisoner Rape Litigation. On December 14, we will file in the Supreme Court our merits brief in Farmer v. Brennan. The case involves a transsexual inmate who was raped after being transferred from one federal prison facility to another. He claims in a Bivens action that the transfer violated his right to be free from cruel and unusual punishment under the Eighth Amendment. The Court granted his petition for certiorari after the district court granted our motion for summary judgement.

Housing Discrimination Investigation. On December 16, a federal grand jury is scheduled to begin its investigation of several incidents which occurred over the past year in the Vidor, Texas area. The majority of these incidents are related to efforts to desegregate the public housing complex in Vidor. Pursuant to a court order, several black families moved into the previously all white housing project under the supervision of local housing authorities. Within hours of their arrival, a patten of racial harassment and intimidation allegedly commenced against the black residents and any whites who associated with them.

MIT Antitrust Litigation. We are engaged in negotiations with MIT regarding a possible settlement of our antitrust case against the university. The case is currently pending before the district court after the Third Circuit's remand.

CONGRESS

Oversight Hearing on Immunity for Heads of State. On December 9, the House Banking Committee will hold an oversight hearing on the decision-making procedures for granting immunity for heads of state. We have been informed that this issue has arisen only in the context of the BCCI investigation. We have advised Committee staff that the Administration is unable to testify at this time due to pending civil litigation and other related investigations.

REGULATORY ACTION

No significant action.

PRESS

On December 13, the Attorney General will hold a press conference on mortgage lending discrimination. She will also hold a press conference with Dr. Lee Brown on model state drug programs.

On December 14, the Attorney General will participate in a Town Hall meeting with Congressman Cleo Fields in New Orleans.

On December 15, she will be interviewed by CNN for a January series on kids and crime. She will also attend a press conference with Secretary Peña and Secretary Shalala on drunk and drugged driving.

On December 16, she will hold her weekly 30 minute press availability session.

WEEK IN REVIEW

A. Issues and Events

DOJ Settles Civil Challenge to Multidistrict Obscenity Prosecutions. In PHE, Inc. v. DOJ, plaintiffs have agreed to settle their suit challenging the multidistrict obscenity enforcement policies of the Department. As part of the settlement agreement, the plaintiffs will dismiss their claims against the government and will plead guilty to a one-count felony for violation of sexually oriented advertising statutes. In return, the settlement memorializes the Department's previously announced decision not to prosecute plaintiffs for obscenity-related charges for any conduct occurring in the five years prior to November, 1993

Court Approves Removal of Financial Interest and Syndication Restrictions. A district court approved the motion of ABC, CBS, and NBC, supported by the Department, for modification of antitrust consent decrees to allow the networks to own financial interests and syndication rights in independently produced prime time programming, and to engage in the syndication business. The motion was opposed by a coalition of producers and others.

Ruling Allows U.S. to Deport Undocumented Aliens. On November 26, Justice O'Connor lifted a lower court order preventing the deportation of illegal aliens seeking legal status under the immigration amnesty program. This case involves 20,000 to 50,000 aliens who claim they were denied legal status under the amnesty program, or did not apply because they expected to be rejected.

Voter Harassment Investigation. On November 24, pursuant to Section 11(b) of the Voting Rights Act, we initiated an investigation into allegations that Hispanic voters were intimidated, threatened or coerced during the November 2, 1993

state senatorial special election in Philadelphia, PA. The FBI has initiated a preliminary investigation of the allegations.

DOJ Moves for Disbursement of \$33.2 Million in BCCI Case. On November 30, we filed a motion seeking the first disbursement of funds forfeited by BCCI pursuant to their 1991 plea agreement. If approved by the court, \$5 million will be transferred to the court-appointed fiduciaries for BCCI's creditors and \$28.2 will be transferred to the DOJ Asset Forfeiture Fund. Since BCCI entered its guilty plea, the government has seized approximately \$552 million in forfeited property.

Extraterritorial Application of NEPA Litigation. On November 30, the federal district court in D.C. issued an opinion in NEPA Coalition of Japan v. Cheney holding that NEPA does not apply to the Navy's operations at three bases in Japan. The court relied on the presumption against extraterritorial application of statutes and distinguished the Massey case as limited by the unique status of Antarctica. An appeal is expected.

Spotted Owl Litigation. Last week, the Interior Department concluded that it would recommend that we file an action for civil injunctive relief under the Endangered Species Act against a lumber company proposing to harvest timber on privately owned land to prevent the taking of a spotted owl pair. The lumber company has agreed to hold off harvesting until December 9.

B. Attorney General Travel

Dec. 5: National League of Cities Conference, Orlando, FL.

C. Major Speeches

Dec. 5: Address, National League of Cities Conference, Orlando, FL.

ATTORNEY GENERAL SCHEDULE FOR THE WEEK

Dec. 13: Meeting with Ralph Mechum, Director of the Administrative Office of U.S. Courts.

Meeting with Banking Industry CEO's re: mortgage lending discrimination.

Press Conference re: mortgage lending discrimination.

Swearing-in Ceremony for Eduardo Gonzalez, Director of the U.S. Marshal's Service.

Press Conference with Director Lee Brown re: state drug programs.

Address, ABA Civil Justice Systems.

Meeting with Civil Rights Groups re: mortgage lending discrimination.

Dec. 14: Address, Organized Crime and Drug Enforcement Task Force National Conference, New Orleans, LA.

Address, West Monroe Police Department, West Monroe, LA.

Address, Glen High School Assembly.

Town Hall Meeting with Congressman Cleo Fields.

Dec. 15: Press Conference with Secretary Peña and Secretary Shalala re: drunk and drugged driving.

Address, Juvenile and Domestic Relations District Court Service, Fairfax, VA.

Dec. 16: Press Availability.

Address, Center for Workforce Preparation, U.S. Chamber of Commerce.

Host, Mary Lawton Memorial Service.

Address, Boys and Girls Club "Race Against Drugs"

Dec. 17: Breakfast with Dr. Lee Brown and Secretary Shalala re: drug strategy.

NSC Principals Meeting. (Tentative.)

ATTORNEY GENERAL SCHEDULE FOR THE MONTH

Dec. 21: Mt. Arey School Visit.

DEPUTY ATTORNEY GENERAL SCHEDULE FOR THE WEEK

Dec. 14: Address, Organized Crime and Drug Enforcement Task Force National Conference, New Orleans, LA.

Dec. 16: Host, Mary Lawton Memorial Service.

ASSOCIATE ATTORNEY GENERAL SCHEDULE FOR THE WEEK

No significant events scheduled.



THE SECRETARY OF THE INTERIOR
WASHINGTON

MEMORANDUM

December 9, 1993

TO: The Honorable Thomas J. McCarthy
FROM: Bruce Babbitt
VIA: Office of the Cabinet Secretary
RE: Weekly Report Regarding Upcoming Activities

CALIFORNIA GNATCATCHER

Yesterday, I announced the "special rule" for gnatcatcher protection in Southern California. This is one of our major efforts to avoid Endangered Species Act "trainwrecks." The Los Angeles Times played the story as we hoped -- a delegation of authority to state and local organizations. By any measure, the visit was helpful in building our credibility and demonstrating our commitment to make this multi-species planning effort successful. Additionally, it was very encouraging that the stories focused on the cooperative planning effort rather than collateral endangered species issues (i.e. fires, land use restrictions).

CALIFORNIA BAY-DELTA WATER QUALITY ANNOUNCEMENT

EPA's announcement next week (12/15/93) of Bay-Delta water quality standards will be well-received by California environmentalists and we are working aggressively this week to secure support, or at last neutralize reaction, among California urban water districts.

Our recent overtures to urban constituencies have drawn favorable editorials from the San Jose Mercury-News, San Francisco Chronicle, and the San Francisco Examiner. The Sacramento Bee is the only newspaper that has voiced criticism regarding our approach to this issue.

The water quality announcement is replete with good news/bad news scenarios. While we and EPA had to step in and issue standards because the State refused to meet its responsibilities, we have signaled our determination to work in a cooperative fashion with the State and minimize the disruption of water deliveries.

-2-

The Central Valley communities and farmers will see this as bad news. The political fallout outside the Central Valley will be driven by Governor Wilson's response to this announcement. The Wilson Administration is still deeply divided over its course of action. A hard-line contingent is urging Attorney General Dan Lungren to file suit asserting that the federal government is exceeding its authority over water management decisions. This faction is led by Water Resources Director David Kennedy, and the Governor's Central Valley supporters. They propose a highly confrontational course and have traditionally prevailed with the Governor.

Another faction, led by Resources Secretary Wheeler, would propose a more conciliatory course arguing that the standards aren't what the State would propose; but that they want to engage the federal government in discussions about more unified state-federal water management decisions. Who wins this battle will determine the tenor of state-federal environmental decisions next year.

EVERGLADES

Our protracted negotiations to resolve this complex matter continue to drag on. Despite an undercurrent of optimism among some members of the negotiating team, there are growing feelings among other participants that the negotiations may have run their course. Yesterday, we made a series of contacts with Florida officials including Lt. Governor Buddy MacKay. There is a real possibility that some parties may break off negotiations prior to the December 17 court extension reporting date. Even if this occurs, we would be hopeful that negotiations would resume again once the parties recognize how costly and lengthy litigation will be.

GRAZING

I spent today in Colorado with Governor Romer. Next week, I will be in Colorado on Thursday and Utah on Friday. The following week, I will be in Colorado and Idaho. I spoke to Governors Andrus and Sullivan this week keeping them up-to-date on our efforts.



THE SECRETARY OF AGRICULTURE
WASHINGTON, D. C.
20250-0100

December 9, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE
FROM: SECRETARY MIKE ESPY
SUBJECT: Weekly Report for the Week of December 6, 1993

KEY DEPARTMENTAL NEWS

Uruguay Round Negotiations

GATT negotiations continue to receive top priority this week. I returned from Brussels and Geneva on Tuesday, and am scheduled to go back to Geneva today. During my visit last week and earlier this week, I met with my European Union (EU) counterpart in Brussels to conclude an agreement with the EU that will enable us to maintain U.S. access to the EU market. Although we offered a couple of adjustments, we maintained the full integrity of the Blair House Agreement. I also met with the new Canadian Minister of Agriculture and the Korean Minister of Agriculture.

Under Secretary for International Affairs and Commodity Program Gene Moos will join me in Geneva this week.

In related matters, Japan's government said it is considering postponing a formal decision on whether to accept the plan to partially open its rice market to imports. The largest party in the ruling coalition, the Social Democratic Party, remains opposed to the plan. Major Japanese newspapers are urging the government to accept the proposal. Japan's farmers have thrown their weight behind the SDP. South Korea's farm minister insisted his country would not accept opening its rice market; Korea's president announced that Korea had to import rice to avoid being isolated from the international community. Taiwan's top farm official said they would watch the negotiations over rice imports in the GATT talks, before deciding on the future of their ban on rice imports.

Mediterranean Fruit Flies in California

A mated female Medfly was trapped near Long Beach, California. This will necessitate expansion of the quarantine area. A *U.S. News and World Report* statement this week on possible aerial spraying for medfly is not accurate. Deputy Secretary Richard Rominger continues to monitor efforts with Animal and Plant Health Inspection Service (APHIS) and California Department of Food and Agriculture on this critical issue.

THE WEEK AHEAD

Microbiological Surveys Continue

Results of one of Food Safety and Inspection Service (FSIS) microbiological baseline surveys are scheduled for publication this month. This survey sampled steer and heifer carcasses at more than 100 plants nationwide for nine organisms, including Listeria monocytogenes, Campylobacter, Salmonella, and E. coli 0157:H7. The data will evaluate the effectiveness of such plant manufacturing processes as sanitary dressing, and help determine what inspection system changes can improve public health.

Studies are underway in 600 Federally-inspected plants to detect the presence and levels in raw ground beef of E. coli 0157:H7 Listeria monocytogenes, Campylobacter, Salmonella, and two other organisms most frequently associated with human illness of varying severity. Samples also will be tested for total coliforms, E. coli, and aerobic plate count will be made to disclose the sanitation levels of the manufacturing process.

Another study is comparing bacteria on disabled and normal cows. Information will be provided on whether E. coli, Salmonella or Campylobacter in disabled cows varies from the bacterial profile of healthy cows. The study will determine the relationship between lesions and disease conditions on disabled cows, and the presence of these bacteria.

Meanwhile, a limited study begun in November continues at five beef slaughter plants, and five plants producing ground beef to determine the plants' ability to minimize bacterial contamination at critical control points during the manufacturing process. Total coliforms, E. coli Biotype I samples are being taken and aerobic plate counts made.

Next month FSIS begins testing broiler carcasses at 200 plants for Listeria monocytogenes, Campylobacter, Salmonella, and E. coli and five other organisms.

Hunger Forums Scheduled

Assistant Secretary for Food and Consumer Services Ellen Haas and Senator Patrick Leahy will preside over the first Regional Hunger Forum in Burlington, Vermont on December 13. The forums will focus on regional solutions to the problem of hunger in our communities. Forums are also scheduled for McAllen, Texas, Kansas City, Missouri and Dayton, Ohio.

USDA Economic Research Service Releases:

December 13. Agricultural Income and Finance Situation and Outlook Report. The first forecast for 1994 farm finances shows U.S. cash incomes steady to falling slightly and net farm incomes rising. Household incomes could also rise, due to escalating off-farm earnings. U.S. farm business assets and debts are both projected to rise.

December 15. Ranking Of States And Commodities By Cash Receipts, 1992. This publication presents two types of ranking information derived from USDA's cash receipts statistics for the marketing of agricultural commodities within States: the 25 leading commodities for each State and the Nation, ranked according to the estimated value of receipts, and the ranking of States by receipts from each of the 25 leading commodities and by several major commodity groups.

CONGRESS

Congressional hearings

On December 8, The House Agriculture Subcommittee on Department Operations and Nutrition held a hearing to review USDA reorganization. Deputy Secretary Richard Rominger testified for USDA. The subcommittee is scheduled to hold a series of field hearings next week on reorganization. Sites for the hearings include Macon, Georgia on December 14; Marion, Arkansas on December 15; and Grand Island, Nebraska on December 16.

On January 26, 1994, the House Foreign Affairs Subcommittee on Economic Policy, Trade & Environment will hold a hearing on U.S. pesticide exports.

Congressional visits and activities

A number of Congressional Democrats have expressed interest in receiving advanced notice of the December 15 Clean Air Act rule and the role of ethanol in the new reformulated gasoline program. This issue and the Administration's policy on the treatment of ethanol as part of the Clean Air Act is continuing to receive significant media attention in corn producing states and agricultural publications. These farm state Democrats anticipate large farm political fallout from this notice.

Assistant Secretary for Natural Resources and Environment Jim Lyons will meet with Senator Murray and Representatives Dicks, Unsoeld, and McDermott on December 9, regarding the status of the Forest Plan implementation efforts.

Congressmen Miller and Vento are holding a meeting on December 17 with various members of the public including industry groups, academia, and various interest groups to discuss how Federal recreation activities could be improved.

On December 3, Animal and Plant Health Inspection Service (APHIS) staff briefed members of the Tennessee Congressional delegation about USDA's efforts to regulate the Tennessee Walking Horse industry. Another meeting is being scheduled.

Members of the House Agriculture Committee have asked how USDA will handle repayment of the 1993 advanced deficiency payments. The Agricultural Stabilization and

Conservation Service (ASCS) will determine on March 1 the final deficiency payment for corn. With the current increase in corn prices, farmers can expect to refund part of their payment. USDA will accommodate farmers with their repayment in 1994.

Congressman Dick Durbin and the American Soybean Association have requested that the President sign an executive order requiring federal departments and agencies to use vegetable ink for all federal printing. This year, the Senate passed S. 716, which would require that all Federal lithographic printing use vegetable ink, and Congressman Durbin has introduced a similar bill in the House. I announced this summer that all printing at USDA would be done using soybean ink.

Senator Ben Nighthorse Campbell and Congressman Gary Condit wrote me urging USDA to address unfair trade practices in the form of tariffs and arbitrary inspection requirements imposed by the European Community, Japan, Korea, and Taiwan on growers of roses and other fresh cut flowers.

REGULATORY ACTION

Nothing to report.

PRESS

Press Conferences

I conducted a briefing to reporters on the results of my GATT negotiation efforts in Brussels and Geneva.

Press Contacts with USDA

US News & World Report is writing a story on how USDA's reduced budget will impact farm subsidy programs.

CBS' "48 Hours" interviewed me about USDA's meat inspection program.

The Washington Post is continuing their research concerning Farmers Home Administration (FmHA) farm delinquencies.

On December 16, Assistant Secretary Lyons will meet with the editorial boards of *Times-Mirror Magazines* regarding Forest Service partnerships.

Through a Freedom of Information Act request, *ABC News* has requested records on investigations of misrepresentation of tobacco origins, and records on timber theft investigations.

Deputy Assistant Secretary for Marketing and Inspection Service Patricia Jensen, was interviewed by *CBS Morning News* on FSIS' scientific efforts to improve meat inspection since the outbreak of *E. coli*-caused illnesses and deaths in the Pacific Northwest last January. The interview is expected to be telecast in January 1994.

An *Associated Press* reporter in New Mexico requested information about APHIS' investigation of chimpanzee deaths at a research site on Holloman Air Force Base, New Mexico. Representatives of People for the Ethical Treatment of Animals told the *AP* that chimpanzees died because of negligence. APHIS' investigation is ongoing.

A reporter with the *Chronicle for Higher Education* wanted to know if USDA is planning to appeal Judge Richey's decision as it relates to the exercise of dogs and the psychological well-being of non-human primates. The Solicitor General has decided to appeal all of Judge Richey's February 1993 decision on the *Animal Legal Defense Fund et al v. USDA Secretary Espy*, which declared illegal the animal welfare standards on the exercise of dogs and the psychological well-being of non-human primates. Judge Richey has put considerable pressure on USDA to propose new rulemaking and ask for public comments. The Solicitor General's brief on behalf of the Government is due to be filed December 14.

A reporter with *Gannett News Service* requested information about the APHIS animal damage control program in Idaho.

A reporter for "*Inside Edition*" was provided with the last two status reports to the U.S. Animal Health Association on bovine tuberculosis eradication, statistics on the importation of Mexican cattle, and the 1983 retrospective study on bovine tuberculosis.

The Kansas City Star is expected to publish articles on the status of products in the Americold Cave outside Kansas City, devastated by a fire that burned from December 1991 to February 1992. Reinspection of some of the meat and poultry under FSIS detention is scheduled this week.

The Audobon Society Magazine is preparing an article on a leaking underground oil tank at the U.S. National Arboretum. Publication date is unknown at this time.

Under Secretary Moos was interviewed on current farm and trade matters by the National Association of Wheat Growers for their monthly magazine.

Assistant Secretary Haas was interviewed by the *Fox Morning News* on December 7 concerning USDA's initiative to improve school meals.

WEEK IN REVIEW

A. Important Events

Trade News

Under Secretary Moos met with representatives of the Australian Meat Board to discuss the implications of the revisions of the U.S. meat import quotas that will be required as a result of the current GATT negotiations.

The Special Assistant for International Affairs to Under Secretary Moos met with Pakistan Minister Syed Qamar, who is in charge of privatization and is the political agricultural advisor to Pakistan President Bhutto. Discussions centered on USDA programs and the effect of privatization upon agricultural imports.

U.S. Corn Exports to Central America Drop

U.S. corn exports to Central American will drop significantly due to discriminatory tariffs resulting from the use of a price band mechanism adopted by many countries in the region. Under the price band mechanism, corn is charged a 20 percent tariff, whereas feed wheat is only charged a one percent tariff, which is causing the direct displacement of U.S. corn by feed wheat. Guatemala and Honduras have recently been importing Canadian feed wheat, and El Salvador may soon start purchasing Canadian feed wheat as well. Most Central American feed manufacturers are sufficiently modern enough to make the necessary adjustments to use wheat in animal feed.

Brazil May Import Additional U.S. Exports; Investigate Canadian Wheat Marketing System

Several Brazilian poultry producers are considering buying 50,000 tons of U.S. corn in the next three months. Brazil usually imports most of its corn from Argentina, but the delay in harvesting there has caused Argentine corn prices to rise above U.S. levels. Brazil's import needs have risen as a result of a drought which lowered its own corn crop. As a consequence, Brazil has dropped its 10-percent import duty on corn from any origin to ports in the 15 states of the Brazilian north and northeast until March 31, 1994.

The Brazilian Ministry of Industry, Commerce, and Tourism (MICT) recently began an inquiry to identify any damage inflicted upon Brazil's domestic wheat sector caused by imports from Canada. The investigation will focus on Canada's income support policies, transportation subsidies, and the Canadian Wheat Board's export pricing mechanisms. If evidence is found indicating Canadian government support for wheat exports, Brazil may implement countervailing duties. Last year Brazil imposed compensatory duties against U.S. wheat after Brazil became a targeted EEP country. Canada's sales to Brazil have been growing in recent years.

Columbia Plans to Reopen Market to U.S. Apples and Pears

An agreement between the United States and Columbia on a new quarantine work plan has resulted in the Colombian Government lifting its import ban on U.S. apples and pears, with shipments to resume December 15. Under the plan, the United States has agreed to intensify the rate of inspection for the codling moth pest for apple and pear shipments destined for Colombia. Another key provision of the work plan provides for an annual inspection trip by a Colombian plant quarantine official to U.S. apple and pear growing areas, with the costs associated with these visits to be covered by the trade.

EC Eliminates Export Refund for Grape Juice Concentrate Headed for Sweden

In the wake of complaints by the U.S. grape juice industry, the EC recently eliminated export refunds for grape juice concentrate (GJC) exports destined for Sweden. By all indications, Swedish traders were re-exporting most of the subsidized exports from Spain to the United States, making Sweden the largest foreign "supplier" of GJC to the U.S. market in 1993. Even with the subsidy reduction, the Agricultural Counselor in Madrid reports that an attractive incentive may still exist for moving GJC to the United States through an alternative third country.

Insecticide Residue in Australian Meat

Illegal residues of the chemical chlorfenvinphos, an insecticide component, were discovered in boneless beef from two Australian plants exporting to the U.S. and violations are suspected in other shipments. Boneless beef shipments are being held at ports of entry until laboratory analysis shows no violative levels of the residue. Australian officials have been asked to investigate the incidents. Sampling rates have been doubled at Australian plants for the next 60 days.

New Zealand Beef Imports

FSIS is investigating the shipment of beef by New Zealand to Mexico, where the beef was re-packaged and exported to the U.S. under a Mexican health certificate. The U.S. Customs Service has been notified.

Grain Quality Discrepancies and Complaints

USDA Federal Grain Inspection Service (FGIS) and USDA Foreign Agricultural Service (FAS) officials met with North American Export Grain Association (NAEGA), U.S. Wheat Associates, and the U.S. Feed Grains Council to discuss recent grain quality discrepancies filed by several Latin American countries.

In another grain quality matter, Exportkhlleb, which is importing grain for Russia, reported that a shipment of U.S. corn contained excessive damage. No problems were

reported when the first portion of the cargo was discharged in Estonia. The remaining corn was discharged in St. Petersburg. USDA officials are investigating the discrepancy.

Hotdog Recall

White Star Packing Corp. of the Bronx voluntarily recalled about 10,000 pounds of its "Stahl-Meyer Beef Franks" on December 2, when routine monitoring by FSIS disclosed the possibility of *Listeria monocytogenes* contamination. No illnesses were reported from the franks distributed in New York City and neighboring New Jersey. This recall may attract media attention in the New York metropolitan area since the firm had a contract to sell to public schools.

Memorandum of Understanding

Deputy Assistant Secretary Patricia Jensen met with American Federation of Government Employees (AFGE) and FSIS representatives in USDA's efforts to implement a Memorandum of Understanding with OSHA on a process and framework to train FSIS inspection personnel on recognizing and reporting serious workplace safety hazards in all poultry and meat plants. A finalized agreement is expected soon.

Survey of Actual Acreage Harvested and Final Crop Yields

Last week over one thousand interviewers began contacting nearly 78,000 farmers and ranchers to measure the actual acreage harvested and final crop yields for 1993. This National Agricultural Statistics Service survey will also provide data on the 1994 planted acreage of winter wheat and rye, the grain in storage on December 1, as well as the number of hogs and pigs on farms.

School Nutrition Hearing Held

More than 100 people concerned about improving nutrition in school meals testified December 7 at the last school lunch hearing on "Nutrition Objectives for School Meals". Surgeon General Joycelyn Elders led off the testimony which included representatives from the American Heart Association, American Academics of Pediatrics, Center for Disease Control, as well as parents, students, teachers, chefs and the food industry. First Lady Hillary Rodham Clinton sent a letter supporting the Department's efforts to have school meals comply with Dietary Guidelines. Press coverage at the hearing included *CNN*, *USA Today*, *Gannett*, and many educational trade publications.

Civil and Disability Rights Efforts

Several policies were implemented recently regarding civil and disability rights. Policies implemented included directives which require agencies to establish systems to identify and evaluate the civil rights impacts of proposed major policy actions before they are

approved, and which prohibits discrimination against persons with disabilities in federally-conducted programs where USDA benefits pass directly from the Department to the beneficiary. In addition, draft guidelines for appraising executives on the civil rights element were developed.

USDA Labor-Management Partnership Council is Established

On December 1, USDA and representatives of AFGE and the National Federation of Federal Employees reached agreement on the establishment of a partnership council at USDA. The council will include four management representatives and four union representatives, two from each union.

B. Travel

I returned from GATT negotiations in Brussels and Geneva on Tuesday. I am scheduled to return to Geneva today.

C. Major Speeches - none

D. Hill Testimony - none

E. Controversies

FBI Investigation of Electric Cooperative

Verdigris Valley Electric Cooperative in Collinsville, Oklahoma, has received media criticism in Oklahoma as a result of writing off a \$5.68 million investment in a rural development project. Congressman Mike Synar has asked the General Accounting Office (GAO) to investigate the loss. In addition, one member of the cooperative has sued the cooperative to obtain certain minutes of the board of directors meetings.

Verdigris Valley Electric Cooperative officials have notified USDA Rural Electric Administration (REA) that they are complying with an FBI subpoena seeking documents relating to the loan loss by the electric cooperative's subsidiary, Verdigris Valley Economic Development Corporation.

REA has not been contacted by the FBI regarding this matter. Government funds were not involved in this loss.

SECRETARIAL WORK ON PRESIDENTIAL INITIATIVES

Health Care News

Health care briefing materials have been distributed to Deputy, Under, and Assistant

Secretaries, who will begin incorporating relevant issues into their speeches. Under Secretary for Small Communities and Rural Development Bob Nash spoke about rural health care at a Tuskegee University conference in Tuskegee, Alabama. Many USDA agencies are in the process of reviewing how the plan will affect their programs and constituents.

Forest Plans

The Department of Justice will appear before a Federal Court to defend the timber sale screening process of the interim strategy for management of the Eastside forests. The Administration is being sued by the timber industry.

The Department of Justice will ask Judge Dwyer, as early as this week, to lift the injunctions on 22 timber sales in the Pacific Northwest, as agreed to by the plaintiffs. Some uncertainty exists among the plaintiffs as to the exact details of the agreement with the Administration. If the injunctions remain, media attention may adversely focus on the continuing gridlock for timber production.

On December 6, Assistant Secretary Lyons attended a press conference sponsored by the Western Forestry and Conservation Association. Sustainable forest management, the President's Forest Plan, and grazing fees were discussed.

SECRETARY'S SCHEDULE FOR NEXT WEEK

I am travelling to Geneva today to participate in GATT negotiations. My schedule next week remains flexible due to these negotiations.

SECRETARY'S SCHEDULE FOR NEXT MONTH

My schedule for the balance of December and January is in the process of being developed. Final decision on the schedule has been delayed due to the GATT negotiations.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On December 12, Deputy Secretary Rominger will address the Entomological Society of America in Indianapolis, Indiana.

Throughout the balance of next week, the Deputy will continue USDA efforts on the reorganization of USDA, the FY95 budget, methyl bromide, as well as monitoring the medfly situation in California.



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

December 9, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: SECRETARY RONALD H. BROWN

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

Russia

I travel to Russia next week to meet Vice President Al Gore in Moscow, departing late afternoon on Tuesday, December 14 after the Malcolm Baldrige Awards ceremony with the President. In Russia for the Gore-Chernomyrdin Joint Commission on Technological Cooperation (with Hazel O'Leary, Carol Browner, Bill Perry and Dan Golden), as Vice Chair of the Commission, I anticipate leading separate meetings with Deputy Chair Aleksander Shokhin to discuss Business Development Committee initiatives. A briefing for American business leaders (as a follow-up to the Russia entrepreneur event the Vice President is hosting) also may be on my agenda for this trip or for a follow-up visit early in the year.

Malcolm Baldrige Awards

On December 14, I will participate with the President in the presentation of the 1993 Malcolm Baldrige National Quality Award for quality management excellence to Eastman Chemical Company and Ames Rubber Corporation. Along with the President and corporate CEOs Earnest Deavenport, Jr. and Joel Marvil, I will present remarks at the open event expected to be attended by 500-plus industry and government representatives. A press conference will be held prior to the ceremony.

Civilian Technology

As a follow-up to the recent BRLE technology summit in California, Commerce's Under Secretary for Technology Mary Good and National Institute of Standards and Technology's Director Arati Prabhakar, will host a video conference next week with California technology executives focusing on the effectiveness of federal technology commercialization programs. Under Secretary Good also will address the National Research Council's Academy-Industry Program meeting, "Responding to National Priorities" on Tuesday, December 14, taking part in a panel on Support for Civilian Technology.

NAFTA Implementation

Commerce is taking the lead in talks next week with Mexican and Canadian NAFTA negotiators to set the stage for binational panels convening after January 1 to review anti-dumping/countervailing duty (AD/CVD) determinations of the three countries. Mexico hopes to satisfy the U.S. and Canada that its new Foreign Trade Law meets all of Mexico's obligations (to bring due process and transparency aspects to its AD/CVD law in line with those of its NAFTA partners).

Japanese Negotiations/TPCC Implementation

We will participate in a series of negotiations in Tokyo with the government of Japan over the next two weeks. The talks include the third round of negotiations on proposed agreements on medical technologies procurement and insurance reforms which must be discussed prior to the February Summit between the President and the Japanese Prime Minister. Commerce also will participate in reviews of the implementation of the Supercomputer and Computer arrangements under the framework of the Trade Promotion Coordinating Committee (TPCC) recommendations. Under TPCC's computer decontrol recommendations, we have moved from a 12.5 MTOPS (millions of theoretical operations per second) control level to all destinations, to a 195 MTOPS level to "Western" destinations; and now a 67 MTOPS level to most other destinations. (The Federal Register today published the change in the Export Administration Regulations permitting computers whose data processing speed does not exceed 67 MTOPS to be exported to most destinations in the world without prior authorization from the Commerce Department.) Further decontrol hinges on COCOM discussions and the Japanese talks on our bilateral supercomputer regime.

Uruguay Round Talks

Commerce's Under Secretary for International Trade Jeffrey Garten is participating intensively in the anticipated final weeks of the Uruguay Round talks. Garten traveled to Geneva and Brussels to support further Kantor/Brittan discussions aimed at reaching a U.S.-E.C. agreement on Uruguay Round issues, focused specifically on dumping and subsidies. Commerce continues actively to participate in negotiations on the full range of issues including: antidumping, subsidies, services, market access for goods, intellectual property rights, and textiles.

Commerce's Bureau of Economic Analysis and International Trade Administration, in collaboration with USTR, are taking the lead in providing state-by-state export data in an effort to update the preliminary estimates of the long-term economic benefits of the Round.

American Business Center Grants

As part of the Gore-Chernomyrdin Commission negotiations, we expect seven American Business Center (ABC) grants to be awarded to private sector organizations to establish and manage stand-alone ABCs in those NIS states without a Commerce United States and Foreign Commercial Service presence.

New Generation Vehicles

Under Secretary for Technology Mary Good will host an all-day consortium meeting on Wednesday, December 15 of auto industry and government labs working on New Generation Vehicles.

Economic Indicators

Commerce's Census Bureau will release the following economic indicators next week: Quarterly Financial Report on Manufacturing, Mining and Wholesale Trade, Third Quarter; Advance Retail Sales, November 1993; Manufacturing and Trade Inventories and Sales, October 1993; and Housing Starts and Building Permits in November 1993. We also expect regional press attention on the announcement this week of the four sites selected for the 1995 Census test. On December 15, the Bureau of Economic Analysis will release its revised estimates of Gross State Product for 1977-1990.

THE WEEK AHEAD

Meetings & Events

In addition to activities around the Baldrige Awards and my visit to Russia, I plan to travel to Boston on Monday to attend a Harvard Institute of Politics advisory meeting. I also will participate in National Economic Council meetings at the White House early in the week, attend a Computer Systems Policy Project luncheon with Bob Rubin and participate in Deputy Secretary Barram's swearing-in on Friday.

Congress

Briefings with Congressional staff on trade issues (Uruguay Round/TPCC/Japan talks), as well as the renewal of the Export Administration Act, continue throughout the next few weeks.

Press

We expect significant press attention on the Russia trip and the Malcolm Baldrige Awards ceremony on Tuesday, both key to the Administration's and the Department's civilian technology portfolio.

WEEK IN REVIEW

A. Key Issues and Events

Before departing for Mexico City to address the largest trade show in Mexico (REP COM '93) and to lead the Commerce Department's Minority Business Development Agency (MBDA) Minority Matchmaker delegation, I was the featured "Newsmaker" luncheon speaker at the Center for National Policy. I also held a post-South Africa briefing at the Foreign Press Center (which extended to NAFTA, APEC and Mexico). I participated in White House meetings on health care with the First Lady and budget reviews with the President and Vice President. This week, I will meet with Carol Fukunaga, state senator from Hawaii, per Governor Waihee's request.

Deputy Secretary of Defense Bill Perry and Commerce's Acting Under Secretary for the Bureau of Export Administration Barry Carter briefed industry leaders this past week on recent and upcoming meetings of the U.S.-Russia Commission on Conversion of Defense Industry. (Barry Carter will participate as Vice Chair in the U.S.-Russia Commission on Conversion of Defense Industry discussions in Moscow (focusing on implementing the Nunn-Lugar agreement) as part of the Gore-Chernomyrdin Commission's agenda.)

Press

Following my return from South Africa, I held a press briefing at the Foreign Press Center. In Mexico on Wednesday, I discussed my trip and the post-NAFTA U.S.-Mexico relationship with reporters from Reuters, Associated Press, Business Week, The New York Times, The Wall Street Journal, The Dallas Morning News, The Los Angeles Times, and Time magazine. I also had one-on-one interviews with NBC, CNN, and CBS news bureaus in Mexico City. I held a telephone conference call with reporters from several California newspapers to discuss my trade mission and Commerce's Export Mexico program to promote trade in the region.

Under Secretary for International Trade Jeff Garten held a press briefing on December 8, "The Year in Focus," highlighting Commerce trade initiatives. Under Secretary Garten also was interviewed by The Washington Post regarding GATT negotiations on Monday, and by Business Week on emerging markets and Commerce's focus in this regard.

B. Hill Testimony

Congressional staff briefings continue on the renewal of the Export Administration Act (EAA) to ascertain a legislative timetable. Consultations with House and Senate staff on amended U.S. proposals for the Uruguay Round negotiations also are ongoing. On December 17, at the request of Congressman Paul Kanjorski, Chairman of the Subcommittee on Economic Growth and Credit Formation, Commerce's Acting Assistant Secretary for Economic Development Wilbur Hawkins will testify at a field hearing in Homestead,

Florida. The hearing will focus on disaster assistance, defense conversion, and economic development activities of the agency.

At the end of this legislative session, the Department has the following nominations pending: Everett Ehrlich as Under Secretary for Economic Affairs and Administrator of the Economics and Statistics Administration; Lauri J. Fitz-Pegado as Assistant Secretary and Director General of the United States and Foreign Commercial Service; Ginger Lew as General Counsel; Ray Vickery as Assistant Secretary for Trade Development; Charles Meissner as Assistant Secretary for International Economic Policy; Sue Esserman as Assistant Secretary for Import Administration; Phil Hampton as Assistant Commissioner for Trademarks; Greg Farmer as Under Secretary for the United States Travel and Tourism Administration; and Graham Mitchell as Assistant Secretary for Technology Policy.

C. Travel

I traveled to Mexico City Tuesday through Thursday. Monday and Friday were spent in Washington.

D. Major Speeches

I addressed an American Chamber of Commerce luncheon in Mexico City this past week on the expansion of export opportunities and increased bilateral private sector partnership (post-NAFTA especially). I also addressed the REP COM '93 Trade Show at the U.S. Trade Center in Mexico, and discussed the success of the South Africa Presidential Trade Mission at the Center for National Policy on Monday in Washington. When I returned to Washington Thursday night, I spoke to the new Corporate Council on Africa.

THE MONTH AHEAD

Plans for a possible high-tech trade delegation to Saudi Arabia, Egypt, Israel and Jordan in January are underway. On trade issues, a Trade Promotion Coordinating Committee Principals meeting will be held early in 1994 focusing on the new year's priorities. TPCC Deputies met this past week (December 8) to discuss the National Export Strategy recommendations and the agenda for the Principals' meeting. Commerce's Office of Business Liaison is taking the lead in organizing briefings throughout the next month for trade associations on the benefits of the Administration's health care proposal for their specific industries.

In other Departmental upcoming initiatives, Commerce's Economic Development Administration (EDA) plans to announce two major grant awards over the coming weeks, one for \$9 million for Michigan and the other for \$4 million for San Diego, California. In January, EDA officials are expected to join me in Oakland, California to announce the opening of EDA's new field office.

DEPUTY SECRETARY

The Deputy Secretary is spending a significant portion of his time on internal Department of Commerce management activities. He also has been devoting time to his role on the President's Management Council. As co-chair of the Tourism Policy Council, Deputy Secretary Barram is focusing attention on an intensive study of both customer needs and the status and effectiveness of governmental programs. The Deputy Secretary also is preparing for the National Security Council's Deputies meeting on the commercial remote sensing industry, having met with Lockheed Missiles and Space Company officials in this regard this week.

Next week, the Deputy Secretary will attend the presentation of the Baldrige Awards on Tuesday, and then travel to New Mexico on Wednesday for National Information Infrastructure (NII) hearings on universal access. In New Mexico, he will visit the National Center for the Production of Native Images, Institute of American Indian Arts and meet with tribal leaders. The Deputy Secretary also tentatively plans to attend a state government officials dinner on Wednesday in Sante Fe.



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

DEC 9 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM:

DONNA SHALALA

A handwritten signature in cursive script, appearing to read "Donna Shalala", written over the typed name.

SUBJECT:

Weekly Report for December 13 - 17

KEY DEPARTMENT NEWS

Today I gave a major speech on violence to the American Trauma Society. I discussed the need for new ways of thinking about violence in the nation, and the fact that violence is a public health problem, not only a criminal justice problem. I appeared on "Good Morning America" this morning, and will appear on a special one-hour addition of "Nightline" tomorrow night to discuss violence and the media. In addition, the public affairs department released a fact sheet on HHS' role in confronting violence.

The Centers for Disease Control and Prevention will have a representative in Washington D.C. today to help monitor the water safety issue.

On December 14 I am convening a conference to initiate the development of a national action plan for breast cancer. At the conference, we will establish the framework for a coordinated, collaborative approach to the prevention, early diagnosis, and treatment of breast cancer with the goal of ultimate eradication of this disease. Participants at this conference will include representatives of: advocacy groups, academia, health care providers, the medicine and research industry, the general media, professional associations, and Federal Departments. In addition, Senator Mikulski and Congresswoman Slaughter plan on attending, along with key congressional staffers.

THE WEEK AHEAD

I will travel to Bryn Mawr, Pennsylvania to attend the Entitlements Conference sponsored by Representative Marjorie Margolies-Mezvinsky, on December 13.

I am scheduled to meet with President Clinton on December 15 to discuss the fiscal year 1995 budget.

I will join Secretary Pena on December 15 at a press conference marking National Drunk and Drugged Driving Prevention Month.

I will address the National Association of Manufacturers issues breakfast on December 15.

On December 16, I will address the Georgetown University Medical Center's Medical Grand Rounds Conference on health care reform.

Governor Walter Miller of South Dakota will be in Washington on December 17, and will meet with me regarding South Dakota's welfare reform waiver application, "Strengthening South Dakota Families Initiative".

CONGRESS

The House will hold the following hearings on health care reform next week:

- o Ways and Means Subcommittee on Select Revenue Measures -- Treatment of Tax Exempt Organizations in health care reform (December 14)
- o Ways and Means -- Effects of health care reform on the economy (December 15)
- o Ways and Means -- Cost containment (December 16)

Children in Deteriorating Communities On December 7, the Ways and Means Subcommittee on Human Resources held a hearing on children and families at risk in deteriorating communities. Mary Jo Bane, Assistant Secretary for Children and Families testified.

Clinical Trials and Health Care Reform Dr. Phil Lee, Assistant Secretary for Health, testified December 8 at the Senate Labor and Human Resources Committee hearing on the relationship between clinical trials and the Health Security Act.

Energy and Commerce Subcommittee on Health Judy Feder, Principal Deputy Assistant Secretary for Planning and Evaluation, testified before the subcommittee twice this week: On December 8, she testified on mental health and substance abuse benefits, and on December 9, she testified on health plans, risk adjustment and retirees, and corporate issues.

Congressman G.V. "Sonny" Montgomery, (D-MS), Chairman of the House Veterans Affairs Committee, called a meeting with CDC and HHS officials Monday, December 6, 1993 to discuss the mystery Gulf War illnesses and in particular the nearly 90% rate of birth defects in children born of Gulf War Veterans who served in Mississippi's 624th Quartermaster Company. Many of the members of the Company are suffering the same mystery illness widely reported in the media but no birth defect anomaly among any children born of Gulf veterans has had so high a ratio until now. HHS promised Chairman Montgomery full cooperation and has called Mississippi's Health Commissioner offering support and technical assistance.

REGULATORY ACTION

The Dietary Supplement Act of 1992 (DSA) imposed a one year delay on FDA's application of the NLEA to dietary supplements, postponing the publication of final regulations on labeling of dietary supplements until December 31, 1993. The moratorium ends on December 15, and if final regulations are not issued by December 31st, the June 18, 1993 Federal Register proposed rules will become final pursuant to the DSA. While the rules must be published by the end of December, they do not become effective until July, 1993. Since there has been an extremely high level of Congressional interest around this subject, it is likely that there will be some legislative activity within the next six months.

PRESS

ABC's Prime Time is developing a short item on the new NCI statement on breast cancer screening, and is expected to air December 9.

ABC's "20/20" may carry a story December 10 on fraudulent claims for SSI and Medicaid benefits carried out by persons who do not speak English, especially Southeast Asian groups, who use interpreters to deal with Social Security Administration offices.

ABC news may air a story on misuse of birth control pills in the "American Agenda" segment December 15.

Almost half of all psychiatric visits are made by persons 25-44 years of age, according to findings of a report by the National Center for Health Statistics, to be released December 17.

A press release will announce \$16.8 million in demonstration grants to organize comprehensive service networks for homeless persons with severe mental illnesses.

The FDA may announce that it is seeking to stop National Medical Care Inc. from manufacturing its dialysis devices until long-standing deficiencies are corrected.

The U.S. Preventive Service Task Force, will report in the Journal of the American Medical Association that there is little evidence that routine iron supplementation during pregnancy is beneficial to either the mother or child.

CDC will report in the December 10 Morbidity and Mortality Weekly Report that there have been no cases of measles for three consecutive weeks, the first time this has happened since reporting began in 1912. This will be a temporary phenomenon unless higher vaccination coverage is achieved.

Final reports will be published December 16 on recently found unusual cases of HIV transmission in household settings.

WEEK IN REVIEW

HHS will announce its approval of Kentucky's Medicaid demonstration waiver proposal today, and I will call Governor Jones this morning. Kentucky's waiver will simplify and expand eligibility to include all people under the federal poverty level. Children under six will continue to be eligible if their family income is less than 133% of the federal poverty level. The State also has the option of later expanding eligibility for children eighteen years old and under to cover those from families whose income is less than 200% of the poverty level.



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001**

December 9, 1993

MEMORANDUM TO: MACK MCLARTY, THE WHITE HOUSE
FROM: SECRETARY HENRY CISNEROS
SUBJECT: Weekly Report for December 10 - 17, 1993

THE WEEK AHEAD

National Institute of Justice Luncheon

Tomorrow, Friday, December 10, I will give the keynote luncheon address at the National Institute of Justice's conference on "Secure and Livable Communities: Crime Prevention Through Environmental Design." The event is co-sponsored by the U.S. Department of Justice, the American Institute of Architects, and the Association of Collegiate Schools of Architecture's Council on Architectural Research. At the conference, I will discuss urban design and its impact on community well-being.

Principal Staff Trip to Newark

On Monday, December 13, I will travel to Newark with my principal to staff to learn about innovative efforts that are taking place at the local level. The City of Newark was selected because of its impressive urban revitalization due to its creative leveraging of public-private funds and collaborative partnerships among all levels of government and sectors of the community. The Department will hold a town meeting to discuss the joint efforts of the community in the redevelopment of Newark. The Mayor, Members of Congress, city officials, community leaders, service providers, public housing residents and the general public will be attending the event. While we are in Newark, the Department will also announce a total of \$75 million in federal grants awarded to the city -- HOPE I, HOPE III, and HOPE VI.

CONGRESSTestimony before the House Subcommittee on Housing and Community Development

On Tuesday, December 14 and Thursday, December 16, I will be in Houston and San Antonio, respectively, to testify before the House Subcommittee on Housing and Community Development's field hearings. The subject of the hearings will be public housing, as it pertains to each of the cities.

HUD's Multifamily Property Disposition Legislation

Due to recess, there is no new legislative activity for the Department. Below is the status of our 1993 Housing Act and multifamily property disposition legislation as summarized in last week's report.

On Monday, November 22, the House passed HUD's property disposition legislation as part of H.R. 3400, the Government Reform and Savings Act of 1993. The previous week, the Senate passed the Housing and Community Development Act of 1993 in which the multifamily property disposition provisions are the centerpiece.

Negotiations on the legislation will continue with the House and Senate in order to resolve issues between the two different bills. The earliest that Congress could take further action on this legislation will be when it returns in January to begin the Second Session.

Under the proposed property disposition plan, HUD will have the flexibility to address the costly and growing backlog of multifamily properties being acquired by the Department through defaults on FHA loans.

PRESSHUD Trip to Newark

On Monday, December 13, the Department will be in Newark (see "Week Ahead" for more details). Jason DeParle from the New York Times will be joining us for entire day while other members of the press will also be present for coverage. In addition, we anticipate that C-Span will tape the town hall meeting.

THE WEEK IN REVIEW

HOPE VI Grant Announcements

Last week, the Department announced major awards under the Urban Revitalization Demonstration Program.

The Urban Revitalization Demonstration Grant (HOPE VI) is designed to address the revitalization of the most severely distressed or obsolete housing in the 40 most populous cities in the nation. The HUD-VA Appropriations Act of 1993 provided \$300 million for the implementation of the program -- one of the largest amounts ever provided by the Department to individual housing authorities.

This fall, Congress appropriated \$755 million for FY 1994 and directed the Department to award all 1993 HOPE VI applicants at the full amount of the 1994 appropriation. Thus, a total of 27 public housing authorities will share the \$755 million grant award, eight applicants who received partial funding in 1993 and the other 19 applicants.

Since Friday, December 3, I have traveled to Baltimore, Detroit, Philadelphia and Dallas to announce their HOPE VI grant awards. The President was in Los Angeles over the weekend to announce the HOPE VI grant there. The other cities who have also received grants are: Charlotte, Milwaukee, Washington, D.C., Atlanta, Houston, Pittsburgh, Camden, Indianapolis, Puerto Rico, Oakland, Denver, Chicago, San Antonio, Memphis, New Orleans, El Paso, Springfield (IL) and Columbus.

West Dallas, Texas

On Saturday, December 4, I visited West Dallas to meet with interest groups, city officials, community leaders and residents regarding the future of housing in the community. A West Dallas public housing development has been the subject of major long-standing litigation for the Department, with Black residents charging the Department with racial steering and segregated, substandard housing. I held a town hall meeting with 450 attendees to unveil a plan for West Dallas housing which would promote economic diversity, housing quality and housing choice. The plan was very well received and I am now working with local city and housing officials to settle the litigation and to follow-up on the commitments I made to the public.

HUD's Field Reorganization Plan

On Wednesday, December 1st, the Department announced its plan to reorganize its field structure, as recommended by

the National Performance Agreement. The plan eliminates the functions of the 10 regional offices without laying off employees.

The Department is in the process of developing an implementation plan within the next 90 days. Until that plan is approved, all field authorities and reporting relationships will remain as they are today.

In the meantime, the Department has established a special cc: Mail mailbox for all employees to answer questions on the new field reorganization.

NPR Performance Agreement

On Wednesday, December 1, we submitted to the NPR staff the final draft of the Department's performance measures, the final component of HUD's Performance Agreement with the White House. We have received informal comments from OMB; however, OMB would like to hold further discussions on the Performance Agreement until the FY 1995 budget discussions have come to a close.

American Federation of State, County, and Municipal Employees

This morning, Thursday, December 9, I gave brief remarks and engaged in a roundtable discussion on urban policy with 25 members of the American Foundation of State, County, and Municipal Employees (AFSCME). A majority of the participants were part of AFSCME's Urban Affairs Advisory Committee, a group that was formed in response to the LA riots last year to advise AFSCME's leadership on proposals for improving urban affairs. We discussed the Administration's urban strategy and some of the Department's major initiatives.

SECRETARY'S SCHEDULE FOR THE WEEK

Monday, December 13, 1993

Secretary and Principal Staff Trip to Newark

Fundraiser for Congressmen Robert Menendez

Tuesday, December 14, 1993

Testimony before the House Subcommittee on Housing and Community Development
Houston, TX



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

MEMORANDUM FOR MACK McLARTY, THE WHITE HOUSE

December 9, 1993

FROM: Federico Peña. *FP*

SUBJECT: DOT Weekly Report -- Week of December 13

KEY DEPARTMENT NEWS

Possible Transportation-related topics for press coverage include:

- Submission of the National Highway System report to the Congress
- Events associated with National Drunk and Drugged Driving Prevention Month
- Continuing interest in the Department's award of two air routes to London

WEEK AHEAD

National Drunk and Drugged Driving Prevention Month Activities.

December 15. Health and Human Services Secretary Donna Shalala and Lee Brown will join me and the International Association of Chiefs of Police (IACP) in a press event to announce the 1993 National Holiday Lifesavers Weekend, a special nationwide traffic enforcement initiative. The National Holiday Lifesavers Weekend operation starts at 6:00 p.m. on December 17 and ends at 11:59 p.m. on December 19. It will target drunk and drugged driving, safety belt and child seat enforcement, and speeding.

National Transportation Safety Board (NTSB) Amtrak Accident Hearing.

December 13. The NTSB will conduct a public hearing in Mobile, AL on the Amtrak accident that occurred near Mobile on September 22. The hearing is expected to focus on bridge and equipment safety from the rail perspective. Federal Railroad Administration (FRA) officials will attend.

Aviation Meetings in Europe. December 6-15. Federal Aviation

Administration (FAA) Administrator David Hinson and several members of his management team will meet with their European counterparts. Meetings are scheduled with the European Community, German Air Navigation Agency, Director General of Civil Aviation (DGCA) for France, Swiss Control, DGCA of Switzerland, DGCA of Spain, Spanish Secretary General for Transport Services. He also will travel to London to commence the 32nd FAA-U.K. Civil Aviation annual meeting.

Aviation Talks with Australia. Aviation talks with Australia will resume in Washington on December 15.

Local Rail Freight Assistance Program (LRFA). December 13. FRA's Administrator Jolene Molitoris will travel to Missouri to present a \$4.9M grant to the State. Missouri Governor Carnahan will accept the grant which is emergency LRFA funding to repair flood-damaged rail lines in the state.

Intermodal Transportation Outreach Meetings. December 13-14. Deputy Secretary Mort Downey and Federal Transit Administration (FTA) Deputy Administrator Grace Crunican will lead regional meetings in Denver, CO and Tulsa, OK.

Commercial Space Launch. December 14. General Dynamics Corporation is scheduled to launch the Telstar 401, the first of a new generation of enlarged satellites built by Martin Marietta Astro, aboard its Atlas IIAS rocket, also the first of a new class of heavier-lift commercial launchers. The satellite is owned by AT&T and will be launched from Cape Canaveral Air Force Station, FL.

CONGRESS

Multi-year Federal Aviation Administration Reauthorization. The Department continues to work on a comprehensive legislative proposal for reauthorization of the FAA and treatment of a broad range of other aviation issues, including those raised by the Airline Study Commission report.

Intent to Nominate. December 3. The intent to nominate Dr. Ricardo Martinez as administrator of the National Highway Traffic Safety Administration (NHTSA) was announced by the White House and pends Senate confirmation.

Trans-Alaska Pipeline System Report Findings. December 9. Research and Special Programs Administration (RSPA) officials and other Joint Pipeline Office member agencies will meet with House Committee on Energy and Commerce staff. The purpose of the meeting is to review findings in the Bureau of Land Management report on operations of the Trans-Alaska Pipeline System.

REGULATORY ACTION

U.S. - People's Republic of China (PRC) Fishing Agreement. December 3. U.S. and PRC officials signed a Memorandum of Understanding to ensure effective cooperation and implementation of the United Nations General Assembly resolution on large-scale driftnet fishing on the high seas. Under the terms of the agreement, enforcement officials from either country may board and inspect fishing vessels flying the U.S. or PRC flag which are found using or possessing equipment inconsistent with the provisions of the U.N. resolution.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE SECRETARY

December 9, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: Richard W. Riley *Richard W. Riley for RWR*

SUBJECT: Weekly report for December 12-18

KEY DEPARTMENT NEWS

GOALS 2000. The Goals 2000: Educate America Act is scheduled to be the second piece of legislation considered by the Senate when it returns on January 25. We are coordinating a strategy of state events for January to add momentum to the bill. In the meantime we are developing an internal implementation plan to begin immediately upon enactment.

DIRECT LENDING. Assistant Secretary Longanecker will explain the direct loan program to college administrators via a videoconference on December 13-14.

ISSUES MANAGEMENT UPDATE

ESEA REAUTHORIZATION. The House Education and Labor Committee mark-up of the Improving America's Schools Act has been postponed this session, and should occur in February of next year. We are continuing to work with congressional members regarding reauthorization issues while they are in their districts during recess.

SCHOOL-TO-WORK. We hope that the School-to-Work Opportunities Act will be considered soon after the Senate comes back into session. To date all states except California and Tennessee have submitted applications for school-to-work development grants.

SAFE SCHOOLS ACT. The Safe Schools Act should hopefully be considered on the Senate floor near the beginning of the new session.

THE WEEK AHEAD

Visit to Gallaudet University. Deputy Secretary Kunin and Assistant Secretary Judy Heumann will visit Gallaudet University on December 15 to highlight disability issues.

- Associated Press, United Press International and Reuters wire services,
- ABC, NBC, CBS, Fox and CNN television networks,
- National Public Radio and ABC Radio, and
- Kyodo and Nikkei Japanese Press Agencies.

This initiative ensures that the automobile industry will be able to utilize the resources of the Department's National Laboratories in a user-friendly fashion.

PRESIDENTIAL INITIATIVES

- **Federal Fleet Conversion Task Force**

I participated in an event at the White House at which the Federal Fleet Conversion Task Force presented a report on how best to deploy alternative fuel vehicles into the marketplace. Based upon actions the Department will take this week, we will achieve the goal established in the President's Executive Order to procure 11,250 alternative fuel vehicles this year. Approximately 50% of the vehicles will be fueled by natural gas.

** No schedule is attached since I will be in Moscow the entire week.



The Secretary of Energy
Washington, DC 20585

December 9, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• Openness Initiative

Tuesday, I announced the Department's Openness Initiative. This effort marks the largest declassification of documents in the Department's history, yet it represents only a fraction of the approximately 32 million pages of documents on nuclear weapons testing and nuclear materials management currently classified. The initiative is consistent with the President's commitment to a more open Federal Government and achieves three important objectives.

1. It helps boost public trust in the Department.
2. The environmental, academic and scientific communities now have access to some of the information necessary to work with the Department in formulating policy in important areas such as nuclear materials management, environmental clean-up and non-proliferation.
3. It places the Department and the Administration in a leadership role in the area of disclosure of information related to nuclear weapons and materials and may encourage other nuclear states to follow our example.

Some of the information released may fuel continued distrust in the Government, as the information released includes human radiation experiments and secret nuclear weapons tests. However, I believe this initiative, followed by continued good faith efforts, will provide the Administration with significant benefits. Media coverage of the Initiative was very extensive and positive. The coverage is detailed in the "Media" section of the report, and a representative news clip is attached.

• Domestic Gas and Oil Initiative

Today, the Department released the Administration's Domestic Gas and Oil Initiative. This report details the Administration's initial strategy for addressing issues vital to the industry. The announcement of the strategy was kicked off with a press conference today. Representatives Phil Sharp, Bill Richardson and Gene Green, the Governor of Arkansas, industry leaders, and other Administration officials participated in the announcement.

Today, I also described the initiative to representatives of the American Gas Association and the National Petroleum Council. We also conducted extensive outreach efforts with industry, State officials, and members of Congress before announcing the initiative. The timing of this initiative is particularly important given falling prices in world oil markets. The media surrounding the announcement was mostly favorable.



PRESS

National Highway System Press Conference. December 9. Federal Highway Administration (FHWA) Administrator Rodney Slater and I conducted a press conference to submit the National Highway System (NHS) report to Congress. The preparation of a NHS map was called for by ISTEA legislation. The NHS serves as the starting point in the creation of a comprehensive National Transportation System, a strategy to link roads, airports, waterways, ports, pipelines, rail and urban transit into a fully-integrated system.

Chesapeake Bay Fishing Boat Rescue. December 5. The EL TORO II, a 58-foot fishing boat with 23 people aboard, issued a distress call to Coast Guard Station St. Inigoes, MD indicating they were sinking and preparing to abandon the boat. Coast Guard boats and aircraft, and U.S. Navy and Maryland State Police helicopters recovered all 23 people from the Bay. 2 persons died at the hospital of cardiac arrest attributed to hypothermia. The Coast Guard is conducting a formal investigation.

Media Meetings. December 15-16. I plan to meet with key reporters covering transportation issues from the Washington Post, New York Times, and the Wall Street Journal.

WEEK IN REVIEW

Departmental Policy on Airport Fee Disputes. Following the settlement of the landing fee dispute at Los Angeles Airport, the FAA and Department staff have drafted a proposed policy setting forth a new approach to resolving airport disputes when negotiations are not successful and national transportation interests warrant Federal participation. The policy enunciates a more active DOT role.

U.S. - London Routes. The Department's tentative selection of American Airlines to provide service in the Nashville-London and Raleigh/Durham-London markets drew objections from Delta Airlines, the Salt Lake City parties and USAir, on November 15 and answers were filed on November 22. The Department is preparing a final order.

U.S.- U.K. Aviation Talks. Civil aviation consultations with the United Kingdom were held this week in London. Discussions focused on liberalization of the existing agreement. The British are expected to respond to U.S. proposals made during the last round. The two sides also discussed airline code-share issues.

PRESIDENTIAL INITIATIVES

National Commission to Ensure a Strong Competitive Airline Industry. The Administration's "Civil Aviation Initiatives" will be sent to the NEC principals on December 9. The document is expected to go to the President during the week of December 13 with a possible public release during the same week.

Spent Nuclear Fuel Study

Tuesday, the Department released the first comprehensive inventory of the environmental health and safety vulnerabilities associated with the storage of spent nuclear fuel at several production facilities. The report, prepared by Assistant Secretary for Environment, Safety and Health Tara O'Toole, concluded that spent nuclear fuel has significantly deteriorated at four nuclear weapons plants. The deteriorated fuel poses radiation exposure risks to workers the public and the environment. To address this issue, the Department will actively involve local and national stakeholders to develop corrective action plans at each of the sites. This may involve transferring the fuel to new containers, repairing the existing storage facilities and developing new technologies.

This report was disseminated as part of the openness initiative. I released the study and the other material with the belief that it would allow us to control the message. If released separately the report would have generated negative publicity. Several national newspapers covered the story including the *New York Times*, *Washington Post* and *Washington Times*.

CONGRESS

Outreach Meetings

- Thursday, December 2, I met with Congressman Martin Frost (D-TX) to discuss the shut down of the Superconducting Super Collider project. His major interest is ensuring productive use of the site.
- Tuesday, I met with Senator Bennett Johnston (D-LA), Chairman of the Senate Energy and Natural Resources Committee, and Representative John Dingell (D-MI), Chairman of the House Energy and Commerce Committee. Our discussion focused on the Department's nuclear materials management policy and was very useful. The meeting ensures cooperation on this extremely contentious issue.
- Yesterday, I attended a fund raiser for Representative Jim Cooper (D-TN).

Kentucky Women's Leadership Network

At Senator Wendell Ford's request, I will address an audience of women from diverse professions in the political, private and volunteer communities who aspire to leadership roles. The theme of the conference is "How to Gain a Seat at the Table." My remarks will focus on my own professional experiences.

THE WEEK AHEAD

Russia Trip

Next week I will travel to Moscow with Vice President Gore to participate in the second round of meetings of the Gore/Chernomyrdin Commission. My role in this session will be to summarize the progress occurring in the areas of oil and gas, energy efficiency and nuclear issues.

The first priority for myself and my Russian counterpart is to develop a commercial and legislative framework to encourage investment in the Russian energy industry. In

accordance with a memorandum signed in November, progress is being made to develop the legal, regulatory, and legislative actions necessary to encourage investment in Russia. We are attempting to create a model corporation for the purpose of determining workable approaches to business development in the energy sector. The Department is working with the Department of Commerce and other members of the U.S.-Russian Business Development Committee to encourage U.S. firms to invest in this model corporation. We will also announce that an oil and gas technology center will be located in Tyumen. The center's objective will be to implement a mutually beneficial program to increase oil and gas production in Russia and facilitate the exchange of technology between our two countries.

The second major nonnuclear issue is the advancement of energy efficiency in the use of energy technologies and resources. A Memorandum of Cooperation that Minister Shafranik and I signed on October 1, 1993, serves as the formal framework for advancing energy efficiency activities.

MEDIA

• Openness Initiative

Tuesday's announcement of the Department's Openness Initiative received extensive media coverage. The initiative has been covered by the following media:

- All major newspapers including the *Washington Post* and the *New York Times*,
- ABC, NBC, CBS, Fox, and CNN's national evening news programs,
- The "Today Show" "Larry King Live" and "C-Span Live" television programs,
- National Public Radio,
- The BBC Radio Network,
- *Newsweek*, and
- The Associated Press, United Press International and Reuters wire services.

• Gas and Oil Initiative

In addition to the national media coverage that was received at today's press conference on the Gas and Oil Initiative, yesterday C-NBC's "Money Wheel" television program interviewed me to discuss the initiative and the impacts of falling international oil prices. *The Dallas Morning News* and the *New York Times* also interviewed me.

• Clean Car Initiative

Friday, I signed an agreement with the Vice Presidents of the Big Three Auto Makers to establish a framework for an aggressive agenda of collaborative research between these companies and the Department's National Laboratories. This agreement supports the President's Clean Car Initiative and received positive and extensive media coverage including:



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

DEC 9 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: JESSE BROWN *Jesse Brown*
SUBJECT: Weekly Report for December 9, 1993

KEY DEPARTMENT NEWS

NBC's Now is expected to air another segment on Persian Gulf veterans' health problems. NBC will be covering a December 11-12, Navy-sponsored program in Columbus, Georgia, for active duty reservists and veterans who served in the Gulf. VA is participating in the event, which will include a follow-up health survey and question-and-answer session for military personnel, veterans and family members. Anticipated air date is December 15.

THE WEEK AHEAD

On December 13, I will visit veterans of the action in Somalia who are patients at the Walter Reed Army Hospital.

On December 16, I will attend a meeting of the Inter-Agency Council on the Homeless, hosted by Secretary Cisneros.

CONGRESS

December 7. I met with Congressman G.V. (Sonny) Montgomery, Chairman of the House Veterans' Affairs Committee, to discuss the second session of the 103rd Congress.

December 8. I addressed the Congressional Youth Leadership Council in Washington, DC.



CONGRESS

Nothing new to report at this time.

PRESS

Interviews. This week I was interviewed by Nation's Business about education reform and by the Los Angeles Times about LA's reform efforts. We continue to field press calls concerning the international comparison of academic achievement released by the Organization of Economic Cooperation and Development (OECD).

Speeches. We expect media coverage of my visit to New York today where I'll give remarks at City University of New York at a reception for New York City Public Schools Chancellor Ray Cortines. I will be giving remarks at the Princeton Model Congress on December 10 and at the Southern Center for International Studies on December 11 in Atlanta.

Publications. The Department released "Degrees in Science and Mathematics: National Trends and State-by-State Data" this week. It shows that while the number of bachelors degrees has been on the rise, national trends indicate that between 1986 and 1990 degrees in science declined 16% and degrees in math declined 10%.

WEEK IN REVIEW

Supreme Court Decision on School for the Disabled. The Supreme Court agreed to review a New York Court of Appeals ruling that the creation of a new school district for the purpose of serving disabled children of a religious community was unconstitutional. The school district was created on the boundary of a village composed almost entirely of members of the Satmarer Hasidic religious sect. The Court of Appeals ruled that creation of the school district violated the Establishment Clause of the First Amendment because it has the primary effect of advancing religion. This ruling provides an opportunity for the Court to reconsider its decision in another case which set the current standards for applying the Establishment Clause.

REGULATORY ACTIVITY

Nothing new to report at this time.

SECRETARIAL WORK ON PRESIDENTIAL INITIATIVES

White House Initiatives. We are in the process of developing plans for me to visit a hospital in Washington, DC on December 23. Deputy Secretary Kunin and I continue to discuss health care reform in our speeches and during discussions with congressional members.

Attachments.

REGULATORY ACTION

We expect the following regulations to be cleared by OMB and published in the Federal Register in the next two weeks.

1.

- (a) Regulation Identification Number: 2900-AG72
- (b) Title of Regulation: To amend Travel Authority for Pension Beneficiaries
- (c) Type of Regulation: Final Rule
- (d) Description: The Department of Veterans Affairs is amending the regulations governing the transportation of claimants and beneficiaries to VA health care facilities. The amendments will correct an inadvertent error made when the Department last promulgated regulations pertaining to this program in 1991. Specifically, beneficiaries who are in receipt of pension are subject to the travel deduction required by 38 C.F.R. sec. 17.101. They will also clarify that veterans in receipt of VA pension benefits are considered unable to defray the expenses of travel to a VA facility.
- (e) Date sent to OMB: November 29, 1993

2.

- (a) Regulation Identification Number: 2900-AG73
- (b) Title of Regulation: Disease Associated with Exposure to Certain Herbicide Agents (multiple myeloma and respiratory cancers)
- (c) Type of Regulation: Proposed Rule
- (d) Description: The Department of Veterans Affairs is proposing to amend its adjudication regulations concerning presumptive service connection for certain diseases even though there is no record of the disease during service. This proposed amendment is necessary to implement a decision of the Secretary of Veterans Affairs under the authority granted by the Agent Orange Act of 1991 that there is a positive association between exposure to herbicides used in the Republic of Vietnam during the Vietnam era and the subsequent development of multiple myeloma and respiratory cancers.
- (e) Date sent to OMB: December 3, 1993

PRESS

I was interviewed for a major television segment on VA's homeless programs and new initiatives aired by CNN on December 8. Veterans who are "graduates" of a homeless program at the North Chicago VA Medical Center and staff of that facility were also interviewed.

I will be interviewed December 13 on Persian Gulf veterans' health problems and VA programs for the MacNeil-Lehrer News Hour. VA's director of the Birmingham VA Medical Center's Persian Gulf clinic also will be interviewed. An air date is not yet known.

WEEK IN REVIEW

On December 3, the new Coastal Carolina State Veterans Cemetery at Jacksonville, North Carolina, was dedicated. We awarded a \$838,594 grant to the State of North Carolina to help establish the new cemetery. The first phase of development is expected to provide approximately 6,050 gravesites on 21.7 acres.

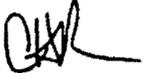
On December 6, I approved the distribution of more than \$955 million in dividends in 1994 to veterans holding active veterans' life insurance policies. These dividends are made possible because veterans are living longer than originally predicted, and the insurance trust funds are earning high yields from investment in long-term government securities. The average dividends policyholders will receive range from \$256 for United States Government Life Insurance policyholders to \$405 for policyholders with Veterans Special Life Insurance. The payout of \$955.9 million is comparable to dividends paid in recent years, and it will be credited automatically to 2.5 million policyholders on the anniversary date of their policies. Policyholders may choose to receive a check or select one of nine alternate dividend options.

WORK ON PRESIDENTIAL INITIATIVES

The fifteen-member National Cemetery System's Advisory Committee on Cemeteries and Memorials has received a special presentation on the implications of the National Performance Review during their December 8-9 meeting.

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 3
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

MEMORANDUM FOR MACK MCLARTY

FROM: CAROL RASCO 

SUBJECT: WEEKLY REPORT FOR 12/2 TO 12/8

THE WEEK AHEAD

I will speak to the American Forum at the Press Club.

Donsia Strong and I are scheduled to meet with Secretary Reich and his staff on the immigration issue.

Kathi Way, Bruce Reed, David Ellwood and Mary Jo Bane will meet with representatives of the "Gang of 14" on the welfare reform plan.

PRESS

I participated in a radio taping with KARN News of Arkansas.

CONGRESS

Paul Weinstein, at the request of the Chief of Staff, arranged and participated in a meeting between Rep. Joe Kennedy and Comptroller Gene Ludwig, Treasury Secretary Frank Newman and HUD Assistant Secretary Roberta Achtenberg.

Paul Weinstein met with the staffs of Senator Bradley and Rep. Tony Hall regarding their proposal to establish Individual Development Accounts.

WEEK IN REVIEW

I was the keynote speaker at the American School Food Service Association's Consensus Conference; the conference for the "Perspectives on Employment of Persons with Disabilities;" and the National Association of Retail Druggist Conference.

Suzan Johnson Cook and I met with HUD officials on the homelessness issue.

Kathi Way and I met with HHS officials on the family preservation issue.

I attended various in-house meetings on superfund, TV violence, the welfare plan and budget.

Weekly Report to Carol Rasco
December 8, 1993
Page 2

THE WEEK IN REVIEW

Washington

National Association of State Alcohol and Drug Abuse Directors on state roles in AIDS; Country AIDS Awareness on AIDS on awareness in rural areas; Canadian Foundation for AIDS Research and French Embassy Health Counselor on international AIDS summit; AIDS Project Los Angeles; Information and Education Council of the U.S. on prevention; American Association for World Health on international issues; and Treatment Alternatives Group on research.

Briefings from Center for Substance Abuse Treatment on prevention and treatment; and Centers for Disease Control and Prevention on prevention. Meeting with the INS Commissioner, and HHS officials on immigration policy.

Ann Arbor

University of Michigan, and community groups on health care reform and care.

Richmond

Medical College of Virginia, and community groups on care.

PRESS

Local press in conjunction with Ann Arbor and Richmond appearances.

"McLaughlin" on prevention and policy; The Washington Post (health magazine) on AIDS awareness; Hospitals and Health Network (American Hospital Association) on care and health care reform; American Medical News (American Medical Association) on care and health care reform; Genre magazine on prevention.

Stan Herr spoke to the American Association on Mental Retardation's Fifth Annual Public Policy Forum in Washington.

Stan Herr made a presentation to the Board of Visitors of the University of Maryland Law School on disability and homelessness issues.

Kathi Way traveled to St. Louis to participate in the review of FEMA's response to the Midwest Floods.

Kathi Way spoke to the Wilmington, Delaware Rotary on the Administration successes in the first year.

Paul Weinstein worked with other agencies and WH staff to complete the President's directive to reform CRA. The reform will be voted on by the Federal Reserve and the Federal Deposit Insurance Corporation Dec 9 and Dec 10. We expect a vote in favor of the proposal.

THE WHITE HOUSE
WASHINGTON

December 10, 1993

MEMORANDUM FOR MACK MCLARTY

FROM: ROBERT E. RUBIN
SUBJECT: Report of the National Economic Council for the
Week Beginning December 13, 1993

Bob Rubin

- 12/15 Mtg. w/group of CEOs on the Administration's overall economic program, including issues on the deficit, health care, etc.
- 12/16 "Outsider" meeting w/Admin. officials to discuss outside group's activities in relation to Admin.'s overall economic program.
- 12/17 Computer Systems Policy Project CEO mtg. w/Commerce to discuss technology issues and National Information Infrastructure.

Ongoing mtgs. with individual Departments and Agencies on their FY95 budgets.

Bo Cutter

Internal

- 12/13 Mtg of telecom gurus in VP Ceremonial office.
- 12/14 Wkly mtg w/ Altman, Blinder and Rivlin.
- 12/14 Wkly mtg w/ Sandy Berger.
- 12/14 NEC DC mtg "after NAFTA."

External

- 12/13 Mtg w/Shigeru Komago of Nikkei.
- 12/13 Mtg w/Mr. Kashiwaga, MITI, courtesy visit.

- 12/14 Mtg w/Jack Watson (Long, Aldrich & Norman), Joe Gerard (American Furniture Manuf Assoc), Don Annette (Texaco) re: superfund.
- 12/14 Mtg w/ Tony Podesta, David Beier (Genentech) re: biotech and health care.
- 12/14 Mtg w/ Bill Gertz (Washington Times) re: economic intelligence review.
- 12/14 Mtg w/ Bruce Lehman and Peter Yu re: intellectual property.
- 12/14 Dinner mtg w/WSJ and other to discuss economic issues.
- 12/15 Mtg w/Robert Samuelson of Newsweek to discuss economic issues.
- 12/15 Mtg w/Joe Nye and Richard New re: NEC planning.
- 12/16 Mtg w/Cong Matsui.
- 12/17 Mtg w/Edward Lincoln (Brookings) to discuss economic issues.
- 12/17 Mtg w/John Dasburg (NW Airlines).
- 12/17 Mtg w/American Petroleum Institute, roundtable discussion.
- 12/17 Mtg w/representatives of GM, Ford and Chrysler.
- 12/17 Mtg w/Masaichi Nosaka (Yomiuri Shimbun) re: NAFTA, GATT and APEC.

Gene Sperling

Daily Health Care Economic Group mtg.

Community Development

Continuing mtgs. on Community Empowerment applications.

International Group

Internal

12/14 Deputies Meeting on NAFTA

External

- 12/13-14 U.S.-Japan Construction Talks, Washington
- 12/14 U.S.-Japan Framework Access to Technology Talks, Washington
- 12/14-15 U.S.-Japan Framework Med-Tech Talks, Tokyo
- 12/15 *** Deadline for completion of Uruguay Round
- 12/16 U.S.-Japan Framework Supercomputer Talks, Tokyo
- 12/13-17 G-7 Jobs Conference Trip to Europe
- 12/16-17 G-7 Sherpa Meetings on Russia, Paris
- 12/17 U.S.-Japan Framework Computer Talks, Tokyo

Following closely and participating in Uruguay Round negotiations preceding Dec 15 deadline.

Preparing for the Jobs Conference scheduled for February 1994.

Markets and Regulation

- 12/14 I-A mtg. on banking regulations consolidation.
- 12/14 Lunch w/Eugene Ludwig (Seidman).
- 12/14 Motor Vehicle Industry Working Group mtg.
- 12/14 Participate in MAC mtg.
- 12/14 Housing Reform Working Group mtg.
- 12/15 Participate in 2nd joint "Partnership for a New Generation of Vehicles mtg."
- 12/17 American Petroleum Institute, roundtable discussion.
- 12/17 Mtg. w/Coalition for American Equity Expansion on accounting and policy implications of FASB's stock option proposal.

Ongoing Hill briefings on Superfund legislation.

Science and Technology

- 12/13 Participation at CNA Shipbuilding Game.

- 12/13 Mtg. w/Univ. of California representatives on technology policy.
- 12/13 Mtg. w/TV producers re: PBS Show on Technology Reinvestment Project (Holstein & Robyn).
- 12/15 Robyn speaks to England Air Force Base Reuse Committee.
- 12/15 Working Group on U.S. Steel Industry -- mtg. w/steel users.

SCHEDULED RELEASE DATES

- 12/14 Retail Sales (Nov)
- 12/14 Current Account Balance
- 12/14 Auto Sales - Early December
- 12/15 Industrial Production (Nov)
- 12/15 Capacity Utilization (Nov)
- 12/15 Business Inventories (Oct)
- 12/15 Treasury Announcement (2-yr. & 5-yr. notes)
- 12/16 Merchandise Trade Balance (Oct)
- 12/17 Housing Starts (Nov)
- 12/17 Consumer Sentiment - Prel.

***** Presidential Interest**



EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

WASHINGTON, D.C. 20500

December 5, 1993

THE CHAIRMAN

MEMORANDUM FOR THOMAS MCLARTY
WHITE HOUSE CHIEF OF STAFF

FROM: LAURA D. TYSON *LDT*

SUBJECT: Report of the Council of Economic Advisers
for the Week Beginning Sunday, December 5, 1993

The Council of Economic Advisers has no rulemaking, legislative or task force activities to report for next week. You should be aware, however, of the economic data which will be released next week; I have attached a calendar of these release dates for your information. Also:

Monday, December 6

I will meet with Manuel Johnson and David Smick of the G-7 Council to discuss the President's economic initiatives.

Tuesday, December 7

I will meet with Lin Zhaomu, Deputy Director of the State Planning Commission Economic Research Center from the Peoples' Republic of China, to discuss international issues. Joseph Stiglitz will join me at this meeting.

Alan Blinder will participate in a panel discussion at the American Enterprise Institute's annual policy conference re the Administration's economic initiatives.

Wednesday, December 8

Alan Blinder will meet with George Hager, The Congressional Quarterly, and Eric Pianin, The Washington Post, re the Administration's economic initiatives.

Alan Blinder will be interviewed by Robert Norton, Fortune Magazine, re the Administration's economic initiatives.

Thursday, December 9

Alan Blinder will meet with Kathryn Eickhoff, President of Eickhoff Economics, re the Administration's economic initiatives.

He will also meet with Ambassador Takakazu Kuriyama of Japan re international issues.

DEPUTY ADMINISTRATOR'S SCHEDULE FOR THE WEEK

- 12/13 - Toby Clark, Clean Sites, Inc. on Superfund - Meeting
- 12/14 - Food and Drug Law Institute Educational Conference - Speech
- 12/15 - Small Business trade association representatives - Meeting
- 12/16 - Travel to Atlanta, EPA Region IV - Travel

cc: Christine Varney

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20506

MEMORANDUM FOR THE CHIEF OF STAFF, THE WHITE HOUSE

FROM: MICHAEL KANTOR, U.S. TRADE REPRESENTATIVE

SUBJECT: Weekly Report for December 6 - 10, 1993

KEY NEWS AND THE WEEK AHEAD

EC, Europe and Uruguay Round Developments:

o Building on progress made by USTR and EC Commissioner Brittan in Brussels and Geneva on market access for goods, agriculture, subsidies, and government procurement (see "Week in Review" below), USTR will continue efforts to resolve key outstanding issues with the EC (including audio-visual and civil aircraft) and will lead an interagency delegation in Geneva in the final push to successfully conclude the Uruguay Round by December 15.

o In Geneva, senior USTR staff will continue intensive bilateral and multilateral negotiations on antidumping, TRIPS, audiovisual services, civil aircraft and steel negotiations, as well as U.S.-EC agreements and a number of other textual changes in the Draft Final Act. In addition, senior USTR negotiators will finalize bilateral agreements on agricultural and industrial market access.

o In Washington, senior USTR staff efforts to obtain additional state government commitments for the GATT Government Procurement Code negotiations. To date, 26 states have committed.

North America and NAFTA Developments:

o Following the President's signing of the NAFTA into law (see "Week in Review" below), senior USTR staff will continue inter-agency work on the implementation of the NAFTA and entry into force on January 1.

Japan and China Developments:

o Senior USTR negotiators will meet their Japanese counterparts in Tokyo to discuss glass, super-computers, and wood. Informal discussions on construction will also be held.

o Senior USTR staff will lead an interagency delegation to China to discuss market access, IPR enforcement and services.

Latin America, Caribbean and Africa Developments:

o Senior USTR staff will continue to lead inter-agency

development of post-NAFTA trade strategy for Latin America and the Caribbean.

CONGRESS

o House Agriculture Committee Chair de la Garza will travel to Geneva, joining Member delegations lead by House Ways & Means Committee Chair Rostenkowski and House Majority Leader Gephardt. (See "Week In Review" below). Senior USTR staff will continue Briefings of Members and staff on developments of Uruguay Round negotiations.

o Senior USTR staff in Washington hold several Uruguay Round briefings for Members and staff.

PRESS

o USTR and senior USTR staff will hold briefings and media availability as needed in the final week of negotiations to update the press on the Uruguay Round developments.

WEEK IN REVIEW

Important Issues and Events:

EC, Europe and Uruguay Round and Quad Developments:

o USTR and senior USTR staff made significant progress in two days of negotiations with EC Commissioner Brittan and senior EC negotiators on outstanding bilateral issues essential to continued negotiations, including market access for goods, agriculture, subsidies, and government procurement. However, significant issues remain open such as audio-visual and civil aircraft.

o As a brief overview: USTR and senior USTR staff gained EC commitment to eliminate tariffs on \$5.2 billion of U.S. exports to its market, including imports of paper and wood products, medical equipment, pharmaceutical, construction and agricultural equipment, spirits, beer, and steel. Agreement was reached for significant but lesser reductions of tariffs in the areas of chemical products, non-ferrous metals, scientific equipment, and electronics. USTR and senior USTR negotiators also gained EC agreement to support the U.S. position on maintenance of strong antidumping rules. In addition, U.S. and EC government procurement negotiators reached agreement on several key points necessary to complete renegotiation of the Government Procurement Code, leaving non critical differences for negotiation early next year prior to adoption of the Uruguay Round results in April. This agreement includes coverage for procurement of supplies, works and services, but reserves for further negotiation the critical areas of utilities and sub-national entities (e.g., the U.S. States). Key points of disagreement remain in discussions on audio-visual and civil aircraft.

o USTR travelled to Geneva on Friday afternoon to report on bilateral talks with the EC and to discuss prospects for a global agreement by December 15 with GATT Director-General Sutherland. Deputy USTR Yerxa and senior USTR staff tabled for multilateral agreement the positions negotiated in Brussels with the EC. In addition, USTR negotiators continued discussions on antidumping, TRIPS, audiovisual services, civil aircraft, and MSA negotiations.

o Also in Geneva, USTR reached agreement with a Korean Trade Minister Huh on outstanding bilateral issues central to supporting conclusion of the Uruguay Round, including the elimination of Korean quantitative restrictions on beef and other products and the opening of Korea's market for rice.

o USTR briefed the President on the results of his negotiations with the EC and Korea and prospects for full Uruguay Round agreement in Geneva by December 15.

o USTR met with Jack Valenti of the Motion Picture Association to discuss audio-visual and related issues to the Uruguay Round.

o USTR and EPA Administrator Browner met with 10 environmental groups to hear their concerns and brief them on Uruguay Round developments.

o Senior USTR staff coordinated multiple Uruguay Round briefings in Geneva and in Washington for members of advisory committees and trade groups.

NAFTA and North American Developments:

o President Clinton signed the NAFTA into law on December 8.

o Senior USTR staff continued intensive to work with other agencies on the implementation of NAFTA and entry into force on January 1.

Press:

o In Brussels, USTR provided several updates and background briefings to the media following his talks with EC commissioner Sir Leon Brittan. In Geneva, USTR held similar press briefings with U.S. and international correspondents covering the on-going negotiations.

o USTR held telephone press conferences with the core group of USTR correspondents from the Washington Post, New York Times, Financial Post, Journal of Commerce and Reuters regarding his meetings with EC counterparts and negotiators in Brussels and Geneva.

o Senior USTR staff in Washington gave in-depth background briefings to the U.S. and foreign press to help strengthen

understanding of anticipated U.S. economic benefits following a successful Uruguay Round conclusion.

Congress:

- o USTR met with Rep. Jim Bacchus and semiconductor industry representatives to discuss Uruguay Round negotiations.
- o House Ways and Means Chairman Dan Rostenkowski led a CODEL to Geneva. The following Members traveled with Chairman Rostenkowski: Rep. Sam Gibbons, Robert Matsui, L.F. Payne, Nancy Johnson, Jim Kolbe, David Drier, Norman Mineta, Sander Levin, and John Spratt. Senior USTR staff briefed the Members and their staff regarding the Uruguay Round negotiations.
- o Majority Leader Richard Gephardt and Senator Wallop traveled to Geneva. Senior USTR staff briefed the Majority Leader and the Senator regarding the Uruguay Round negotiations.
- o Senior USTR staff in Geneva provided daily briefings for the visiting Congressional staff regarding the Uruguay Round negotiations.
- o USTR Congressional staff in Washington held several Uruguay Round briefings and prepared and distributed a negotiation-status briefing book regarding the Uruguay Round for USTR Advisors, Members of Congress and Congressional staff traveling to Geneva.
- o Senior USTR staff briefed staff of the Senate Foreign Relations Committee regarding the Japan Framework and negotiations with Taiwan and China.
- o Senior USTR staff chaired a meeting of interagency legislative affairs staff regarding the Uruguay Round and the U.S.- Japan Framework negotiations.

AMBASSADOR'S SCHEDULE FOR WEEK

Events/Meetings: NEC Prin. (12/14); Cabinet Mtg (12/17), Brazil's Min. of Foreign Affairs Celso Amorim (12/17). **Press:** See detailed listing in "Press" above. **Congress:** See detailed listing in "Congress" above.

AMBASSADOR'S SCHEDULE FOR THE MONTH

December 13, 1993 - January 15, 1994: TBD.

DEPUTY USTRs' SCHEDULES FOR WEEK

Deputy USTR Yerxa: Deputy USTR Rufus Yerxa will continue to lead senior USTR staff in Uruguay Round negotiations in Geneva.

Deputy USTR Barshefsky: Deputy USTR Charlene Barshefsky will

THE WHITE HOUSE
WASHINGTON

December 8, 1993

MEMORANDUM TO CAROL RASCO

FROM: Kristine M. Gebbie *M. Stuebe for*
National AIDS Policy Coordinator

SUBJECT: Weekly Report beginning December 8, 1993

THE WEEK AHEAD

Washington

Institute of Medicine AIDS Roundtable for the Development of Drugs and Vaccines; First National Conference on Human Retroviruses and Related Infections - "Research Policy and Process: The Impact of AIDS;" Georgetown University School of Nursing on Federal AIDS policy.

HHS senior staff meeting on HIV care under health care reform; Lee Brown on the intersection of drugs and HIV; Department of Defense senior staff briefing on AIDS.

Marrakech, Morocco

8th International Conference on AIDS in Africa and 8th African Conference on Sexually Transmitted Diseases on military AIDS issues, among others.

PRESS

International press arranged through the U.S. Embassy in Morocco in conjunction the conference.

HIV Talk line (radio).

meet with other deputies to report on her trip to Tokyo where she meet with Japanese government officials, businessmen and press. She will participate in a briefing to Congressman Gephardt and other Members traveling to China, breakfast with the Japanese Ambassador, and discuss the status of the Japan Framework talks with the Japan Information Project group.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE ADMINISTRATOR

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM:

CAROL M. BROWNER *Carb*

SUBJECT:

Weekly Report for December 9, 1993

WASHINGTON, D.C. DRINKING WATER ALERT

At 5 p.m. on Wednesday (12/8), EPA Region 3 issued a precautionary Boil Water Order for most of the Washington, D.C. metropolitan area. We issued the Order in response to routine tests by the Army Corps of Engineers showing high levels of turbidity (cloudiness) in the water system on Tuesday (12/7). Although tests have found no evidence of harmful bacteria in the water, we are proceeding carefully to avoid any repetition of the situations that developed earlier this year in New York and Milwaukee. We are working closely with the Corps of Engineers (which operates the drinking water plant in question) and area governments to make sure that public health is protected and to make a determination that the water is safe to drink.

Although drinking water alerts effecting an area as populous as this one are uncommon, there is more that can be done to protect the nation's water supply. I have been working with Senator Baucus and his colleagues in the House and Senate on legislation to reform the Safe Drinking Water Act. The President's proposals on drinking water would increase funding for municipalities through the creation of a Drinking Water State Revolving Loan Fund. Other Administration proposals for the Drinking Water and Clean Water Acts would prevent contamination from entering the water system in the first place by cleaning up waterways and reducing polluted runoff.

SAN FRANCISCO BAY AND DELTA ESTUARY

On Wednesday (12/15), EPA and the Department of Interior will hold press conferences in Sacramento and San Francisco to announce EPA's proposed rule on Water Quality Standards for the San Francisco Bay and Delta Estuary. The proposed rule, required by the Clean Water Act when California failed to devise an appropriate plan to protect the estuary, will set water quality standards that are likely to affect water use patterns in the region.

Memorandum for Mack McLarty, The White House

From: Office of National Drug Control Policy

Subject: Weekly Report for December 13, 1993

Key Department News

On Monday the 13th, Dr. Brown and Attorney General Reno will host the Commission on Measured Responses in the presentation of the Model State Drug Laws to Gov. Campbell (NGA). Mike Moore, (Mississippi, A.G.), one of the Commissioners, will emcee the event. There will be a strong statement of Administration Policy re opposition to legalization of drugs which should help to counteract the recent comments of the Surgeon General.

The Week Ahead

Dr. Brown will deliver a keynote address at the National Conference of Black Mayors in Miami on the 12th. Budget meetings with Director Panetta and POTUS will be ongoing most of the week. Address to the Perinatal Addiction Research Conference is scheduled for Monday in Chicago (may need to be canceled due to budget meetings). Drunk and Drugged Driving Proclamation (15th).

Congress

No hearing for this week.

Regulatory Action

None.

Press

Interviews with CBS, Fox on Legalization issue (TV). CBS Radio, Larry King Show (radio call-in).

Week In Review

Hearing before Mr. Waxman on Health Security Act. Legalization statements were initial topic of discussion and questions were asked re Administration Policy. Benefits package for substance abuse were a concern of both Democratic and Republican members. Keynote address in Las Vegas for Black Alcohol and Drug Service Conference and in addition speech to Weed and Seed - City of Las Vegas (both on the 6th). Community Policing Speech in Elgin, Ill. on the 7th. Congress of National Black Churches Speech on Drugs and violence in New Orleans on the 9th. Meeting with Mayors and POTUS 10th - D.C.

Schedule

see attached

U.S. - RUSSIA ENVIRONMENTAL COOPERATION

Environmental policy and enforcement will be central to the success of Russia's political and economic transition. I will join Vice President Gore in Moscow next week to discuss future U.S. - Russian environmental cooperation as part of a meeting of the Gore-Chernomyrdin Commission. The Environment Sub-Committee, which I co-chair with Russian Environment Minister Danilov, will launch a multi-million dollar environmental technical assistance program developed during the last year by EPA, U.S. AID and the State Department. We also will announce our commitment to begin negotiating a new agreement to replace the 1972 U.S.-U.S.S.R. Bilateral Agreement on the Environment which underlies many of our efforts to support environmental protection in the newly independent states.

PRESS

Drinking Water

As mentioned above, the Washington, D.C. drinking water alert is a high priority for our press office. I issued a statement today outlining the Administration's proposed package of reforms for U.S. drinking water laws. EPA's recommendations to Congress last September for reform of the Safe Drinking Water Act address problems like those we are experiencing in Washington, and have experienced in Milwaukee and New York.

Recycling

I appeared in an NBC Nightly News report on tire recycling last night (12/8). The interview focused on the Recycling Executive Order and the potential for markets created by recycled tires to create jobs and protect the environment.

Environmental Justice

There continues to be considerable media interest in environmental justice issues. This week, I spoke to the Washington Post and CBS News about economic redevelopment initiatives underway at EPA which provide jobs and environmental benefits for inner city residents.

ADMINISTRATOR'S SCHEDULE FOR THE MONTH

12/11	- National Environmental Conference of the AFL-CIO - Speech
12/12-17	- Russia with the Vice President - Travel
12/20-30	- Personal Time
1/3	- Thomas Kuhn, Edison Electric - Meeting
1/4	- Jane Perkins, Friends of the Earth - Meeting
1/13-14	- President's Council on Sustainable Development

I have worked closely with the State of California and the Department of Interior in devising the proposed rule. It is a key component of the broader Comprehensive Conservation Management Plan for the Bay/Delta that was developed and approved by a coalition of all relevant federal and state agencies. We have received favorable responses from the press and the public on the rule so far, but expect that agricultural interests will raise concerns about diminished access to water resources. I will continue to cooperate with the Interior Department and the White House to make sure that California citizens recognize the economic and environmental benefits of the plan.

CALIFORNIA SMOG CHECK

We are continuing to work with the California legislature to resolve differences over the creation of an improved vehicle inspection and maintenance program for California. Meetings between EPA and California legislative staff this week yielded substantial progress. The likelihood of reaching a workable compromise should be clear by next week.

NEW EPA HEADQUARTERS FACILITY

Roger Johnson, Administrator of the General Services Administration, and I announced on Tuesday (12/7) that EPA headquarter facilities, currently dispersed among nine locations in Washington, Maryland and Virginia, will be consolidated in the Federal Triangle enclave. EPA will occupy approximately 1.3 million square feet of connected space in the Ariel Rios Building, the Customs/Interstate Commerce Commission Building and the new Federal Triangle Building under construction at 14th and Pennsylvania. EPA's transition to our new home will begin in 1996 and will take several years.

The announcement Tuesday ended a six year search for new EPA facilities. As noted in media coverage of the decision, the consolidation will save taxpayers approximately \$8 million per year, according to a GSA report released last spring. EPA employees in the Washington area were very pleased by the news. I appreciate the support the White House provided in securing this very positive decision.

REFORMULATED GASOLINE

Under a court-ordered deadline, EPA will release a Clean Air Act regulation on Wednesday (12/15) detailing requirements for cleaner gasoline to reduce smog in the nation's most polluted areas. This rule entails changes in the way a majority of the nation's gasoline is produced and will have a significant impact on domestic oil refineries. We expect the announcement to draw attention from the press, Congress and impacted parties including domestic and foreign refiners, ethanol and methanol producers and state agencies.



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

February 9, 1994
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

**H.R. 3759 -- MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR
DISASTER ASSISTANCE BECAUSE OF THE LOS ANGELES
EARTHQUAKE AND FOR OTHER PURPOSES, FY 1994**

(Sponsors: Natcher (D), (Kentucky)
Byrd (D), (West Virginia))

The Administration commends the Senate Appropriations Committee for its expeditious handling of the bill to provide emergency appropriations for relief efforts to those affected by the southern California earthquake. Its efforts will ensure that there is no interruption in providing immediate housing, food, and medical assistance to hundreds of thousands of victims of this natural disaster. These funds will also be used to restore essential traffic systems to millions of citizens in the Los Angeles area.

The Administration supports Senate passage of H.R. 3759, as reported by the Committee.

It is the Administration's strong view that the Federal Government should treat the victims of the Los Angeles earthquake in the same compassionate and expeditious manner as victims of other recent disasters. Therefore, the Administration would oppose any controversial amendment whose passage could result in delaying enactment of this legislation.

In particular, the Administration strongly opposes the Kerrey amendments. Under the bipartisan budget agreement of 1990, Congress and the President agreed that emergency supplemental appropriations did not require offsets. The victims of this disaster should not be treated differently from other disasters, nor should they be held hostage to the inevitable delay that will result from the passage of these amendments.

The Administration would strongly oppose an amendment which would strike funding that is essential to support the ongoing humanitarian, peacekeeping and peace enforcing operations for Somalia, Bosnia, Southwest Asia and Haiti. Ongoing military contingency operations are not budgeted in advance. Consequently, the Department of Defense has been borrowing from core maintenance and support resources to fund these operations. Restoring these funds is essential to maintaining the readiness of our forces.

The Administration is deeply disappointed that the Committee did not approve requested funding for payments to the United Nations for Peacekeeping activities. The United States is obligated by treaty to make these payments and is committed to working with the Congress to include funding for this purpose.

The Administration strongly opposes the rescission of funds for the New Independent States (NIS) of the former Soviet Union, approved by the Committee. Continued support for market and democratic reform in the NIS is in the U.S. national security interest and the Administration will work with the conferees to restore this funding and approve other proposed rescissions.

The Administration's plan to continue the Landsat program without Department of Defense participation after FY 1994 is seriously threatened by the rescission of the Department's FY 1994 funding for Landsat of \$140 million. The Landsat program has valuable government-wide and commercial applications. In order to continue the program, the Administration requests that all Landsat funds be restored. The Administration will work with the conferees to reconsider the \$240 million of DoD rescission proposals that were not approved by the Committee.

The Administration is disappointed that the Committee did not approve supplemental FY 1994 funding for the Council on Environmental Quality. These funds are needed to continue the Council, rather than to phase it out as was originally proposed in the FY 1994 budget. For the Council to be effective in its role to oversee the implementation of the National Environmental Policy Act, additional funding of \$425,000 is needed.

Emergency Funding for the Southern California Earthquake

As a result of the Southern California earthquake, 61 people died, 6,500 were injured, about 16,000 homes and apartments were rendered uninhabitable, and over 45,000 residential structures were damaged. As physical inspections of these damaged housing are completed, increased numbers are being declared uninhabitable.

FEMA has already accepted almost 300,000 applications for disaster assistance. Agency staff are working 24 hours a day to process these applications. FEMA has accepted more applications in southern California than the total applications accepted for either the Midwest floods or Hurricane Andrew.

Approximately 100 public schools were severely damaged and over 500 classrooms were rendered unusable. Many schools reopened with emergency facilities and repairs provided with FEMA assistance, but three schools will remain closed indefinitely. Damage to public buildings was severe. At least five hospitals were damaged, including the University of Southern California hospital which has identified over \$400 million in damage. Eleven USC buildings were destroyed and another ten damaged.

The Department of Housing and Urban Development has already distributed over 12,000 Section 8 emergency housing certificates, the total available through the Secretary's existing emergency funds. This compares with 7,000 vouchers issued in the first year after Hurricane Andrew.

The Small Business Administration has issued a larger than expected number of disaster assistance applications. Since January 26th, the number of applications has almost tripled, increasing from 88,000 to 241,000.

Over 38 miles of roadways were closed in either one or both directions in the Los Angeles area. This includes 4.7 miles of the Santa Monica freeway, the most heavily travelled highway in the nation. Interstate 5, which runs north and south and serves the whole Pacific coast, was seriously damaged as well. In addition, over 200 bridge structures are known to be damaged.

Severe aftershocks continue to cause damage in the region. The Administration urges the Senate to take swift action on this emergency appropriations request.



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

February 10, 1994
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 3345 - Federal Workforce Restructuring Act of 1993 (Clay (D) MO and 18 Others)

The Administration strongly supports H.R. 3345, which is essential to the Administration's efforts to reduce and restructure the Executive branch's workforce.

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(Do Not Distribute Outside Executive Office of the President)

This position was developed by the Legislative Reference Division (Cook) in consultation with GM (Kogut), BASD (Stigile), EAD (Angell), OVP (Brackett/Kamensky), and DPC (Way). The Department of the Interior (Hill) and the Office of Personnel Management (Woodruff) concur with this position.

On October 1, 1993, the Office of Personnel Management (OPM) transmitted to Congress the "Federal Workforce Restructuring Act," an initiative of the Vice President's National Performance Review. It was introduced as H.R. 3218 and S. 1535. In addition, this Act was also introduced as Subtitle A of Title XIII in H.R. 3400, the "Government Reform and Savings Act of 1993."

On October 22, 1993, Rep. William Clay introduced H.R. 3345, a bill containing the provisions of H.R. 3218, as amended by two subcommittees of the House Committee on Post Office and Civil Service. H.R. 3345 was reported by the full Committee on November 19, 1993.

Administration Position to Date

In October 1993, various Executive branch agencies, including OMB and OPM, testified in support of H.R. 3218 and S. 1535. On February 1, 1994, fourteen Executive branch agencies testified in strong support of H.R. 3345.

Key Provisions of H.R. 3345 would:

- Remove unnecessary and narrow restrictions on employee training by: (1) broadening the purpose of training to include improvement of individual and organizational performance, (2) relating training to the achievement of agency mission and performance goals, and (3) eliminating restrictions on non-Government versus Government training.
- Permit Executive branch agencies for a continuous 90-day period between the enactment date of H.R. 3345 and December 31, 1994, to pay a separation incentive of up to \$25,000 to employees who retire or resign voluntarily. The amount of the incentive would be the lesser of the severance pay an employee would receive or \$25,000.
- Allow agency heads to delay separation of individuals for up to two years after the last day of the 90-day period, if necessary for performance of the agency's mission.
- Exempt Department of Defense (DOD), Central Intelligence Agency (CIA), and General Accounting Office employees, all of whom are already covered by similar programs.
- Exclude from the voluntary separation program reemployed annuitants and those eligible for disability retirement.
- Permit agency heads to authorize voluntary separation incentives for employees in any agency component, any occupation, any geographic location, or any combination thereof.
- Require agency heads, before offering any voluntary separation incentive payments, to make available a written plan to all employees and the exclusive representative of any such employees. This plan would provide the details as to: (1) which agency components, occupations, and locations will be offered incentives; (2) what dates the incentives will be available; (3) whether further workforce reductions are anticipated and retraining will be offered; and (4) any other miscellaneous information necessary for informed decisionmaking by employees eligible for the program.
- Require repayment of the entire amount of the incentive payment to the agency that paid it by any employee who accepts Federal employment within two years after the date of separation on which the incentive is based. However, this repayment could be waived by the appropriate Government official for positions with exceptional recruiting problems. DOD's and CIA's existing voluntary separation programs would be made to conform with this provision.

- Require agencies to pay an amount equal to 9 percent of an employee's final basic pay for each early retirement under the Civil Service Retirement System (CSRS). This provision would apply to all early retirements under CSRS, not just those resulting from voluntary separation incentive programs.

Pay-As-You-Go Scoring

According to GM (Rideout/Kogut) and BASD (Stigile), H.R. 3345 would not affect direct spending or receipts because it does not change the basic statutory requirements for regular or early retirement -- i.e., the only people who could retire with the separation incentive are people who are already eligible for regular or early retirement under current law. Therefore, OMB believes that H.R. 3345 is not subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990.

CBO does not agree (final) with OMB's scoring. CBO believes that the bill would result in direct spending because some employees taking the incentive would retire earlier than they otherwise would, and therefore, would receive their annuities earlier. The CBO PAYGO estimate is five-year (FY 1994 - FY 1998) total of \$519 million. In testimony before the House Post Office and Civil Service Committee, CBO acknowledged that, over the long term, savings from reduced personnel costs would more than offset any short-term costs.

LEGISLATIVE REFERENCE DIVISION
February 7, 1994 - 5:15 p.m.



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

FEB 24 1994
REC'D

February 22, 1994
(Rules)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 6 - Improving America's Schools Act of 1993
(Kildee (D) MI and 38 others)

The Administration supports House passage of H.R. 6. The bill would: (1) reauthorize and restructure the elementary and secondary education programs of the Department of Education to make them better vehicles for helping all children achieve high standards; (2) direct greater Federal resources to the poorest schools and communities; (3) support education reforms underway in the States; (4) support sustained, intensive professional development in the core academic subjects for educators; (5) assist efforts to make our schools safe and drug-free; and (6) provide increased State and local administrative flexibility, in return for greater accountability for successful education results.

Although H.R. 6 contains individual provisions that the Administration does not support, the bill is consistent with Administration objectives and would be a major improvement over current law.

Pay-As-You-Go Scoring

H.R. 6 would affect receipts; therefore, it is subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary estimate is that the pay-as-you-go effect of the bill is zero.

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(Do Not Distribute Outside Executive Office of the President)

This position was developed by LRD (Connie Bowers) in consultation with HRD (Barry White/Bayla White). The Departments of Education (Kristy), Labor (Hanson), Justice (Taylor), HHS (White), Defense (Brick), Commerce (Powell), Treasury (Dorsey), Energy (Slaughter), and Interior (West), the Domestic Policy Council (Galston), GSA (Ratchford), NASA (Stehmer), OPM (Woodruff) NEH (Young), NEA (Woodruff), NSF (Leder), NCLIS (Williams), and OIRA (Chenok) agree with this position.

Background

The Department of Education (ED) transmitted legislation to Congress on September 13, 1993, to reauthorize and substantially revamp programs in the Elementary and Secondary Education Act of 1965 (ESEA). On February 8, 1994, the House Education and Labor Committee ordered reported H.R. 6. The product of intensive negotiations, H.R. 6 incorporates substantial portions of the Administration's proposal, but deviates in some respects, most notably the distribution of Chapter 1--renamed Title I--grants for disadvantaged children. The Federal Government now spends more than \$10 billion a year for elementary and secondary education programs. H.R. 6 would authorize over \$12 billion in FY 1995.

Summary of H.R. 6

Title I of H.R. 6 would extend the appropriations authorizations for most ESEA programs for six years. It would also amend ESEA and other educational programs. The most significant features would:

- Substantially restructure the ESEA Title I program of grants to local school districts for disadvantaged children and authorize the appropriation of \$7.4 billion in FY 1995 (the largest chunk of ESEA funding). The bill does not adopt the Administration's formula for allocating more funds to the poorest districts. The bill does include a formula that would address somewhat the law's failure to adequately fund poorer districts. For example, H.R. 6 would enable funds above the 1994 appropriation level of \$6.3 billion to be directed more to poorer districts.
- Require States, in order to receive ESEA Title I funds, to adopt content, student performance, and opportunity-to-learn standards and assessments for Title I programs. Those standards and assessments will ensure that performance expected of children in Title I schools is the same as that expected for all children in each State.
- Target the Title I program assisting children of migratory workers on the most difficult to reach migrant children.
- Restructure and expand the current program of teacher preparation to establish the "Eisenhower Professional Development" program of grants for teacher training and curriculum development focused on the core academic subjects. \$800 million would be authorized for FY 1995.

Debaton:
What's
happening
on
this?
CHR

- Authorize the appropriation of \$655 million for the Safe and Drug-Free Schools and Communities Act and expand the focus of the Act to assist States and local education agencies (LEAs) in attaining National Education Goal Six. Unlike the Administration proposal, however, H.R. 6 would channel funds, previously administered by Governors, directly to LEAs.
- Retain the existing Chapter 2 block grant programs (that encourage local innovation to improve education programs) to support education reform efforts.
- Retain authorization only for military "b" and public housing "b" children in the Impact Aid program, which compensates local districts for costs associated with children from families associated with large Federal endeavors, such as military bases.
- Generally, provide greater State and local flexibility in administering programs in return for their greater accountability for attaining successful educational results (e.g., H.R. 6 would: (1) allow ED to waive Federal requirements in certain cases, (2) allow consolidated applications for various grants, and (3) authorize funds for schools to coordinate grant programs).
- Eliminate a few existing ED programs, but create a larger number of new discretionary programs.

Pay-As-You-Go Scoring

Per HRD (Bayla White) and BSD (Stigile), Section 409 would authorize the National Center for Education Statistics to furnish statistical compilations and other information to State and local officials, public and private organizations and individuals, subject to the payment of the cost of providing them. Since this provision does affect receipts, the bill is subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990. However, since costs would be paid by users, there would be no effect on the deficit. CBO states it is unable to estimate the direct funding effect, but since the spending is limited by the amount received, the provisions would not increase the deficit over a number of years.

LEGISLATIVE REFERENCE
February 23, 1994 -- 10:34am