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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Morton H. Halperin to Gordon Adams et al; re: NPR Phase II: Public Affairs/Public Diplomacy - State/USIA (9 pages)	03/25/1995	P5
002. memo	Joseph Duffey to Morton H. Halperin; re: NPR Fast Track Review - Public Affairs (2 pages)	03/13/1995	P5
003. memo	Morton H. Halperin to Gordon Adams et al; re: NPR Phase II - Public Affairs - State/USIA (8 pages)	03/10/1995	P5
004. memo	David T. Johnson to Alice Rivlin et al; re: NPR Phase II - Public Affairs - State/USIA (2 pages)	03/08/1995	P5
005. memo	Joseph Duffey to Alice Rivlin & Elaine Karmack; re: NPR Phase II - Public Affairs - State/USIA (3 pages)	03/08/1995	P5
006. memo	Morton H. Halperin to Alice Rivlin & Elaine Karmack; re: NPR Phase II - Public Affairs - State/USIA (8 pages)	03/06/1995	P5
007. memo	Nicholas Burns to Morton Halperin; re: NPR Fast Track Review - Public Affairs (2 pages)	03/07/1995	P5
008. memo	Morton H. Halperin to Alice Rivlin & Elaine Karmack; re: NPR Phase II - Public Affairs - State/USIA (8 pages)	03/06/1995	P5
009. memo	Morton H. Halperin to Alice Rivlin & Elaine Karmack; re: NPR Phase II - Public Affairs - State/USIA (8 pages)	03/06/1995	P5
010. memo	Morton H. Halperin to Alice Rivlin & Elaine Karmack; re: NPR Phase II - Public Affairs - State/USIA (8 pages)	03/07/1995	P5

COLLECTION:
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FOLDER TITLE:
REGO: State/USIA [US Information Agency] (Public Affairs - Public Diplomacy) [1]

Jimmie Purvis
2006-0208-F
jp2594

RESTRICTION CODES

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March 23, 1995

MEMORANDUM FOR: Gordon Adams
Office of Management and Budget

William Wise
Office of the Vice President

Pamela Johnson
National Performance Review

FROM: Morton H. Halperin
National Security Council

SUBJECT: NPR Phase II: Public Affairs/Public Diplomacy
-- State/USIA

Summary

This memorandum represents interim findings of an NPR Phase II task force which is conducting a fast-track review of the public affairs and public diplomacy functions as they relate to the Department of State and USIA. The two agencies have agreed to conduct joint reviews on several critical issues and to submit a set of specific recommendations including cost-savings measures by March 31.

Underlying these efforts is agreement that in the post-Cold War period, domestic public affairs and international public diplomacy must be effective elements in our foreign policy process. This requires:

-- closer cooperation between State and USIA, and with other foreign affairs agencies, to develop and implement public affairs/public diplomacy strategies for high priority foreign policy objectives;

-- focusing on ways in which modern technology can better serve the interests of public affairs aimed at American audiences and public diplomacy aimed at opinion leaders and decisionmakers in foreign societies;

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-- identifying and eliminating real redundancies in the operations of State Public Affairs and USIA, and reallocating resources to reflect this streamlining.

Certain first steps between State and USIA have been agreed to and can be implemented immediately. Other actions require additional study by the two agencies over the next two weeks.

Review:

The fast-track review of public affairs is based in part on tacit acknowledgement of the following:

-- The Vice President announced on January 27 his decision to retain AID, ACDA, and USIA as separate agencies. The White House has reiterated this position as recently as March 15.

-- If Senator Helms' draft bill to consolidate foreign affairs agencies within State is to be defeated, alternative legislation must be drafted showing streamlining and savings in all areas, including public affairs and public diplomacy.

-- USIA's REGO I efforts effected substantial savings of money and FTE -- significant accomplishments which provide impetus for new REGO II efforts in State's and USIA's conduct of public affairs/public diplomacy.

-- Reinvention of the public affairs/public diplomacy functions should result in increased focus and cost effectiveness.

-- Telecommunications and systems technologies required for effective contact with publics must be reviewed separately.

-- Public affairs/public diplomacy issues will be discussed by an ad hoc senior-level strategic planning group.

Method of Analysis:

Options were developed and refined through an interagency process involving senior staff. Impetus for the review was provided by the Vice President's

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mandate to put public affairs on a fast track and retain USIA as an independent agency.

Consideration of options has thus far yielded agreement on some steps (outlined in Section 3) designed to improve performance through better coordination between USIA and State. Suggested steps for the reinvention of the ways in which State and USIA maintain contact with domestic and international publics (outlined in Section 4) are under consideration by both agencies.

Findings and Discussion:

Contact with publics by foreign affairs agencies is currently conducted by each agency according to its individual mandate. This discussion focuses on State and USIA, and responds to the Vice President's directive to pursue fundamental restructuring to achieve reinvention of the public affairs (including public diplomacy) functions.

1. Relation of Public Affairs to Mission and Goals

A. State -- The State Department Bureau of Public Affairs (PA) is divided among Offices of Press Relations, Public Liaison, Public Communication, Intergovernmental Affairs, the Department Historian, and a unit of speechwriters. The purpose of PA is to engage American publics as well as state and local governments on foreign policy issues, and to promote domestic understanding and support for foreign policies and programs.

B. USIA -- The U.S. Information Agency was created in 1953 to understand, inform, and influence foreign publics in promotion of the national interest, and to broaden the dialogue between Americans, their institutions, and counterparts abroad. The Agency pursues that mission through a continuum of public diplomacy activities, including international broadcasting, educational/cultural exchanges programs, and informational activities. USIA is prohibited by law from disseminating its products within the United States.

2. Problem Assessment

A. State Public Affairs and USIA use some similar communications technologies in pursuit of their respective missions. A joint State-USIA

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taskforce has been formed to look into ways in which costs and message redundancy can be minimized and time-effectiveness maximized by both agencies.

B. There is some concern that USIA's area office policy officers duplicate policy functions performed at State. USIA recognizes that U.S. policy is set by the President, NSC, and Cabinet Agencies. Once that policy is set, USIA then determines how to allocate resources and engage foreign publics in support of those policy objectives. Effective immediately USIA's regional bureau policy officers will be redesignated "public affairs strategists," in hopes of eliminating confusion over their function.

C. There is overlap within State of public affairs elements operating outside of, but in coordination with, PA. This has been addressed by the Vice President (January 27) and will require follow-up through State's REGO-II exercise.

D. State and USIA should improve coordination to ensure coherence and timeliness in the delivery of USG public affairs/public diplomacy products. Both agencies should be vigilant about maintaining a tight integration of policy priorities and public affairs/public diplomacy functions, close cooperation in strategic public affairs/public diplomacy planning, and finding the most time- and cost-efficient means of delivering public affairs/public diplomacy products.

E. The introduction of draft legislation March 15 by Senator Helms, calling for the consolidation of foreign affairs agencies within the State Department emphasizes the requirement facing the Administration: that an alternative draft bill be drawn up proposing a cost-effective framework for reinvention of those agencies. The bill must propose real and productive change, must produce significant savings, and must be able to win support on Capitol Hill.

3. Recommendations for Enhanced Coordination *(Note: Section 3 constitutes in its entirety a framework constructed by State and USIA, and undergoing final negotiation).*

INTRODUCTION

Under the Vice President's directive for a fast-track review of the public affairs

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(including public diplomacy) function in the foreign affairs community, this section presents proposals for enhancing public affairs/public diplomacy coordination between the State Department and USIA. These proposals are presented as a first step in the review process with the understanding that the interagency steering group, noted below, will build on this framework to further streamline and realign public affairs/public diplomacy functions.

These initial efforts are aimed at better coordination and effectiveness. Cost savings will come from the concurrent, longer-term reassessment of worldwide public affairs/public diplomacy delivery systems included in the review by the Department of State's UnderSecretary for Management.

A. ***Personnel Exchanges*** -- To promote direct channels between the State Department and USIA and make more explicit and strong the link between policy and public affairs/public diplomacy, personnel exchanges are proposed at the senior and working levels. Underlying these exchanges is the need to establish procedures that will enable USIA, operating under the policy direction of the President and his Cabinet, to be the principal distribution point for foreign affairs information abroad.

1. SENIOR LEVEL

- The Director of USIA would nominate an Agency officer as Special Public Diplomacy Advisor to the State Department Chief of Staff. USIA would pay salary and would request that the Department of State provide appropriate office space.

- The Secretary of State would nominate a State officer as Director of USIA's Office for Policy and Planning (D/P), reporting to the Director of USIA. State would pay salary and would request that USIA provide appropriate office space.

2. MID- TO WORKING- LEVEL

- The State Department would consider detailing at its, at its expense, Foreign and Civil Service employees to several USIA headquarters positions. USIA would propose funding the detail of its officers to serve as senior public diplomacy advisors to the Assistant Secretary in each of State's regional bureaus. Other possibilities for providing

career-enhancing opportunities for officers of both Services at working levels will be explored to help develop inter-agency cooperation and to enhance the policy-public affairs/public diplomacy link.

- USIA also recommends assigning, at its expense, about 12 USIA officers with significant press experience to other agencies within the foreign affairs community (e.g. the White House, Defense, Commerce, USTR), to a broad range of substantive/functional offices. It also proposes detailing officers to the NSC to help coordinate long-range public affairs planning and daily media coordination.

B. ***Improving Coordination***

1. DAILY CONFERENCE CALL -- Under the supervision of the President's spokesman, an early morning conference call would take place the spokespersons at State and the Department of Defense (and other agencies as necessary), and the Director of USIA's Office of Policy and Planning to:
   -- identify issues to be discussed at the daily press briefings;
   -- establish "the message(-s) of the day" for on- and off-the-record briefers; and
   -- develop answers to questions likely to be asked during those briefings.

   USIA's D/P Director then would provide daily guidance to all USIA elements in Washington and in the field.

2. PROGRAM PLANS -- The State Department and USIA cooperate in developing the Mission Program Plans (MPPs), which are under the ultimate authority of the Ambassador is our missions overseas. USIA would take the lead in preparing the public diplomacy components of the Bureau Program Plans (BPPs) and clearing them with appropriate State and USIA elements.

3. AGENCY INTERACTION

- The existing interagency steering group on public affairs/public diplomacy -- consisting of representatives of the NSC, State, USIA,

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DOD, and other members of the foreign affairs community as appropriate -- will coordinate public affairs/public diplomacy strategies for the short- and long-term.

- State Department regional bureau Assistant Secretaries and the Directors of USIA's geographic area offices will meet by March 31 to discuss options for streamlined operations and enhanced coordination of public diplomacy efforts.

- State and USIA propose establishing a working-level taskforce under the interagency steering group to assess the challenges confronting effective and timely information dissemination.

4. LEGISLATIVE CHANGES -- Legislative and legal counsel offices within the White House, State Department, NSC, and USIA would discuss strategies with Congress for dealing with those laws which restrict USIA from communicating directly with the American people. These laws (primarily Smith-Mundt) can impede cost-effective public affairs/public diplomacy coordination and have become obsolete because of technological capabilities for information retrieval, as well as changes in the international political environment. Both State and USIA recommend the creation of a bipartisan panel by the Vice President to proposed revised legislation to reflect current realities. (*Note: See Section 4-F, which recommends fast action on legislative change absent creation of a panel.)*

5. PUBLIC DIPLOMACY TRAINING -- The State Department's Bureau of Public Affairs has underway a working group of State public affairs officers and others from the National Foreign Affairs Training Center that is focusing on ways to improve training in public affairs/public diplomacy. They are working on ways to increase communications, advocacy, and media skills training for U.S. ambassadors and others, as urged by the U.S. Advisory Commission on Public Diplomacy in a January 1995 letter to Vice President Gore. This working group will include a representative from USIA.

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4. Recommendations for Streamlining

It was agreed March 16 that the recommendations below would be acted on as noted.

A. USIA's I Bureau should assume responsibility for dissemination of unclassified public diplomacy products. USIA should operate the primary and backup delivery systems identified as time- and cost-effective by the State/USIA taskforce. State should eliminate support of redundant delivery systems.

ACTION: State/USIA will review and make recommendations by March 30.

B. USIA's Wireless File should include verbatim transcripts and prepared reports which explain and support policy and the policy process, and phase out any news reporting function which duplicates commercial international newswire services.

ACTION: USIA will conclude its review and make recommendations by March 30.

C. Eliminate overlapping State public affairs components -- the public affairs function in regional bureaus and other elements should be eliminated as called for by the Vice President. (State's REGO II effort includes a review of this issue and will determine extent of savings.)

ACTION: State will review as part of its internal REGO II exercise.

In addition, there are recommendations which have streamlining benefits but do not effect significant cost reductions:

D. USIA's geographic area policy officers will be retitled public diplomacy strategists, and continue to take their policy guidance from the White House and Cabinet agencies.

ACTION: Immediate.

E. An interagency working group on public affairs/public diplomacy, to include State, USIA, NSC, DOD, and other foreign affairs agencies, is being considered. It would coordinate public affairs/public diplomacy strategies and set priorities. USIA would implement the public diplomacy strategies recommended by the

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IWG.

ACTION: This proposal was dropped in favor of senior-level ad hoc meetings involving the NSC, State, and USIA.

F. Study Smith-Mundt -- restrictive legislation currently prevents USIA from distributing information to a domestic audience. This constraint, imposed at the start of the Cold War, limits USIA to overseas information dissemination and imposes a requirement for separate public affairs functions in foreign affairs agencies. Lifting this restriction would permit greater integration of State and USIA public affairs and public diplomacy activities, and might allow some streamlining and savings.

ACTION: USIA will review and make a recommendation by March 30.

Conclusions

There are two sets of consequences resulting from this review: one includes a list of actions which, State and USIA agree, could be taken almost immediately, but which are not likely to generate dollar or FTE savings; the second set could generate cost-reductions. The specific nature of any savings would be calculated by OMB following review of the final recommendations submitted by State and USIA over the next two weeks.

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March 13, 1995

MEMORANDUM FOR: The Honorable Morton H. Halperin
National Security Council

FROM: Joseph Duffey
Director

SUBJECT: NPR Fast Track Review: Public Affairs

I have reviewed the draft memo on public affairs and thank you for sending it along. I don't share some of the central premises which inform this approach. We can talk about this later however. Rather than exhaust time and energy in a lengthy rebuttal, I would like to propose another approach.

The Department of State and USIA, working together, prepared a variety of proposals to improve public affairs coordination. These measures have been judged as fine as far as they go but not addressing the issue of savings.

In order to develop something more far-reaching, the task of creating new measures to enhance public affairs coordination needs to begin with charging the offices at State and USIA--where the expertise and experience reside--to address this problem and submit their recommendastions to NSC/NPR for review.

I understand that the memorandum of March has been withdrawn. If you and your NPR colleagues are dissatisfied with the proposals we have jointly prepared with State, then I propose that you task

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me and Tom Donilon, under whatever deadline necessary, to produce new recommendations. I will give this my priority attention.

We are engaged here in our own effort to re-think and re-organize the Wireless File. It has been underway for well over a year. We have achieved excellent levels of cooperation from our employees, our unions, and the people we serve in the field.

I want this spirit and process to survive and to go forward. We at this Agency are capable of meeting what levels of reductions in budget and personnel may be necessary. But if we acquiesce in the approach now suggested - in which "reinvention" is shouldered aside by detailed reductions imposed wholly from outside, our work, our ability to continue to produce a quality product, will suffer quite significantly.

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March 10, 1995

MEMORANDUM FOR GORDON ADAMS
Office of Management and Budget

WILLIAM WISE
Office of the Vice President

PAMELA JOHNSON
National Performance Review

FROM: MORTON H. HALPERIN

SUBJECT: NPR Phase II: Public Affairs - State/USIA

Summary

This revised memorandum presents findings of an NPR Phase II fast-track review of the public affairs/public diplomacy function as it relates to State and USIA. There is agreement that in the post-Cold War period public diplomacy must become a more important element of our foreign policy. This requires:

- closer cooperation between State and USIA, and with other agencies, to develop and implement public diplomacy strategies for high priority foreign policy objectives;
- addressing the dichotomy between Public Affairs aimed at American audiences and Public Diplomacy aimed at non-governmental international audiences, which is no longer tenable in light of modern communications technology;
- the reallocation of resources in State and USIA so that more resources are devoted to the combined function while redundancy is eliminated.

Certain first steps between USIA and State have been agreed to and can be implemented immediately. Other actions require additional evaluation by the two agencies over the next two weeks.

Review

The fast-track review of public affairs was based in part on tacit acknowledgement of the following:

- The Vice President announced January 27 his decision to retain AID, ACDA, and USIA as separate agencies.

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- Separately, and together with State, USIA's REGO I efforts effected substantial savings of money and FTE -- significant accomplishments which provide impetus for new REGO II efforts.
- Reinvention of the public affairs function in foreign affairs agencies should result in increased focus and resources devoted to outreach efforts.
- Current legal separation of domestic public affairs and international public diplomacy make reinvention impossible without new legislation, which State and USIA will consider.
- Telecommunications and systems techologies required for effective contact with publics must be reviewed separately.
- Until assigned to an IWG, public affairs issues will be discussed by an ad hoc senior-level strategic planning group.

Method of Analysis

To determine the most appropriate course of action in the short time available, options were developed and refined through an interagency process involving senior staff. Impetus for the review was provided by the Vice President's mandate to put public affairs on a fast track; similarly, we were guided in setting up options by his decision to retain USIA as a separate agency.

In the end, options boiled down to two: one aimed at improved performance through coordination; the second prescribing preliminary steps toward reinvention of methods by which foreign affairs agencies maintain contact with publics in the United States and abroad. Both propose early legislative action.

Because the first option represents consensus between State and USIA it was adopted and appears here as Section 3 under Findings and Discussion. In Section 4 we propose further steps to ensure cost-effective public diplomacy.

Findings and Discussion

Contact with publics by foreign affairs agencies is currently conducted by each agency according to its individual mandate. This discussion focuses on State and USIA, and responds to the Vice President's directive to pursue fundamental restructuring to achieve reinvention of the public affairs function.

1. Relation Of Public Affairs To Mission and Goals

A. State -- The State Department Bureau of Public Affairs (PA) is divided among Offices of Press Relations, Public Liaison, Public Communication, Intergovernmental Affairs, the Department Historian, and a unit of speechwriters. The purpose of PA is to engage publics as well as state and

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local governments on foreign policy issues, and to promote understanding and support for foreign policies and programs.

B. USIA -- The U.S. Information Agency, created in 1953, has existed since that time to promote U.S. national interests abroad, and, toward that end, to inform, influence, and enhance American government understanding of, foreign publics. The Agency pursues this mission through international broadcasting, educational exchange programs, and public diplomacy through embassies and posts overseas. USIA is prohibited by law from disseminating its products within the United States.

2. Problem Assessment

A. State and USIA duplicate systems for delivering unclassified public affairs/public diplomacy products. Systems operated by one or both of the agencies include cable traffic, database dial-up, CD-Rom, Internet, USIA's Wireless File, State publications, telephone, fax, U.S. mail, diplomatic pouch, and the TVRO system -- with Worldnet as a primary client, but also carrying audio and data transmission -- connecting embassies and posts worldwide. A joint State/USIA task force has been formed to identify and eliminate system overlap; an NPR timeline and reporting mechanism need to be established.

B. USIA and State overlap in both policy and public affairs functions. USIA's regional bureau policy officers should become public affairs strategists, designing methods for effectively disseminating policy materials; State/PA should reprogram staff and resources currently dedicated to serving the same primary mission as USIA's I Bureau, which disseminates information abroad.

C. There is overlap within State of public affairs elements operating outside of, but in coordination with, PA. This has been addressed by the Vice President (January 27) and will require follow-up through State's REGO II exercise.

D. State and USIA lack sufficient coordination between elements to ensure coherence and timeliness in the delivery of USG public affairs/public diplomacy products. There is a need for greater integration of policy and public affairs functions, interagency strategic public affairs planning, more attention by USIA to high priority administration policy initiatives, and streamlined procedures for delivery of products.

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3. Recommendations for Enhanced Coordination *(Note: Section 3 constitutes in its entirety a negotiated framework agreed to by State and USIA.)*

INTRODUCTION

Under the Vice President's directive for a fast-track review of the public affairs function in the foreign affairs community, this (section) presents proposals for enhancing public affairs coordination by the State Department and the United States Information Agency. These proposals are presented as a first step in the review process with the understanding that the interagency steering group, noted below, will build on this framework to further streamline and realign public affairs functions.

These initial efforts are aimed at better coordination and effectiveness. Cost savings will come from the concurrent, longer-term reassessment of worldwide public affairs delivery systems included in the review by the Department of State's Under Secretary for Management, Richard Moose. (Referenced) effort is reviewing areas in which increased efficiencies can be made, such as in security, accounting, payroll, Inspector General issues, and compatible telecommunications systems among the foreign affairs agencies.

A. Personnel Exchanges -- To promote direct channels between the State Department and USIA and to make more explicit and strong the link between policy and public affairs, personnel exchanges are proposed at the senior and working levels. Underlying these exchanges is the need to establish procedures that will enable USIA, operating under the policy direction of the Secretary of State, to be the principal distribution point for foreign affairs information abroad. These proposals comply with current restrictions on USIA's direct communication with the American people.

1. SENIOR LEVEL

- The USIA Director would nominate an Agency officer as Special Public Diplomacy Advisor to the State Department's Bureau of Public Affairs. USIA would pay salary and would request that the Department of State provide appropriate office space.
- The Secretary of State would nominate a State officer as Director of USIA's Office for Policy and Planning (D/P), reporting to the Director of USIA. State would pay salary and would request that USIA provide appropriate office space.

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2. MID- TO WORKING-LEVEL

- The State Department would consider detailing, at its expense, Foreign/Civil Service officers to several USIA headquarters positions. USIA would propose funding the detail of its officers to serve as senior public diplomacy advisors to the Assistant Secretary in each of State's regional bureaus. Other possibilities for providing career-enhancing opportunities for officers of both Services at working levels will be explored to help develop interagency cooperation and to enhance the policy-public affairs link.
- USIA also recommends assigning, at its expense, about 12 USIA officers with significant press experience to other agencies within the foreign affairs community (e.g., White House, Departments of Defense and Commerce, USTR) to a broad range of substantive/functional offices. It also proposes detailing officers to the NSC to help coordinate long-range public affairs planning and daily media coordination.

B. Improving Coordination

1. DAILY CONFERENCE CALL -- Under supervision of the President's spokesman, a daily conference call would take place among spokespersons at State, DOD, other appropriate agencies, and the Director of USIA's Office of Policy and Planning to:

- identify issues for daily press briefings;
- establish the "messages of the day" for on- and off-the-record briefings;
- develop answers to questions likely to be asked during those briefings.

USIA's D/P Director then would provide daily guidance to all USIA elements in Washington and in the field.

2. PROGRAM PLANS -- the State Department and USIA cooperate in developing Mission Program Plans (MPP), which are under the ultimate authority of the Ambassador in our missions overseas. USIA would participate in preparing the public diplomacy components of the State Deparment's Bureau Program Plans (BPPs) and clearing them with appropriate State and USIA elements.

3. AGENCY INTERACTION

- The existing interagency steering group on public affairs -- consisting of representatives of the NSC, State, USIA, DOD, and other members of the foreign affairs community as approproate -- will coordinate public affairs strategies for the short- and long-term.

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- State Department regional bureau Assistant Secretaries and the Directors of USIA's geographic area offices would meet by March 31 to discuss options for streamlined operations and enhanced coordination of public diplomacy efforts.
- State and USIA propose establishing a working-level task force under the interagency steering group to assess the challenges confronting effective and timely information dissemination.

4. LEGISLATIVE CHANGES -- Legislative and legal counsel offices within the White House, State Department, NSC, and USIA would discuss strategies with Congress for dealing with those laws which restrict USIA from communicating directly with the American people. These laws (primarily Smith-Mundt) prevent cost-effective public affairs coordination and have been outdated by technological capabilities for information retrieval as well as by changes in the international political environment. Both agencies recommend creation of a bipartisan panel by the Vice President to propose revised legislation to reflect current realities. *(Note: See Section 4-G, which recommends fast action on legislative change absent creation of a panel.)*

5. PUBLIC DIPLOMACY TRAINING -- The State Department's Bureau of Public Affairs has underway a working group of State public affairs officers and those from the National Foreign Affairs Training Center that is focusing on ways to improve training in public affairs/diplomacy. They are working on ways to increase communications, advocacy, and media skills training for U.S. ambassadors and others, as urged by the U.S.Advisory Commission on Public Diplomacy in a January, 1995 letter to Vice President Gore. This working group will include a representative from USIA.

(Note: end State/USIA consensus proposals)

4. Recommendations for Streamlining

Of the cost-saving recommendations below, A and B should receive highest priority.

A. USIA's I Bureau should assume responsibility for dissemination of unclassified public affairs products.. Resources supporting redundant systems within State should be reprogrammed or eliminated. USIA should operate the primary and backup delivery systems identified as cost-effective by the State/USIA task force.

Savings: undetermined

FTE: undetermined

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B. USIA's wireless file output should include verbatim transcipts and prepared reports which explain and support policy and the policy process. The current daily newswire function, exemplified by interpretive or analytical stories written by in-house reporters or correspondents, should be eliminated.

Savings: up to $3.5 million
FTE: up to 50

C. "Policy" positions within USIA's regional bureaus and I Bureau should be realigned within the I Bureau to perform a public affairs/public diplomacy strategic planning function, carried out with guidance and approval from State/NSC.

Savings: $400,000
FTE: six

D. Eliminate overlapping State public affairs components -- the public affairs function in regional bureaus and other elements should be eliminated as called for by the Vice President. (State's REGO II effort includes a review of this issue and will determine extent of savings.)

Savings: undetermined
FTE: undetermined

Remind to State rego

In addition, there are recommendations which have streamlining benefits but do not effect significant cost reductions:

E. Interagency working group -- an IWG on public affairs and public diplomacy, to include State, NSC, DOD, and USIA, is being considered. The IWG will coordinate public diplomacy/public affairs strategies and set priorities. USIA's I Bureau should implement these strategies.

F. Focus I Bureau -- the I Bureau should work with State/NSC and other agencies to develop and implement public affairs strategies linked to administration priorities.

G. Repeal Smith-Mundt -- restrictive legislation currently prevents USIA from distributing information to a domestic audience. This constraint, imposed at the start of the Cold War, limits USIA to overseas information dissemination and imposes a requirement for separate public affairs functions in foreign affairs agencies. Lifting of this restriction would permit streamlining of staffs and technical resources. Legislative change cannot be assumed, but should be sought urgently. State/USIA's recommended bipartisan panel (Section 3-B-4) may impose delays.

<u>Conclusions</u>

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There are two sets of consequences regarding this review: one that includes a list of actions which, State and USIA agree, can be taken almost immediately but which are not likely to produce savings of dollars or FTE; a second that can be divided into separate time frames, encompassing cost-reduction activities.

1. Increasing Coordination

- Relatively fast action can be taken on nearly all of the State/USIA consensus proposals (Sec. 3, pp 4-6,) as well as those included in Sec. 4-E, F, and H.
- NSC is considering the most appropriate method for interagency review (Sec. 4-E) and will host an initial meeting to review this and other procedural questions March 16.

2. Increasing Cost-Effectiveness

- Near-term -- Savings achieved through implementation of Sec. 4-B & 4-C (Findings & Discussion) would be approximately $4 million and up to 56 FTE.
- Mid-range -- Additional financial savings would accrue through streamlining of technology and elimination of overlapping delivery systems (Sec. 4-A.) Precise estimates are not possible until the administrative support systems review (Sec. 3 Introduction) is complete.
- Long-term -- Legislative action (Secs. 3-B-4, 4-G) would permit a move toward a merger of public affairs and public diplomacy functions in a single agency, permitting further -- and probably substantial -- domestic and overseas reductions in both operating costs and FTE. While there is no certainty that existing legislation could be amended or repealed, such action would be consistent with geopolitical change and technological advances that have occurred since the passage of Smith-Mundt in 1948.

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Copy given to Gore

United States Department of State

Washington, D.C. 20520

March 8, 1995

MEMORANDUM FOR ALICE RIVLIN
Office of Management and Budget

ELAINE KAMARCK
Office of the Vice President

MORTON H. HALPERIN
National Security Council Staff

FROM: David T. Johnson, Office of Press Relations, Bureau of Pubic Affairs, Department of State

SUBJECT: NPR Phase II: Public Affairs - State/USIA

REF: Halperin -- Donilon/Duffey Memorandum of March 7.

The following are State's general comments on Mr. Halperin's memorandum of March 7 on the NPR. Messrs. Donilon and Burns are traveling with the Secretary. After consulting with them, I am replying on their behalf.

First, we are prepared to contribute to this exercise and we support it. We believe the first round of steps agreed to by State and USIA will promote rapidly better integration of public affairs activities in the Executive branch. (Section 3 of the Halperin Memorandum)

Second, your paper does not adequately account for the progress already made by USIA and State together or by USIA alone during the past two years of its reinventing efforts.

Third, the paper's principal underlying assumptions, in our view, are flawed. Rather than reduce the USG's investments in public affairs, we believe State and USIA must devote more time, attention and resources to improving our long-term public affairs outreach efforts.

Fourth, we must bear in mind that many of the steps proposed envisage a partial or total repeal of legislation which restricts USIA activities inside the U.S. While we cannot foreclose the cooperation of the Congress on this issue, we cannot assume it either.

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Fifth, State's Bureau of Public Affairs function goes well beyond "producing products" intended for domestic consumption. As the Halperin memorandum acknowledges, it encompasses the Department's Press Secretary function and its Historian's office, it drafts speeches for the Secretary, it simply answers the phone when citizens call to inquire about foreign policy, it organizes conferences, speeches and lectures to engage the public as well as state and local governments on foreign policy issues, and it publishes much of the information produced in the Department.

I would also like to mention some specific comments on the options and ideas mentioned in your paper:

-- We agree that State and USIA should strive, where possible, to eliminate duplicative information systems. We have, in fact, already formed a joint task force to achieve this goal. We will keep you closely informed of the results as we pursue additional methods to streamline and speed up our information distribution process.

-- We cannot, however, agree to USIA's assuming sole responsibility, as the Halperin paper suggests, for dissemination of unclassified public affairs products. While we need to streamline these efforts, State must retain responsibility for dissemination of the formal speeches, testimony and statements that are central to the articulation of our foreign policy. Moreover, simply because of time and distance, we have frequently found that Department policy materials distributed by USIA have at least a 24-hour delay. Since much of our material is destined for the press, any delay in turnaround time to its ultimate consumer has significant consequences. (Recommendation 4.A.)

-- Concerning your suggestion that public affairs functions in State's regional bureaus be eliminated, I would like to withhold agreement until we have completed a review within State of this and other issues. It may be workable, but it could have the effect of further removing policy formulation from policy communication, something that would be contrary to our shared goals. (Recommendation 4.D.)

-- We would be interested in a further and more detailed explanation of your suggestions of a "streamlined public affairs for military operation."

-- Finally, we will examine all of the ideas mentioned in section four. We must note, however, that the notional option of eliminating the public affairs components at State are, in our view, unnecessary and completely contradictory to the directions in which we are headed, i.e., building it up, improving its ability to deliver timely information, and enhancing our capacity directly to engage the American public on foreign policy issues.

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DIRECTOR

March 8, 1995

MEMORANDUM FOR: The Honorable Dr. Alice Rivlin
Director
Office of Management and Budget

The Honorable Dr. Elaine Kamarck
Senior Policy Advisor
to the Vice President

FROM: Joseph Duffey
Director

The memo you have received on "NPR Phase II: Public Affairs - State and USIA dated March 7, 1995" is substantially the same as an earlier draft which was reviewed last week in a meeting with Mr. Halperin in which Mr. Donilon and I participated. Several of us left the meeting last Friday under the impression that the earlier draft was going to be revised with respect to factual accuracy and underlying premises.

I am sending these comments to Mort at the same time that I relay them to you. I hope that Tom Donilon and I will have an opportunity to discuss this with you before any action is taken, since it is my impression the memo does not represent the views of either of us.

For the sake of brevity, I am responding only to some of the fundamental flaws in the assumptions that inform the analysis and recommendations contained in the memo.

1. The document does not distinguish between public diplomacy, which is the mission of USIA, and the narrower function of "public affairs." For example, State's staff of about 100 persons in Washington engaged in "public affairs" is compared to USIA's eight thousand employees here and overseas. In fact, the corresponding public affairs function at USIA--that is, domestic outreach and media relations--employs a staff of only 18. The network of USIA's overseas staff--U.S. citizens and Foreign Nationals--fulfills an entirely different mission than State's public affairs staff.

2. Under Section 2, Problem Assessment, point A is well taken with respect to technology and transmission questions.

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3. With respect to 2B, it has not been established that there is substantial "overlap" in both "policy and public affairs functions" between State and USIA. Mr. Donilon suggested that the function of the policy office at USIA (which I believe he recognized as legitimate) and which consists of six persons--down from twenty two years ago--might be labeled as something other than "policy" (I believe he suggested "strategic communications."). This might well be appropriate, given some of the more delicate sensibilities at the State Department, but it misses the central point. Once U.S. policy is determined at the NSC, State Department, or in the Oval Office, a secondary "policy" process begins, namely, how to allocate resources and how to engage overseas publics. Having served at the Department of State and observed the process for nearly twenty years, I have seen little indication that resources or the span of attention in the State Department permit much engagement with these issues there. I might add that USIA does not only serve the State Department--we also are the overseas information agency for the rest of the U.S. government, a role that is expanding.

4. I left the meeting last week with Mr. Halperin and Mr. Donilon, at which we discussed a draft of this memo, with the impression that we were in agreement that its recommendations were flawed. This, however, was not reflected in the memo you have received.

   To compare, as in Section B, State's Public Affairs Office with USIA's new "I" Bureau is, once again, an uninformed assessment of the functions of both offices.

5. With respect to the recommendations on page 6 concerning USIA's Wireless File: Every ambassador who pays attention to these things will testify that what this memo blithely dismisses as a "daily newswire," a selection and interpretation of timely materials representing the views and perspectives of the U.S. Government, meets a critical need that is not provided by the commercial media, even in the countries of Western Europe. A raw output of "verbatim transcripts," such as that suggested here, will be even less effective overseas than it is here in our own society.

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But while what we produce does need a kind of editorial shaping, I have made it clear to my associates here for two years that the wireless file as a journalistic enterprise, such as AP or Reuters, is becoming a thing of the past. It has changed and will change more during the process of reinvention; it will be more and more an instrument of policy. But this proposal would, instead of reshaping it, effectively eliminate the wireless file service which I regard, along with most of our embassies, as one of the most important tools that USIA provides to those who pursue our national interests around the world.

Because of these considerations and other factual inaccuracies, I ask that this memo be remanded back for further review.

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March 6, 1995

MEMORANDUM FOR ALICE RIVLIN
Office of Management and Budget

ELAINE KAMARCK
Office of the Vice President

FROM: MORTON H. HALPERIN

SUBJECT: NPR Phase II: Public Affairs - State/USIA

Summary

This memo presents findings of an NPR Phase II fast-track review of the public affairs/public diplomacy function as it relates to State and USIA. There was agreement that in the post-Cold War period public diplomacy must become a more important element of our foreign policy. This requires:

- closer cooperation between State and USIA, and with other agencies, to develop and implement public diplomacy strategies for high priority foreign policy objectives;
- addressing the dichotomy between Public Affairs aimed at American audiences and Public Diplomacy aimed at non-governmental international audiences, which is no longer tenable in light of modern communications technology;
- the reallocation of resources in State and USIA so that more resources are devoted to the combined function while redundancy is eliminated.

Certain first steps between USIA and State have been agreed to and can be implemented immediately. Other actions require additional evaluation by the two agencies over the next two weeks.

Review

The fast-track review of public affairs was based in part on tacit acknowledgement of the following:

- The Vice President announced January 27 his decision to retain AID, ACDA, and USIA as separate agencies.
- State's REGO II process will achieve reductions of several hundred positions, but not in public affairs.

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- USIA's past REGO efforts streamlined functions and saved both money and FTE. This process is continuing through REGO II.
- Legal separation of domestic public affairs and international public diplomacy make broad-based reinvention impossible without new legislation, which State and USIA will draft.
- Telecommunications and systems techologies required for effective contact with publics must be reviewed separately.
- Until assigned to an IWG, public affairs issues will be discussed by an ad hoc senior-level strategic planning group.

Method of Analysis

To determine the most appropriate course of action in the short time available, options were developed and refined through an interagency process involving senior staff. Impetus for the review was provided by the Vice President's mandate to put public affairs on a fast track; similarly, we were guided in setting up options by his decision to retain USIA as a separate agency.

In the end, options boiled down to two: one aimed at improved performance through coordination; the second prescribing preliminary steps toward reinvention of methods by which foreign affairs agencies maintain contact with publics in the United States and abroad. Both propose early legislative action.

Because the first option represents consensus between State and USIA it was adopted and appears here as Section 3 under Findings and Discussion. In Section 4 we propose further steps to ensure cost-effective public diplomacy.

Findings and Discussion

Contact with publics by foreign affairs agencies is currently conducted by each agency according to its individual mandate. This discussion focuses on State and USIA, and responds to the Vice President's directive to pursue fundamental restructuring to achieve reinvention of the public affairs function.

1. Relation Of Public Affairs To Mission and Goals

A. State -- The State Department Bureau of Public Affairs (PA) has a staff of about 100 persons divided among Offices of Press Relations, Public Liaison, Public Communication, Intergovernmental Affairs, the Department Historian, and a unit of speechwriters. The purpose of PA is to produce products intended almost entirely for domestic (U.S.)

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consumption to promote understanding and support for government foreign policies and programs.

B. USIA -- The U.S. Information Agency, created in 1953, has existed since that time to promote U.S. national interests abroad, and, toward that end, to inform, influence, and enhance American government understanding of, foreign publics. The Agency, with a staff of more than 8,000, pursues this mission through international broadcasting, educational exchange programs, and public diplomacy through embassies and posts overseas. USIA is prohibited by law from disseminating its products within the United States.

2. Problem Assessment

A. State and USIA duplicate systems for delivering unclassified public affairs/public diplomacy products. Systems operated by one or both of the agencies include cable traffic, database dial-up, Internet, USIA's Wireless File, State publications, telephone, fax, U.S. mail, diplomatic pouch, and the TVRO system -- with Worldnet as a primary client, but also carrying audio and data transmission -- connecting embassies and posts worldwide. These systems are included in State's review of administrative support services.

B. USIA and State overlap in both policy and public affairs functions. USIA utilizes FTE and resources for agency policy officers who maintain liaison with State/WH/NSC, and for a domestic public affairs office; State/PA, while producing stylistically separate and distinctive products, has many of the same functions as USIA's I Bureau.

C. There is overlap within State of public affairs elements operating outside of, but in coordination with, PA. This has been addressed by the Vice President (January 27) and will require follow-up through State's REGO II exercise.

D. State and USIA lack sufficient coordination between elements to ensure coherence and timeliness in the delivery of USG public affairs/public diplomacy products. There is a need for greater integration of policy and public affairs functions, interagency strategic public affairs planning, more attention by USIA to high priority administration policy initiatives, and streamlined procedures for delivery of products.

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3. Recommendations for Enhanced Coordination *(Note: Section 3 constitutes in its entirety a negotiated framework agreed to by State and USIA.)*

INTRODUCTION

Under the Vice President's directive for a fast-track review of the public affairs function in the foreign affairs community, this (section) presents proposals for enhancing public affairs coordination by the State Department and the United States Information Agency. These proposals are presented as a first step in the review process with the understanding that the interagency steering group, noted below, will build on this framework to further streamline and realign public affairs functions.

These initial efforts are aimed at better coordination and effectiveness. Cost savings will come from the concurrent, longer-term reassessment of worldwide public affairs delivery systems included in the review by the Department of State's Under Secretary for Management, Richard Moose. (Referenced) effort is reviewing areas in which increased efficiencies can be made, such as in security, accounting, payroll, Inspector General issues, and compatible telecommunications systems among the foreign affairs agencies.

A. Personnel Exchanges -- To promote direct channels between the State Department and USIA and to make more explicit and strong the link between policy and public affairs, personnel exchanges are proposed at the senior and working levels. Underlying these exchanges is the need to establish procedures that will enable USIA, operating under the policy direction of the Secretary of State, to be the principal distribution point for foreign affairs information abroad. These proposals comply with current restrictions on USIA's direct communication with the American people.

SENIOR LEVEL

- The USIA Director would nominate an Agency officer as Special Public Diplomacy Advisor to the State Department's Bureau of Public Affairs. USIA would pay salary and would request that the Department of State provide appropriate office space.
- The Secretary of State would nominate a State officer as Director of USIA's Office for Policy and Planning (D/P), reporting to the Director of USIA. State would pay salary and would request that USIA provide appropriate office space.

MID- TO WORKING-LEVEL

- The State Department would consider detailing, at its expense, Foreign/Civil Service officers to several USIA

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headquarters positions. USIA would propose funding the detail of its officers to serve as senior public diplomacy advisors to the Assistant Secretary in each of State's regional bureaus. Other possibilities for providing career-enhancing opportunities for officers of both Services at working levels will be explored to help develop interagency cooperation and to enhance the policy-public affairs link.

- USIA also recommends assigning, at its expense, about 12 USIA officers with significant press experience to other agencies within the foreign affairs community (e.g., White House, Departments of Defense and Commerce, USTR) to a broad range of substantive/functional offices. It also proposes detailing officers to the NSC to help coordinate long-range public affairs planning and daily media coordination.

B. Improving Coordination

1. DAILY CONFERENCE CALL -- Under supervision of the President's spokesman, a daily conference call would take place among spokespersons at State, DOD, other appropriate agencies, and the Director of USIA's Office of Policy and Planning to:

- identify issues for daily press briefings;
- establish the "messages of the day" for on- and off-the-record briefings;
- develop answers to questions likely to be asked during those briefings.

USIA's D/P Director then would provide daily guidance to all USIA elements in Washington and in the field.

2. PROGRAM PLANS -- the State Department and USIA cooperate in developing Mission Program Plans (MPP), which are under the ultimate authority of the Ambassador in our missions overseas. USIA would participate in preparing the public diplomacy components of the State Deparment's Bureau Program Plans (BPPs) and clearing them with appropriate State and USIA elements.

3. AGENCY INTERACTION

- The existing interagency steering group on public affairs -- consisting of representatives of the NSC, State, USIA, DOD, and other members of the foreign affairs community as approproate -- will coordinate public affairs strategies for the short- and long-term.
- State Department regional bureau Assistant Secretaries and the Directors of USIA's geographic area offices would meet by March 31 to discuss options for streamlined

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operations and enhanced coordination of public diplomacy efforts.

- State and USIA propose establishing a working-level task force under the interagency steering group to assess the challenges confronting effective and timely information dissemination.

4. LEGISLATIVE CHANGES -- Legislative and legal counsel offices within the White House, State Department, NSC, and USIA would discuss strategies with Congress for dealing with those laws which restrict USIA from communicating directly with the American people. These laws (primarily Smith-Mundt) prevent cost-effective public affairs coordination and have been outdated by technological capabilities for information retrieval as well as by changes in the international political environment. Both agencies recommend creation of a bipartisan panel by the Vice President to propose revised legislation to reflect current realities. *(Note: See Section 4-G, which recommends fast action on legislative change absent creation of a panel.)*

5. PUBLIC DIPLOMACY TRAINING -- The State Department's Bureau of Public Affairs has underway a working group of State public affairs officers and those from the National Foreign Affairs Training Center that is focusing on ways to improve training in public affairs/diplomacy. They are working on ways to increase communications, advocacy, and media skills training for U.S. ambassadors and others, as urged by the U.S.Advisory Commission on Public Diplomacy in a January, 1995 letter to Vice President Gore. This working group will include a representative from USIA.

(Note: end State/USIA consensus proposals)

4. Recommendations for Streamlining

The public diplomacy function should be assigned solely to USIA following a joint review by the two agencies. Of the first four cost-saving recommendations, A and B should receive highest priority.

A. USIA's I Bureau should assume sole responsibility for dissemination of unclassified public affairs products; resources allocated for this purpose within State should be reprogrammed or eliminated. USIA should operate the primary and backup delivery systems identified as cost-effective by the State administrative support systems review.

Savings: undetermined
FTE: undetermined

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B. USIA's wireless file output should include verbatim transcipts and prepared reports which explain and support policy and the policy process. The current daily newswire function, exemplified by interpretive or analytical stories written by in-house reporters or correspondents, should be eliminated.

Savings: up to $3.5 million
FTE: up to 50

C. Policy should be a function of State and should no longer be assigned within USIA. Policy positions within USIA's regional bureaus and I Bureau should be realigned within the I Bureau to perform a public affairs/public diplomacy strategic planning function, carried out with guidance and approval from State/NSC.

Savings: $400,000
FTE: six

D. Eliminate overlapping State public affairs components -- the public affairs function in regional bureaus and other elements should be eliminated as called for by the Vice President. (State currently working this issue.)

Savings: undetermined
FTE: undetermined

In addition, there are recommendations which have streamlining benefits but do not effect significant cost reductions:

E. Interagency working group -- an IWG on public affairs and public diplomacy, to include State, NSC, DOD, and USIA, is being considered. The IWG will coordinate public diplomacy/public affairs strategies and set priorities. USIA's I Bureau should implement these strategies.

F. Focus I Bureau -- the I Bureau should work with State/NSC and other agencies to develop and implement public affairs strategies linked to administration priorities.

G. Repeal Smith-Mundt -- restrictive legislation currently prevents USIA from distributing information to a domestic audience. This constraint, imposed at the start of the Cold War, limits USIA to overseas information dissemination and imposes a requirement for separate public affairs functions in foreign affairs agencies. Lifting of this restriction would permit streamlining of staffs and technical resources. Legislative change should be sought urgently. State/USIA's recommended bipartisan panel may impose delays.

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H. Streamline public affairs for military operations -- for use in time of military operations and with existing resources, create interagency communication system using DOD venue and infrastructure, State guidance, and USIA operational capabilities. Savings and efficiencies difficult to quanitify, but a principal objective would be an irreduceable minimum of foreign affairs agency personnel involved in domestic and overseas information dissemination.

Conclusions

There are two sets of consequences regarding this review: one that can be divided into separate time frames, encompassing cost-reduction activities; a second that includes a list of actions which, State and USIA agree, can be taken almost immediately but which are not likely to produce savings of dollars or FTE.

1. Increasing Coordination

- Relatively fast action can be taken on nearly all of the State/USIA consensus proposals (Sec. 3, pp 4-6,) as well as those included in Sec. 4-E, F, and H.
- NSC is considering the most appropriate method for interagency review (Sec. 4-E) and will host an initial meeting to review this and other procedural questions March 16.

2. Increasing Cost-Effectiveness

- Near-term -- Savings achieved through implementation of Sec. 4-B & 4-C (Findings & Discussion) would be approximately $4 million and up to 56 FTE.
- Mid-range -- Additional financial savings would accrue through streamlining of technology and elimination of overlapping delivery systems (Sec. 4-A.) Precise estimates are not possible until the administrative support systems review (Sec. 3 Introduction) is complete.
- Long-term -- Legislative action (Secs. 3-B-4, 4-G) would permit a move toward a merger of public affairs and public diplomacy functions in a single agency, permitting further -- and probably substantial -- reductions in both operating costs and FTE, both domestically and overseas.

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United States Department of State

Washington, D.C. 20520

March 7, 1995

MEMORANDUM FOR MORTON HALPERIN

FROM: Nicholas Burns NB Bureau of Pubic Affairs, Department of State

SUBJECT: NPR Fast Track Review: Public Affairs

The following are State's general comments on your memorandum of March 2 on the NPR.

First, as we discussed at lunch on March 3, we are prepared to contribute to this exercise and we support it. We believe the first round of steps agreed to by State and USIA will promote rapidly better integration of public affairs activities in the Executive branch.

Second, your paper does not adequately account for the progress already made by USIA and State together or by USIA alone during its past two years of reinventing efforts.

Third, one of the paper's principal underlying assumptions is, in our view, flawed. Rather than reduce the USG's investments in public affairs, we believe State and USIA must devote more time, attention and resources to improving our long-term public affairs outreach efforts.

I would also like to mention some specific comments on the options and ideas mentioned in your paper:

-- We agree that State and USIA should strive, where possible, to eliminate duplicative information systems. We have, in fact, already formed a joint task force to achieve this aim. We will keep you closely informed of the results as we pursue additional methods to streamline and speed up our information distribution process.

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-- I must tell you, however, that we cannot agree to USIA's assuming sole responsibility, as your paper suggests, for dissemination of unclassified public affairs products. While we need to streamline these efforts, State must retain responsibility for dissemination of the formal speeches, testimony and statements that are central to the articulation of our foreign policy. In addition, simply because of time and distance, we have frequently found that Department policy materials distributed by USIA have at least a 24-hour delay. Since much of our material is destined for the press, any delay in turnaround to its ultimate consumer has significant consequences.

-- Concerning your suggestion that public affairs functions in State's regional bureaus be eliminated, I would like to withhold agreement until we have completed within State a review of this and other issues. It may be workable, but it could have the effect of further removing policy formulation from policy communication, something that would be contrary to our shared goals.

-- I would be interested in a further and more detailed explanation of your suggestions of a "streamlined public affairs for military operation."

-- We must also bear in mind that many of the steps you propose envisage a partial or total repeal of legislation which restricts USIA activities inside the U.S. While we cannot foreclose the cooperation of the Congress on this issue, we cannot assume it either.

-- Finally, we will examine the ideas mentioned in option two on page 7. I should tell you, however, that the notional option of eliminating the public affairs components at State are in my view, unnecessary and completely contradictory to the directions in which we are headed, i.e., building it up, improving its ability to deliver timely information, and enhancing our capacity directly to engage the American public on foreign policy issues.

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March 6, 1995

MEMORANDUM FOR ALICE RIVLIN
Office of Management and Budget

ELAINE KAMARCK
Office of the Vice President

FROM: MORTON H. HALPERIN

SUBJECT: NPR Phase II: Public Affairs - State/USIA

Summary

This memo presents findings of an NPR Phase II fast-track review of the public affairs function as it relates to State and USIA. The findings include recommendations intended to: a) eliminate up to 56 FTE; b) save an estimated $4 million; c) create further cost-saving and streamlining opportunities through legislation; and, d) streamline staff and communications mechanisms for coordinating public affairs strategies and methods.

Review

The fast-track review of public affairs was based in part on tacit acknowledgement of the following:

- The Vice President announced January 27 his decision to retain AID, ACDA, and USIA as separate agencies.
- State's REGO II process will achieve reductions of several hundred positions, but not in public affairs.
- USIA's past REGO efforts streamlined functions and saved both money and FTE. This process is continuing through REGO II.
- Legal separation of domestic public affairs and international public diplomacy make broad-based reinvention impossible without new legislation, which State and USIA will explore.
- Telecommunications and systems techologies required for effective contact with publics must be reviewed separately.
- Until assigned to an IWG, public affairs issues will be discussed by an ad hoc senior-level strategic planning group.

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Method of Analysis

To determine the most appropriate course of action in the short time available, options were developed and refined through an interagency process involving senior staff. Impetus for the review was provided by the Vice President's mandate to put public affairs on a fast track; similarly, we were guided in setting up options by his decision to retain USIA as a separate agency.

In the end, options boiled down to two: one aimed at improved performance through coordination; the second prescribing preliminary steps toward reinvention of methods by which foreign affairs agencies maintain contact with publics in the United States and abroad.

Because the first option represents consensus between State and USIA it was adopted as an element of a larger option which achieves real reductions of dollars and FTE through streamlining and reinvention through legislative action, and which is presented here.

Findings and Discussion

Contact with publics by foreign affairs agencies is currently conducted by each agency according to its individual mandate. This discussion focuses on State and USIA, and responds to the Vice President's directive to pursue fundamental restructuring to achieve reinvention of the public affairs function.

1. Relation Of Public Affairs To Mission and Goals

A. State -- The State Department Bureau of Public Affairs (PA) has a staff of about 100 persons divided among Offices of Press Relations, Public Liaison, Public Communication, Intergovernmental Affairs, the Department Historian, and a unit of speechwriters. The purpose of PA is to produce products intended almost entirely for domestic (U.S.) consumption to promote understanding and support for government foreign policies and programs.

B. USIA -- The U.S. Information Agency, created in 1953, has existed since that time to promote U.S. national interests abroad, and, toward that end, to inform, influence, and enhance American government understanding of, foreign publics. The Agency, with a staff of more than 8,000, pursues this mission through international broadcasting, educational exchange programs, and public diplomacy through embassies and posts overseas. USIA is prohibited by law from disseminating its products within the United States.

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2. Problem Assessment

A. There is overlap within State of public affairs elements operating outside of, but in coordination with, PA. This has been addressed by the Vice President (January 27) and will require follow-up through State's REGO II exercise.

B. USIA and State overlap in both policy and public affairs functions. USIA utilizes FTE and resources for agency policy officers who maintain liaison with State/WH/NSC, and for a domestic public affairs office; State/PA, while producing stylistically separate and distinctive products, has many of the same functions as USIA's I Bureau.

C. State and USIA duplicate several times over their systems for delivering unclassified public affairs/public diplomacy products. Systems operated by one or both of the agencies include cable traffic, database dial-up, Internet, USIA's Wireless File, State publications, telephone, fax, U.S. mail, diplomatic pouch, and the TVRO system -- with Worldnet as a primary client, but also carrying audio and data transmission -- connecting embassies and posts worldwide. These systems are included in State's review of administrative support services, but should also be reviewed in the context of NPR's interagency public affairs review.

D. State and USIA lack sufficient coordination between elements to ensure coherence and timeliness in the delivery of USG public affairs/public diplomacy products. There is a need for greater integration of policy and public affairs functions, interagency strategic public affairs planning, more attention by USIA to high priority administration policy initiatives, and streamlined procedures for delivery of products.

3. Recommendations for Streamlining

A. Eliminate State Overseas Public Document Dissemination -- resources allocated for this purpose within State should be reprogrammed or eliminated; USIA's I Bureau should assume sole responsibility for dissemination of unclassified public affairs products, and for operation of the primary and backup delivery systems identified as most cost-effective by a State administrative support systems review now underway.

Savings: undetermined
FTE: undetermined

B. Streamline Wireless File Output -- USIA's wireless file output should include verbatim transcipts and prepared reports which explain and support policy and the policy

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process. The current daily newswire function, exemplified by interpretive or analytical stories written by in-house reporters or correspondents, should be eliminated.

Savings: up to $3.5 million
FTE: up to 50

C. Consolidate Policy Function Within State -- policy is a function of State and should no longer be assigned within USIA. Policy positions within USIA's regional bureaus and I Bureau should be realigned within the I Bureau to perform a public affairs/public diplomacy strategic planning function, carried out with guidance and approval from State/NSC.

Savings: $400,000
FTE: six

D. Eliminate overlapping State public affairs components -- the public affairs function in regional bureaus and other elements should be eliminated as called for by the Vice President. (State currently working this issue.)

Savings: undetermined
FTE: undetermined

In addition, there recommendations which have streamlining benefits but do not effect significant cost reductions:

E. Interagency working group -- an IWG on public affairs and public diplomacy, to include State, NSC, DOD, and USIA, is being considered. The IWG will coordinate public diplomacy/public affairs strategies and set priorities. USIA's I Bureau should implement these strategies.

F. Focus I Bureau -- the I Bureau should use its new imaginative structure to focus on dissemination of public products and developments, and the implementation of public diplomacy strategies linked to administration priorities.

G. Repeal Smith-Mundt -- restrictive legislation currently prevents USIA from distributing information to a domestic audience. This constraint, imposed at the start of the Cold War, limits USIA to overseas information dissemination and imposes a requirement for separate public affairs functions in foreign affairs agencies. Lifting of this restriction would permit streamlining of staffs and technical resources.

H. Streamline public affairs for military operations -- for use in time of military operations and with existing resources, create interagency communication system using DOD venue and infrastructure, State guidance, and USIA operational capabilities. Savings and efficiencies difficult to

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quanitify, but a principal objective would be an irreduceable minimum of foreign affairs agency personnel involved in domestic and overseas information dissemination.

4. Recommendations for Enhanced Coordination *(Note: Section 4 constitutes in its entirety a negotiated framework agreed to by State and USIA.)*

Under the Vice President's directive for a fast-track review of the public affairs function in the foreign affairs community, this (section) presents proposals for enhancing public affairs coordination by the State Department and the United States Information Agency. These proposals are presented as a first step in the review process with the understanding that the interagency steering group, noted below, will build on this framework to further streamline and realign public affairs functions.

These initial efforts are aimed at better coordination and effectiveness. Cost savings will come from the concurrent, longer-term reassessment of worldwide public affairs delivery systems included in the review by the Department of State's Under Secretary for Management, Richard Moose. (Referenced) effort is reviewing areas in which increased efficiencies can be made, such as in security, accounting, payroll, Inspector General issues, and compatible telecommunications systems among the foreign affairs agencies.

A. Personnel Exchanges -- To promote direct channels between the State Department and USIA and to make more explicit and strong the link between policy and public affairs, personnel exchanges are proposed at the senior and working levels. Underlying these exchanges is the need to establish procedures that will enable USIA, operating under the policy direction of the Secretary of State, to be the principal distribution point for foreign affairs information abroad. These proposals comply with current restrictions on USIA's direct communication with the American people.

SENIOR LEVEL

- The USIA Director would nominate an Agency officer as Special Public Diplomacy Advisor to the State Department's Bureau of Public Affairs. USIA would pay salary and would request that the Department of State provide appropriate office space.
- The Secretary of State would nominate a State officer as Director of USIA's Office for Policy and Planning (D/P), reporting to the Director of USIA. State would pay salary and would request that USIA provide appropriate office space.

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MID- TO WORKING-LEVEL

- The State Department would consider detailing, at its expense, Foreign/Civil Service officers to several USIA headquarters positions. USIA would propose funding the detail of its officers to serve as senior public diplomacy advisors to the Assistant Secretary in each of State's regional bureaus. Other possibilities for providing career-enhancing opportunities for officers of both Services at working levels will be explored to help develop interagency cooperation and to enhance the policy-public affairs link.
- USIA also recommends assigning, at its expense, about 12 USIA officers with significant press experience to other agencies within the foreign affairs community (e.g., White House, Departments of Defense and Commerce, USTR) to a broad range of substantive/functional offices. It also proposes detailing officers to the NSC to help coordinate long-range public affairs planning and daily media coordination.

B. Improving Coordination

1. DAILY CONFERENCE CALL -- Under supervision of the President's spokesman, a daily conference call would take place among spokespersons at State, DOD, other appropriate agencies,and the Director of USIA's Office of Policy and Planning to:

- identify issues for daily press briefings;
- establish the "messages of the day" for on- and off-the-record briefings;
- develop answers to questions likely to be asked during those briefings.

USIA's D/P Director then would provide daily guidance to all USIA elements in Washington and in the field.

2. PROGRAM PLANS -- the State Department and USIA cooperate in developing Mission Program Plans (MPP), which are under the ultimate authority of the Ambassador in our missions overseas. USIA would participate in preparing the public diplomacy components of the State Deparment's Bureau Program Plans (BPPs) and clearing them with appropriate State and USIA elements.

3. AGENCY INTERACTION

- The existing interagency steering group on public affairs -- consisting of representatives of the NSC, State, USIA, DOD, and other members of the foreign affairs community as approproate -- will coordinate public affairs strategies for the short- and long-term.

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- State Department regional bureau Assistant Secretaries and the Directors of USIA's geographic area offices would meet by March 31 to discuss options for streamlined operations and enhanced coordination of public diplomacy efforts.
- State and USIA propose establishing a working-level task force under the interagency steering group to assess the challenges confronting effective and timely information dissemination.

4. LEGISLATIVE CHANGES -- Legislative and legal counsel offices within the White House, State Department, NSC, and USIA would discuss strategies with Congress for dealing with those laws which restrict USIA from communicating directly with the American people. These laws (primarily Smith-Mundt) prevent cost-effective public affairs coordination and have been outdated by technological capabilities for information retrieval as well as by changes in the international political environment. Both agencies recommend creation of a bipartisan panel by the Vice President to propose revised legislation to reflect current realities.

5. PUBLIC DIPLOMACY TRAINING -- The State Department's Bureau of Public Affairs has underway a working group of State public affairs officers and those from the National Foreign Affairs Training Center that is focusing on ways to improve training in public affairs/diplomacy. They are working on ways to increase communications, advocacy, and media skills training for U.S. ambassadors and others, as urged by the U.S.Advisory Commission on Public Diplomacy in a January, 1995 letter to Vice President Gore. This working group will include a representative from USIA.

(Note: end State/USIA consensus proposals)

Conclusions

There are two sets of consequences regarding this review: one that can be divided into separate time frames, encompassing cost-reduction activities; a second that includes a list of actions which, State and USIA agree, can be taken almost immediately but which are not likely to produce savings of dollars or FTE.

1. Increasing Cost-Effectiveness

- Near-term -- Savings achieved through implementation of Sec. 3-B & 3-C (Findings & Discussion) would be approximately $4 million and up to 56 FTE.
- Mid-range -- Additional financial savings would accrue through streamlining of technology and elimination of overlapping

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delivery systems (Sec. 3-A.) Precise estimates are not possible until the administrative support systems review (Sec. 4) is complete.

- Long-term -- Legislative action (Secs. 3-G, 4-B-4) would permit a move toward a merger of public affairs and public diplomacy functions in a single agency, permitting further -- and probably substantial -- reductions in both operating costs and FTE, both domestically and overseas.

2. Increasing Coordination

- Relatively fast action can be taken on nearly all of the State/USIA consensus proposals (Sec. 4, pp 5-7,) as well as those included in Sec. 3-E, F, and H.
- NSC is considering the most appropriate method for interagency review (Sec. 3-E) and will host an initial meeting to review this and other procedural questions March 16.

Attachments:

- OMB submission - Reinventing Public Affairs: Estimated Cost Savings and Related Assumptions
- FAM 320 - Bureau of Public Affairs (Dept. of State)

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March 6, 1995

MEMORANDUM FOR ALICE RIVLIN
Office of Management and Budget

ELAINE KAMARCK
Office of the Vice President

FROM: MORTON H. HALPERIN

SUBJECT: NPR Phase II: Public Affairs - State/USIA

Summary

This memo presents findings of an NPR Phase II fast-track review of the public affairs function as it relates to State and USIA. The findings include recommendations intended to: a) eliminate up to 56 FTE; b) save an estimated $4 million; c) create further cost-saving and streamlining opportunities through legislation; and, d) streamline staff and communications mechanisms for coordinating public affairs strategies and methods.

Review

The fast-track review of public affairs was based in part on tacit acknowledgement of the following:

- The Vice President announced January 27 his decision to retain AID, ACDA, and USIA as separate agencies.
- State's REGO II process will achieve reductions of several hundred positions, but not in public affairs.
- USIA's past REGO efforts streamlined functions and saved both money and FTE. This process is continuing through REGO II.
- Legal separation of domestic public affairs and international public diplomacy make broad-based reinvention impossible without new legislation, ~~which State and USIA will explore.~~
- Telecommunications and systems techologies required for effective contact with publics must be reviewed separately.
- Until assigned to an IWG, public affairs issues will be discussed by an ad hoc senior-level strategic planning group.

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Method of Analysis

To determine the most appropriate course of action in the short time available, options were developed and refined through an interagency process involving senior staff. Impetus for the review was provided by the Vice President's mandate to put public affairs on a fast track; similarly, we were guided in setting up options by his decision to retain USIA as a separate agency.

In the end, options boiled down to two: one aimed at improved performance through coordination; the second prescribing preliminary steps toward reinvention of methods by which foreign affairs agencies maintain contact with publics in the United States and abroad.

Because the first option represents consensus between State and USIA it was adopted as an element of a larger option which achieves real reductions of dollars and FTE through streamlining and reinvention through legislative action, and which is presented here.

Findings and Discussion

Contact with publics by foreign affairs agencies is currently conducted by each agency according to its individual mandate. This discussion focuses on State and USIA, and responds to the Vice President's directive to pursue fundamental restructuring to achieve reinvention of the public affairs function.

1. Relation Of Public Affairs To Mission and Goals

A. State -- The State Department Bureau of Public Affairs (PA) has a staff of about 100 persons divided among Offices of Press Relations, Public Liaison, Public Communication, Intergovernmental Affairs, the Department Historian, and a unit of speechwriters. The purpose of PA is to produce products intended almost entirely for domestic (U.S.) consumption to promote understanding and support for government foreign policies and programs.

B. USIA -- The U.S. Information Agency, created in 1953, has existed since that time to promote U.S. national interests abroad, and, toward that end, to inform, influence, and enhance American government understanding of, foreign publics. The Agency, with a staff of more than 8,000, pursues this mission through international broadcasting, educational exchange programs, and public diplomacy through embassies and posts overseas. USIA is prohibited by law from disseminating its products within the United States.

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2. Problem Assessment

A. There is overlap within State of public affairs elements operating outside of, but in coordination with, PA. This has been addressed by the Vice President (January 27) and will require follow-up through State's REGO II exercise.

B. USIA and State overlap in both policy and public affairs functions. USIA utilizes FTE and resources for agency policy officers who maintain liaison with State/WH/NSC, and for a domestic public affairs office; State/PA, while producing stylistically separate and distinctive products, has many of the same functions as USIA's I Bureau.

C. State and USIA duplicate several times over their systems for delivering unclassified public affairs/public diplomacy products. Systems operated by one or both of the agencies include cable traffic, database dial-up, Internet, USIA's Wireless File, State publications, telephone, fax, U.S. mail, diplomatic pouch, and the TVRO system -- with Worldnet as a primary client, but also carrying audio and data transmission -- connecting embassies and posts worldwide. These systems are included in State's review of administrative support services, but should also be reviewed in the context of NPR's interagency public affairs review.

D. State and USIA lack sufficient coordination between elements to ensure coherence and timeliness in the delivery of USG public affairs/public diplomacy products. There is a need for greater integration of policy and public affairs functions, interagency strategic public affairs planning, more attention by USIA to high priority administration policy initiatives, and streamlined procedures for delivery of products.

3. Recommendations for Streamlining

A. Eliminate State Overseas Public Document Dissemination -- resources allocated for this purpose within State should be reprogrammed or eliminated; USIA's I Bureau should assume sole responsibility for dissemination of unclassified public affairs products, and for operation of the primary and backup delivery systems identified as most cost-effective by a State administrative support systems review now underway.

Savings: undetermined
FTE: undetermined

B. Streamline Wireless File Output -- USIA's wireless file output should include verbatim transcipts and prepared reports which explain and support policy and the policy

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process. The current daily newswire function, exemplified by interpretive or analytical stories written by in-house reporters or correspondents, should be eliminated.

Savings: up to $3.5 million
FTE: up to 50

C. Consolidate Policy Function Within State -- policy is a function of State and should no longer be assigned within USIA. Policy positions within USIA's regional bureaus and I Bureau should be realigned within the I Bureau to perform a public affairs/public diplomacy strategic planning function, carried out with guidance and approval from State/NSC.

Savings: $400,000
FTE: six

D. Eliminate overlapping State public affairs components -- the public affairs function in regional bureaus and other elements should be eliminated as called for by the Vice President. (State currently working this issue.)

Savings: undetermined
FTE: undetermined

In addition, there recommendations which have streamlining benefits but do not effect significant cost reductions:

E. Interagency working group -- an IWG on public affairs and public diplomacy, to include State, NSC, DOD, and USIA, is being considered. The IWG will coordinate public diplomacy/public affairs strategies and set priorities. USIA's I Bureau should implement these strategies.

F. Focus I Bureau -- the I Bureau should use its new imaginative structure to focus on dissemination of public products and developments, and the implementation of public diplomacy strategies linked to administration priorities.

G. Repeal Smith-Mundt -- restrictive legislation currently prevents USIA from distributing information to a domestic audience. This constraint, imposed at the start of the Cold War, limits USIA to overseas information dissemination and imposes a requirement for separate public affairs functions in foreign affairs agencies. Lifting of this restriction would permit streamlining of staffs and technical resources.

H. Streamline public affairs for military operations -- for use in time of military operations and with existing resources, create interagency communication system using DOD venue and infrastructure, State guidance, and USIA operational capabilities. Savings and efficiencies difficult to

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quanitify, but a principal objective would be an irreduceable minimum of foreign affairs agency personnel involved in domestic and overseas information dissemination.

4. Recommendations for Enhanced Coordination *(Note: Section 4 constitutes in its entirety a negotiated framework agreed to by State and USIA.)*

Under the Vice President's directive for a fast-track review of the public affairs function in the foreign affairs community, this (section) presents proposals for enhancing public affairs coordination by the State Department and the United States Information Agency. These proposals are presented as a first step in the review process with the understanding that the interagency steering group, noted below, will build on this framework to further streamline and realign public affairs functions.

These initial efforts are aimed at better coordination and effectiveness. Cost savings will come from the concurrent, longer-term reassessment of worldwide public affairs delivery systems included in the review by the Department of State's Under Secretary for Management, Richard Moose. (Referenced) effort is reviewing areas in which increased efficiencies can be made, such as in security, accounting, payroll, Inspector General issues, and compatible telecommunications systems among the foreign affairs agencies.

A. Personnel Exchanges -- To promote direct channels between the State Department and USIA and to make more explicit and strong the link between policy and public affairs, personnel exchanges are proposed at the senior and working levels. Underlying these exchanges is the need to establish procedures that will enable USIA, operating under the policy direction of the Secretary of State, to be the principal distribution point for foreign affairs information abroad. These proposals comply with current restrictions on USIA's direct communication with the American people.

SENIOR LEVEL

- The USIA Director would nominate an Agency officer as Special Public Diplomacy Advisor to the State Department's Bureau of Public Affairs. USIA would pay salary and would request that the Department of State provide appropriate office space.
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MID- TO WORKING-LEVEL

- The State Department would consider detailing, at its expense, Foreign/Civil Service officers to several USIA headquarters positions. USIA would propose funding the detail of its officers to serve as senior public diplomacy advisors to the Assistant Secretary in each of State's regional bureaus. Other possibilities for providing career-enhancing opportunities for officers of both Services at working levels will be explored to help develop interagency cooperation and to enhance the policy-public affairs link.
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B. Improving Coordination

1. DAILY CONFERENCE CALL -- Under supervision of the President's spokesman, a daily conference call would take place among spokespersons at State, DOD, other appropriate agencies, and the Director of USIA's Office of Policy and Planning to:

- identify issues for daily press briefings;
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USIA's D/P Director then would provide daily guidance to all USIA elements in Washington and in the field.

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3. AGENCY INTERACTION

- The existing interagency steering group on public affairs -- consisting of representatives of the NSC, State, USIA, DOD, and other members of the foreign affairs community as approproate -- will coordinate public affairs strategies for the short- and long-term.

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- State Department regional bureau Assistant Secretaries and the Directors of USIA's geographic area offices would meet by March 31 to discuss options for streamlined operations and enhanced coordination of public diplomacy efforts.
- State and USIA propose establishing a working-level task force under the interagency steering group to assess the challenges confronting effective and timely information dissemination.

4. LEGISLATIVE CHANGES -- Legislative and legal counsel offices within the White House, State Department, NSC, and USIA would discuss strategies with Congress for dealing with those laws which restrict USIA from communicating directly with the American people. These laws (primarily Smith-Mundt) prevent cost-effective public affairs coordination and have been outdated by technological capabilities for information retrieval as well as by changes in the international political environment. Both agencies recommend creation of a bipartisan panel by the Vice President to propose revised legislation to reflect current realities.

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(Note: end State/USIA consensus proposals)

Conclusions

There are two sets of consequences regarding this review: one that can be divided into separate time frames, encompassing cost-reduction activities; a second that includes a list of actions which, State and USIA agree, can be taken almost immediately but which are not likely to produce savings of dollars or FTE.

1. Increasing Cost-Effectiveness

- Near-term -- Savings achieved through implementation of Sec. 3-B & 3-C (Findings & Discussion) would be approximately $4 million and up to 56 FTE.
- Mid-range -- Additional financial savings would accrue through streamlining of technology and elimination of overlapping

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delivery systems (Sec. 3-A.) Precise estimates are not possible until the administrative support systems review (Sec. 4) is complete.

- Long-term -- Legislative action (Secs. 3-G, 4-B-4) would permit a move toward a merger of public affairs and public diplomacy functions in a single agency, permitting further -- and probably substantial -- reductions in both operating costs and FTE, both domestically and overseas.

2. Increasing Coordination

- Relatively fast action can be taken on nearly all of the State/USIA consensus proposals (Sec. 4, pp 5-7,) as well as those included in Sec. 3-E, F, and H.
- NSC is considering the most appropriate method for interagency review (Sec. 3-E) and will host an initial meeting to review this and other procedural questions March 16.

Attachments:

- OMB submission - Reinventing Public Affairs: Estimated Cost Savings and Related Assumptions
- FAM 320 - Bureau of Public Affairs (Dept. of State)

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

March 7, 1995

MEMORANDUM FOR ALICE RIVLIN
Office of Management and Budget

ELAINE KAMARCK
Office of the Vice President

FROM: MORTON H. HALPERIN MH/JL

SUBJECT: NPR Phase II: Public Affairs - State/USIA

Summary

This memo presents findings of an NPR Phase II fast-track review of the public affairs/public diplomacy function as it relates to State and USIA. There was agreement that in the post-Cold War period public diplomacy must become a more important element of our foreign policy. This requires:

- closer cooperation between State and USIA, and with other agencies, to develop and implement public diplomacy strategies for high priority foreign policy objectives;
- addressing the dichotomy between Public Affairs aimed at American audiences and Public Diplomacy aimed at non-governmental international audiences, which is no longer tenable in light of modern communications technology;
- the reallocation of resources in State and USIA so that more resources are devoted to the combined function while redundancy is eliminated.

Certain first steps between USIA and State have been agreed to and can be implemented immediately. Other actions require additional evaluation by the two agencies over the next two weeks.

Review

The fast-track review of public affairs was based in part on tacit acknowledgement of the following:

- The Vice President announced January 27 his decision to retain AID, ACDA, and USIA as separate agencies.
- State's REGO II process will achieve reductions of several hundred positions, but not in public affairs.

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- USIA's past REGO efforts streamlined functions and saved both money and FTE. This process is continuing through REGO II.
- Legal separation of domestic public affairs and international public diplomacy make broad-based reinvention impossible without new legislation, which State and USIA will draft.
- Telecommunications and systems techologies required for effective contact with publics must be reviewed separately.
- Until assigned to an IWG, public affairs issues will be discussed by an ad hoc senior-level strategic planning group.

Method of Analysis

To determine the most appropriate course of action in the short time available, options were developed and refined through an interagency process involving senior staff. Impetus for the review was provided by the Vice President's mandate to put public affairs on a fast track; similarly, we were guided in setting up options by his decision to retain USIA as a separate agency.

In the end, options boiled down to two: one aimed at improved performance through coordination; the second prescribing preliminary steps toward reinvention of methods by which foreign affairs agencies maintain contact with publics in the United States and abroad. Both propose early legislative action.

Because the first option represents consensus between State and USIA it was adopted and appears here as Section 3 under Findings and Discussion. In Section 4 we propose further steps to ensure cost-effective public diplomacy.

Findings and Discussion

Contact with publics by foreign affairs agencies is currently conducted by each agency according to its individual mandate. This discussion focuses on State and USIA, and responds to the Vice President's directive to pursue fundamental restructuring to achieve reinvention of the public affairs function.

1. Relation Of Public Affairs To Mission and Goals

A. State -- The State Department Bureau of Public Affairs (PA) has a staff of about 100 persons divided among Offices of Press Relations, Public Liaison, Public Communication, Intergovernmental Affairs, the Department Historian, and a unit of speechwriters. The purpose of PA is to produce products intended almost entirely for domestic (U.S.) consumption to promote understanding and support for government foreign policies and programs.

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B. USIA -- The U.S. Information Agency, created in 1953, has existed since that time to promote U.S. national interests abroad, and, toward that end, to inform, influence, and enhance American government understanding of, foreign publics. The Agency, with a staff of more than 8,000, pursues this mission through international broadcasting, educational exchange programs, and public diplomacy through embassies and posts overseas. USIA is prohibited by law from disseminating its products within the United States.

2. Problem Assessment

A. State and USIA duplicate systems for delivering unclassified public affairs/public diplomacy products. Systems operated by one or both of the agencies include cable traffic, database dial-up, Internet, USIA's Wireless File, State publications, telephone, fax, U.S. mail, diplomatic pouch, and the TVRO system -- with Worldnet as a primary client, but also carrying audio and data transmission -- connecting embassies and posts worldwide. These systems are included in State's review of administrative support services.

B. USIA and State overlap in both policy and public affairs functions. USIA utilizes FTE and resources for agency policy officers who maintain liaison with State/WH/NSC, and for a domestic public affairs office; State/PA, while producing stylistically separate and distinctive products, has many of the same functions as USIA's I Bureau.

C. There is overlap within State of public affairs elements operating outside of, but in coordination with, PA. This has been addressed by the Vice President (January 27) and will require follow-up through State's REGO II exercise.

D. State and USIA lack sufficient coordination between elements to ensure coherence and timeliness in the delivery of USG public affairs/public diplomacy products. There is a need for greater integration of policy and public affairs functions, interagency strategic public affairs planning, more attention by USIA to high priority administration policy initiatives, and streamlined procedures for delivery of products.

3. Recommendations for Enhanced Coordination *(Note: Section 3 constitutes in its entirety a negotiated framework agreed to by State and USIA.)*

INTRODUCTION

Under the Vice President's directive for a fast-track review of the public affairs function in the foreign affairs community,

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this (section) presents proposals for enhancing public affairs coordination by the State Department and the United States Information Agency. These proposals are presented as a first step in the review process with the understanding that the interagency steering group, noted below, will build on this framework to further streamline and realign public affairs functions.

These initial efforts are aimed at better coordination and effectiveness. Cost savings will come from the concurrent, longer-term reassessment of worldwide public affairs delivery systems included in the review by the Department of State's Under Secretary for Management, Richard Moose. (Referenced) effort is reviewing areas in which increased efficiencies can be made, such as in security, accounting, payroll, Inspector General issues, and compatible telecommunications systems among the foreign affairs agencies.

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- The Secretary of State would nominate a State officer as Director of USIA's Office for Policy and Planning (D/P), reporting to the Director of USIA. State would pay salary and would request that USIA provide appropriate office space.

MID- TO WORKING-LEVEL

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develop interagency cooperation and to enhance the policy-public affairs link.

- USIA also recommends assigning, at its expense, about 12 USIA officers with significant press experience to other agencies within the foreign affairs community (e.g., White House, Departments of Defense and Commerce, USTR) to a broad range of substantive/functional offices. It also proposes detailing officers to the NSC to help coordinate long-range public affairs planning and daily media coordination.

B. Improving Coordination

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- identify issues for daily press briefings;
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- develop answers to questions likely to be asked during those briefings.

USIA's D/P Director then would provide daily guidance to all USIA elements in Washington and in the field.

2. PROGRAM PLANS -- the State Department and USIA cooperate in developing Mission Program Plans (MPP), which are under the ultimate authority of the Ambassador in our missions overseas. USIA would participate in preparing the public diplomacy components of the State Deparment's Bureau Program Plans (BPPs) and clearing them with appropriate State and USIA elements.

3. AGENCY INTERACTION

- The existing interagency steering group on public affairs -- consisting of representatives of the NSC, State, USIA, DOD, and other members of the foreign affairs community as approproate -- will coordinate public affairs strategies for the short- and long-term.
- State Department regional bureau Assistant Secretaries and the Directors of USIA's geographic area offices would meet by March 31 to discuss options for streamlined operations and enhanced coordination of public diplomacy efforts.
- State and USIA propose establishing a working-level task force under the interagency steering group to assess the challenges confronting effective and timely information dissemination.

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4. LEGISLATIVE CHANGES -- Legislative and legal counsel offices within the White House, State Department, NSC, and USIA would discuss strategies with Congress for dealing with those laws which restrict USIA from communicating directly with the American people. These laws (primarily Smith-Mundt) prevent cost-effective public affairs coordination and have been outdated by technological capabilities for information retrieval as well as by changes in the international political environment. Both agencies recommend creation of a bipartisan panel by the Vice President to propose revised legislation to reflect current realities. *(Note: See Section 4-G, which recommends fast action on legislative change absent creation of a panel.)*

5. PUBLIC DIPLOMACY TRAINING -- The State Department's Bureau of Public Affairs has underway a working group of State public affairs officers and those from the National Foreign Affairs Training Center that is focusing on ways to improve training in public affairs/diplomacy. They are working on ways to increase communications, advocacy, and media skills training for U.S. ambassadors and others, as urged by the U.S.Advisory Commission on Public Diplomacy in a January, 1995 letter to Vice President Gore. This working group will include a representative from USIA.

(Note: end State/USIA consensus proposals)

4. Recommendations for Streamlining

The public diplomacy function should be assigned solely to USIA following a joint review by the two agencies. Of the first four cost-saving recommendations, A and B should receive highest priority.

A. USIA's I Bureau should assume sole responsibility for dissemination of unclassified public affairs products; resources allocated for this purpose within State should be reprogrammed or eliminated. USIA should operate the primary and backup delivery systems identified as cost-effective by the State administrative support systems review.

Savings: undetermined
FTE: undetermined

B. USIA's wireless file output should include verbatim transcipts and prepared reports which explain and support policy and the policy process. The current daily newswire function, exemplified by interpretive or analytical stories written by in-house reporters or correspondents, should be eliminated.

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Savings: up to $3.5 million
FTE: up to 50

C. Policy should be a function of State and should no longer be assigned within USIA. Policy positions within USIA's regional bureaus and I Bureau should be realigned within the I Bureau to perform a public affairs/public diplomacy strategic planning function, carried out with guidance and approval from State/NSC.
Savings: $400,000
FTE: six

D. Eliminate overlapping State public affairs components -- the public affairs function in regional bureaus and other elements should be eliminated as called for by the Vice President. (State currently working this issue.)
Savings: undetermined
FTE: undetermined

In addition, there are recommendations which have streamlining benefits but do not effect significant cost reductions:

E. Interagency working group -- an IWG on public affairs and public diplomacy, to include State, NSC, DOD, and USIA, is being considered. The IWG will coordinate public diplomacy/public affairs strategies and set priorities. USIA's I Bureau should implement these strategies.

F. Focus I Bureau -- the I Bureau should work with State/NSC and other agencies to develop and implement public affairs strategies linked to administration priorities.

G. Repeal Smith-Mundt -- restrictive legislation currently prevents USIA from distributing information to a domestic audience. This constraint, imposed at the start of the Cold War, limits USIA to overseas information dissemination and imposes a requirement for separate public affairs functions in foreign affairs agencies. Lifting of this restriction would permit streamlining of staffs and technical resources. Legislative change should be sought urgently. State/USIA's recommended bipartisan panel may impose delays.

H. Streamline public affairs for military operations -- for use in time of military operations and with existing resources, create interagency communication system using DOD venue and infrastructure, State guidance, and USIA operational capabilities. Savings and efficiencies difficult to quanitify, but a principal objective would be an

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irreduceable minimum of foreign affairs agency personnel involved in domestic and overseas information dissemination.

Conclusions

There are two sets of consequences regarding this review: one that includes a list of actions which, State and USIA agree, can be taken almost immediately but which are not likely to produce savings of dollars or FTE; a second that can be divided into separate time frames, encompassing cost-reduction activities.

1. Increasing Coordination

- Relatively fast action can be taken on nearly all of the State/USIA consensus proposals (Sec. 3, pp 4-6,) as well as those included in Sec. 4-E, F, and H.
- NSC is considering the most appropriate method for interagency review (Sec. 4-E) and will host an initial meeting to review this and other procedural questions March 16.

2. Increasing Cost-Effectiveness

- Near-term -- Savings achieved through implementation of Sec. 4-B & 4-C (Findings & Discussion) would be approximately $4 million and up to 56 FTE.
- Mid-range -- Additional financial savings would accrue through streamlining of technology and elimination of overlapping delivery systems (Sec. 4-A.) Precise estimates are not possible until the administrative support systems review (Sec. 3 Introduction) is complete.
- Long-term -- Legislative action (Secs. 3-B-4, 4-G) would permit a move toward a merger of public affairs and public diplomacy functions in a single agency, permitting further -- and probably substantial -- reductions in both operating costs and FTE, both domestically and overseas.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. fax cover sheet	Joseph Duffey to Morton Halperin & Thomas Donilon; re: Public Affairs Proposals for the Middle East, Japan, & Russia (1 page)	03/03/1995	P1/b(1)
001b. draft	re: Public Affairs Proposals for the Middle East, Japan, & Russia (5 pages)	03/03/1995	P1/b(1)
002. outline	re: Reinventing Public Diplomacy/Public Affairs - (Operation Two Breakout) (6 pages)	03/02/1995	P5
003. memo	Joseph Duffey to Morton Halperin; re: Co-ordinated Public Affairs Campaigns in Foreign Policy (4 pages)	02/14/1995	P5

COLLECTION:
Clinton Presidential Records
National Security Council
Mort Halperin (Democracy/Human Rights)
OA/Box Number: 435

FOLDER TITLE:
REGO: State/USIA (Public Affairs - Public Diplomacy)[2]

Jimmie Purvis
2006-0208-F
jp1848

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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Freedom of Information Act - [5 U.S.C. 552(b)]

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REINVENTING PUBLIC DIPLOMACY/PUBLIC AFFAIRS
(Option Two Breakout)

OVERVIEW

Contact with publics by foreign affairs agencies is currently conducted by each agency according to its individual mandate. This discussion focuses on State and USIA, and responds to the Vice President's directive to pursue fundamental restructuring to achieve reinvention of the public affairs function.

This paper presents two options. The first outlines consensus recommendations aimed at improved coordination. The second embraces the first option, but adds elements intended to achieve savings of dollars and FTE, and is the option preferred by NSC. It breaks open existing frameworks and proposes realignment of resources. Its broad goals for international public diplomacy and domestic public affairs are reduced cost, increased efficiency, and streamlined personnel and information systems capable of immediate response. The following is a breakout of option two. Both options are attached in outline form.

Relation Of Public Affairs To Mission and Goals

State: The State Department Bureau of Public Affairs (PA) has a staff of about 100 persons divided among Offices of Press Relations, Public Liaison, Public Communication, Intergovernmental Affairs, the Department Historian, and a unit of speechwriters. The purpose of PA is to produce products intended almost entirely for domestic (U.S.) consumption to promote understanding and support for government foreign policies and programs.

USIA: The U.S. Information Agency, created in 1953, has existed since that time to promote U.S. national interests abroad, and, toward that end, to inform, influence, and enhance American government understanding of, foreign publics. The Agency, with a staff of more than 8,000, pursues this mission through international broadcasting, educational exchange programs, and public diplomacy through embassies and posts overseas. USIA is prohibited by law from disseminating its products within the United States.

Problem Assessment

1. There is overlap within State of public affairs elements operating outside of, but in coordination with, PA. This

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has been addressed by the Vice President (Jan. 27) and will require follow-up through State's REGO II exercise.

2. USIA and State overlap in both policy and public affairs functions. USIA utilizes FTE and resources for agency policy officers who maintain liaison with State/WH/NSC, and for a domestic public affairs office; State/PA, while producing stylistically separate and distinctive products, has many of the same functions as USIA's I Bureau.

3. State and USIA duplicate several times over their systems for delivering unclassified public affairs/public diplomacy products. Systems operated by one or both of the agencies include cable traffic, database dial-up, Internet, USIA's Wireless File, State publications, telephone, fax, U.S. mail, diplomatic pouch, and the TVRO system -- with Worldnet as a primary client, but also carrying audio and data transmission -- connecting embassies and posts worldwide. These systems are included in State's review of administrative support services, but should also be reviewed in the context of NPR's interagency public affairs review.

4. State and USIA lack sufficient coordination between elements to ensure coherence and timeliness in the delivery of USG public affairs/public diplomacy products. There is a need for greater integration of policy and public affairs functions, interagency strategic public affairs planning, more attention by USIA to high priority administration policy initiatives, and streamlined procedures for delivery of products.

Recommended Option

The primary recommendations regarding this option are as follows:

- Eliminate duplicative information systems -- USIA's I Bureau should assume sole responsibility for dissemination of unclassified public affairs products, eliminating cable traffic to disseminate public statements and using the primary and backup delivery systems identified as most cost-effective by a State administrative support systems review now underway.

  Savings: undetermined
  FTE: undetermined

- Eliminate Wireless File correspondent function -- USIA's Wireless File disseminates abroad speeches, transcripts, and other material for the record. It also employs a staff of

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correspondents who write separate accounts of a speech or event. This separate reporting function should be eliminated.

Savings: up to $3.5 million
FTE: up to 50

- Eliminate separate USIA policy functions -- USIA regional bureaus and the new Information (I) Bureau currently employ policy officers who provide liaison with State and NSC/WH. The I Bureau policy function should be merged into State, leaving behind its existing strategic planning function.

  Savings: $400,000
  FTE: six

- Eliminate overlapping State public affairs components -- the public affairs function in regional bureaus and other elements should be eliminated as called for by the Vice President. (State currently working this issue.)

  Savings: undetermined
  FTE: undetermined

In addition, there are secondary elements to this option which have streamlining benefits but do not effect significant cost reductions:

- Interagency working group -- an IWG on public diplomacy is being formed to include State, NSC, DOD, and USIA. The IWG will coordinate public diplomacy/public affairs strategies and set priorities. USIA's I Bureau should implement these strategies.

- Focus I Bureau -- the I Bureau should use its new imaginative structure to focus on dissemination of public products and developments, and the implementation of public diplomacy strategies linked to administration priorities.

- Repeal Smith-Mundt -- restrictive legislation currently prevents USIA from distributing information to a domestic audience. This constraint, imposed at the start of the Cold War, limits USIA to overseas information dissemination and imposes a requirement for separate public affairs functions in foreign affairs agencies. Lifting of this restriction would permit streamlining of staffs and technical resources.

- Streamline public affairs for military operations -- for use in time of military operations and with existing resources, create interagency communication system using DOD venue and infrastructure, State guidance, and USIA operational capabilities. Savings and efficiencies difficult to

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quanitify, but a principal objective would be an irreduceable minimum of foreign affairs agency personnel involved in domestic and overseas information dissemination.

Cost & FTE Implications

NEAR-TERM
Savings achieved through implementation of the preferred option would be approximately $4 million and up to 56 FTE.

MID-RANGE
Additional financial savings would accrue through streamlining of technology and elimination of overlapping delivery systems. Precise estimates are not possible until the referenced administrative support systems review is complete.

LONG-TERM
Legislative action would result in a merger of public affairs and public diplomacy functions in a single agency, permitting further -- and probably substantial -- reductions in both operating costs and FTE, both domestically and overseas.

Attachment: Public Affairs/Public Diplomacy Reinvention Options

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OPTION ONE

This option consists primarily of efforts at coordinating existing services. It represents a consensus of views at both State and USIA. This option would include the following:

- A senior USIA officer to be designated as Special Public Diplomacy Adviser to the Secretary's Chief of Staff, and funded by USIA;
- A senior State officer to be designated Director of USIA's Office for Policy and Planning, reporting to the USIA Director and funded by State;
- TDY or reassignment of State officers to USIA headquarters positions to provide policy guidance;
- TDY or reassignment of USIA officers to State to provide public diplomacy guidance to State regional bureaus;
- TDY of USIA officers to other foreign affairs agencies including DOD, NSC, Commerce, and USTR, to provide public diplomacy guidance;
- Organize daily conference call under supervision of the President's spokesman to coordinate interagency foreign affairs guidance on issues;
- Develop closer coordination between State and USIA regional bureaus, policy personnel, and Country Team representatives;
- Develop interagency bi-weekly public affairs strategic planning review under the Assistant Secretary for Public Affairs;
- Initiate changes in legislation to permit USIA to develop domestic public affairs capability;

Proponents of Option One cite the following advantages:

- Immediate change could be effected in nearly all of the above areas;
- There is consensus among senior and working-level officials regarding the above.

Opponents of this option cite the following disadvantages:

- There are no cost savings of any consequence;
- All of the above recommendations might normally be considered good management practice -- and should therefore be assumed as requirements -- but do not constitute efforts at functional reinvention as defined by the National Performance Review.

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OPTION TWO

This option reflects application of NPR methods to achieve functional reinvention. It goes beyond -- and, in fact, incorporates -- Option One, and is broken out separately at the beginning of this paper. A similarity to Option One is the goal of increased efficiency, but this option also reduces costs and enhances the degree of flexibility accorded practitioners of public diplomacy through retention of USIA's separate status. This option would include the following goals:

- Eliminate duplicative systems for distribution of unclassified material, including separate Wireless File reporting function, funding, and FTE;
- Eliminate separate policy functions within USIA's regional bureaus and the new Information (I) Bureau, shifting staffing responsibilities to State;
- Streamline interagency public affairs coordination process for military operations using DOD resources, State guidance, and USIA operational capabilities;
- Repeal Smith-Mundt and other restrictive legislation currently preventing USIA elements from distributing information to a domestic audience;
- Eliminate public affairs components at State and other foreign affairs agencies, shifting streamlined public affairs resources to USIA;
- Develop interagency working group on public diplomacy, including State, NSC, DOD, and USIA, to coordinate public diplomacy/public affairs strategies and set priorities.
- Implement the State/USIA consensus recommendations outlined in Option One, intended to provide improved coordination between public affairs elements.

Proponents of Option Two cite the following advantages:

- Considerable savings and efficiencies are achieved with no damage to the U.S. government's increasingly important international public diplomacy mission or function;
- Savings in funding and resources are achieved by streamlining and downsizing combined domestic public affairs elements;
- Legislative corrections permit enhanced use of staff and resources for universal USIA delivery of policy product;
- Increased efficiency by a single streamlined public diplomacy and public affairs agency ensures coherence in policy messages delivered at home and abroad.

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UNITED STATES INFORMATION AGENCY

WASHINGTON, D.C. 20547

February 14, 1995

OFFICE OF THE DIRECTOR

MEMORANDUM FOR: The Honorable Morton Halperin
Special Assistant to the President
and Senior Director for Democracy
The National Security Council

FROM: Joseph Duffey

SUBJECT: Co-ordinated Public Affairs Campaigns in Foreign Policy

1. As our USIA "reinvention" team explained to you last week, we believe that USIA must take a lead role in building close cooperation among both foreign affairs and domestic agencies to create more effective public affairs campaigns on behalf of U.S. interests abroad.

In a time of increasing democracy and the globalization of information, influencing foreign public opinion is an ever more valuable tool in our foreign policy. Not since the Reagan Administration has this strategy been consistently and effectively employed. USIA has the tools; we need to develop the strategic mechanisms for putting those tools to work for the President and policymakers in all agencies of government which engage the wider world.

A new strategic initiative in this area must grow from the bottom up. Our approach proposes five working task forces on priority issues, to lay a groundwork in practical experience for the development of our capabilities for purposeful, coordinated public diplomacy abroad. Top-down, bureaucratically driven approaches will only produce meetings and wheel-spinning that will prevent the Clinton Administration from getting this effort underway during the remainder of this term. As the Vice President has argued, we need to begin where the rubber meets the road.

2. Two examples of successful, coordinated public affairs or public diplomacy campaigns should be borne in mind:

a. The effort to win support among our allies for the placement of intermediate range nuclear missiles in Western Europe. In this battle, State, DOD and USIA worked as a close-knit, non-hierarchical team to win moderate Europeans to the U.S. position. Despite a major propaganda effort by the Soviet Union, our campaign, supported by polling, press

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relations, broadcasting, exchanges and statements by U.S. officials, carried the day. Today, those who were on both sides of the issue acknowledge that this was a model public diplomacy campaign.

b. The Clinton Administration's campaign to win support in the Caribbean, Latin America and Haiti itself for ending immigration from Haiti and for the multi-national Operation Restore Hope. A team under David Gergen, drawn from the foreign affairs agencies as well as Defense, Justice, Treasury and others, mounted a public affairs effort that reached from the grass-roots to the elite levels, from the Haitian epicenter to Canada and Europe. This campaign can take credit for creating an opinion wave that opened the way for the force to move into Haiti without taking a single casualty.

3. Our approach calls upon the NSC and the NPR to task USIA and State with developing interagency public affairs working groups on five salient but enduring issues:

1. The Nuclear Nonproliferation Treaty
2. European Security Architecture
3. Immigration
4. Intellectual Property Rights
5. Environment

The State Department would provide an anchoring policy presence on each of these working groups, as it already does with a Security Architecture group, but the groups would be complemented by other agencies where appropriate, i.e., Justice on immigration, Commerce and the USTR on intellectual property, etc.

4. The purpose of these task forces would be to engage the people who know the tools (broadcasting, exchanges, the foreign and domestic press) and the people who know the target audiences (Public Affairs Officers in the field) with the people who develop and articulate the policies (State and other agencies) so that the two can achieve some strategic meeting of the minds. (At present, our approach to public affairs goes from policy big-think straight to tactics, with little room for strategy to intrude.)

5. Here, in brief synopsis, is how public affairs campaigns in these five areas might work:

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1. THE NUCLEAR NONPROLIFERATION TREATY

Although we will be late in starting such an effort, our chances of winning indefinite extension of the Nuclear Nonproliferation Treaty (NPT') can be much improved by an urgent, tightly focused public affairs program targeting nations whose support will be essential at the NET Review Conference. Working closely with ACDA, State and Defense, USIA could mount a swift multifaceted media campaign in such nations as South Africa, Egypt and Indonesia -- "swing votes" which will likely influence the votes of other countries in their regions. Rapid dissemination of speeches, texts, transcripts and byliners; radio and television broadcasting; speaking appearances by officials and experts; and programs for foreign journalists are among the tools that USIA could bring to bear on this issue on the critical weeks before the NET Review Conference opens.

2. EUROPEAN SECURITY ARCHITECTURE

The challenge is to bolster public support in Western Europe for a new alliance system that provides security guarantees for the newly independent states of Eastern Europe and the former Soviet Union while maintaining the cohesion of NATO and other organizations and preserving U.S. influence in Europe. Since the new security architecture is still on the drawing boards, we must bring together security experts, both from government and think tanks, from the U.S., Eastern and Western Europe to seek areas of agreement. The Eastern Europeans must be encouraged to weigh in favor of a continued American presence. We must enlist editors and producers in discussion of what today gives purpose and cohension to the West, and what could fill the vacuum if that idea should collapse.

3. IMMIGRATION

The challenge is to persuade people in other countries, especially countries that are the source of large numbers of immigrants, that U.S. efforts to crack down on illegal immigration are non-racist efforts to deal with the economic costs that illegal immigrants are causing in the U.S. and to protect immigrants themselves from exploitation.

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Key targets will be countries of Central America and the Caribbean. Our strategy must be to bring American politicians, city administrators and social leaders together with opinion leaders in source countries and let them outline the problems that American cities face in coping with uncontrolled immigrant flows. We must also highlight America's positive record of accepting legal immigrants and contrast it with the record of other countries, and the loss some countries feel from the outflow of so many younger, talented citizens.

4. INTELLECTUAL PROPERTY RIGHTS

The challenge is to persuade other countries to enforce international agreements protecting intellectual property rights. Our problem is that many people, especially in the third world, have little sympathy for losses to multi-billion dollar corporations.

Our strategy must enlist the producers of intellectual properties, here and in the Third World, i.e., artists, musicians, filmmakers, inventors and writers, to show that the confrontation is not between poor and rich countries but between creative individuals and unscrupulous, freeloading profiteers. Most of the pirates are not poor individuals but people rich enough to build factories to reproduce the products. Another powerful instrument could be embarrassment. We must be prepared publicly to show people that their governments are condoning violations of international accords.

5. ENVIRONMENT

Participating in an environmental taskforce, USIA could mount a coordinated public affairs program with both strategic and immediate, tactical goals. The 25th anniversary of Earth Day in April offers an opportunity to disseminate information, brief journalists and recruit speakers for programs highlighting American leadership in, and commitment to, environmental protection. USIA can also develop a narrowly targeted public affairs program for German journalists and other opinion leaders prior to the March/April Berlin Climate Change Conference. This media campaign will address serious misperceptions in the German media about the political will in the United States to impose meaningful reductions in greenhouse gases.

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001. memo	re: Responding to S. 908 (the Helms Bill) (7 pages)	06/28/1995	P5
002. letter	Tim Gauss to Morton Halperin; re: Consolidate State Department/Eliminate USIA (partial) (1 page)	04/18/1995	P6/b(6)

COLLECTION:
Clinton Presidential Records
National Security Council
Mort Halperin (Democracy/Human Rights)
OA/Box Number: 438

FOLDER TITLE:
REGO - USIA [1]

Jimmie Purvis
2006-0208-F
jp1849

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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MEMORANDUM

RE: Responding to S.908 (the Helms Bill)

The coming confrontation with the Republican Congress over money and machinery to sustain U.S. foreign policy could become a defining moment for the Clinton Administration. It presents an opportunity to begin building a diverse coalition in support of an American foreign policy that continues to look outward, to the promise of the post-Cold War world.

But accomplishing this now may also require the Administration to make a significant change of course. At the moment, a veto would be seen as the result of disagreement over three main issues:

1) Foreign aid;

2) Resources and support for the U.N.; and

3) Presidential authority in foreign policy.

The politics of a conflict that is cast in these terms -- especially if it requires defending and sustaining a veto -- are not ideal. The Right will portray the President as a supporter of global welfare, a misguided devotée of Boutros-Ghali, and a man obsessed with the constitutional prerogatives of his office. So far the message coming from this Administration does not effectively repudiate this caricature.

Moreover, certain foreign aid constituencies have been especially vocal. This is admirable; there can be no flinching from a defense of the value of foreign assistance. But, if foreign aid becomes the salient issue in this conflict, foreign aid could suffer the gravest damage. Senator Helms seems to relish his assault on AID, and his allies turn the debate to foreign aid whenever challenged. There is also a charge that this given suggests to some that this Administration's foreign policy is shaped by special interest groups.

But, if such difficulties as these can be dealt with, the conflict over the Helms bill could turn to the President's advantage:

* It presents a timely and dramatic opportunity for reaffirming this President's view of the world: rejecting isolationism, reminding Americans of promising trends in the world, and pointing out the opportunities these developments are opening for America and for Americans.

* It offers a chance to explain the degree to which some in Congress have fallen under the sway of small-mindedness,

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negativism and irresponsibility in foreign policy -- a radical but little-recognized shift on the Right away from the crusading internationalism of the Reagan era.

* It reveals how much a near-anarchism has taken hold in these same nominally "conservative" circles: a fascination with abolishing something.

* To those who charge that this Administration is too disposed to compromise and conciliation, it presents a stark alternative: a right-wing coterie, with little consultation, justification or time for debate, presents a sweeping plan for reorganizing the nation's foreign affairs apparatus, and threatens to bring it all to an abrupt standstill if the President refuses to stand aside.

There are in fact real fissures in conservative ranks over the approach to foreign affairs that has come to dominate the Republican Congressional committees. (See, for one example, the attached Freedom House statement.)

The opportunity is there to begin shaping a bipartisan resistance to right-wing disengagement.

II.

Mounting this resistance will require more than simply attacking the foreign-policy-by-committee ornaments that encumber the Helms bill. They are, to be sure, annoying intrusions upon Presidential authority in foreign affairs. But for the President to defend his authority effectively in the absence of a Cold War threat, he must first explain <u>why</u> he still deserves that authority. This requires a carefully constructed challenge to the underlying premises of the Helms bill: premises that, when drawn into the open, reveal a serious and unwelcome departure in American foreign policy.

A. First, the Helms legislation imposes a vast re-organization of agencies -- our foreign policy tools -- that is not informed by any explicit foreign policy purpose. Today there is plenty of room for debate about how the United States should exercise its international leadership. But this legislation circumvents such debate by proposing structures and resource allocations that will profoundly influence the means by which we engage the world, without addressing the great issues of goals and strategy that these instruments serve. This is no small miscarriage of democracy. It is consistent with what the President has been criticizing in the policy-free assault on domestic government by Republican budgeteers.

But on close examination, it is possible to detect conceptual premises behind the consolidation proposal. One of these, noted earlier, is delight at the prospect of

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abolishing federal agencies. The other, more interesting, is the re-emergence of the old "Fortress America" idea.

Instead of engagement with the diverse, fluid, fast-paced world that is emerging in the aftermath of the Cold War, the Helms legislation envisions a ponderous, centralized diplomacy, nostalgic for the 19th Century. A Fortress America approach is not, strictly speaking, isolationist. It is willing -- sometimes eager -- to employ military force and coercive diplomacy when dangers arise. But, by forcing this country drastically to cut back its presence in the world -- not only our embassies, but our broadcasting, exchanges and contact with civic and cultural forces -- it will, as General Shalikashvili has protested, make it harder for us to detect and respond to potential dangers before they reach the level of real military threat. It also will weaken our ability to exploit opportunities for trade, and for scientific and educational exchange.

The Helms bill gives us a foreign policy battleship, in a time of satellite communications and smart missiles. It thickens the walls of foreign affairs bureaucracy when our values, ideas and economic interests are -- or should be -- on the offensive, in pursuit of historic global opportunity. As with NAFTA, the Helms bill offers the President an opportunity to stand for dynamism, change and possibility, against the politics of stasis and anxiety.

Today many Republicans are dismayed by their party's tendencies toward retreat and reaction -- especially the young, the educated and the entrepreneurial. Senator Helms is no hero to this group. These are people that the President can reach, people who, though they may have voted Republican, did not vote to turn back the clock.

This forward-looking milieu understands that democracy and modern communications have brought large transnational publics into the arena of foreign affairs. They will understand that formal, ministry-to-ministry diplomacy -- while still important -- has diminishing significance today. They know from their own experience in the economy that nimbleness and the ability to customize products and services are important -- and are not achieved by dense, vertical structures. They can understand why different institutional cultures are required to carry out distinctive tasks. They want accessible government that can help facilitate private sector and NGO activities -- not a remote and priestly national security state.

One key audience for this line of argument is the Republican supply-siders: Steve Forbes, Teddy Forstmann, Jack Kemp, Larry Kudlow -- the "Empower America" circle, which is increasingly frustrated with what it sees as the revival of "root canal" Republicanism. The Helms bill is root canal

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pessimism in foreign policy, reflecting the anxious provincialism of the world of Republican freshmen. The suburban, high tech, educated and more cosmopolitan elements of Republicanism bring a more confident and outgoing spirit that contrasts with the Helms outlook.

B. There is another line of argument against the Helms bill that will appeal to a slightly different constituency of Republicans and Republican-leaners. Toward the end of the Cold War, Reagan conservatives and neo-conservatives revived an emphasis on values, ideas and information in foreign affairs. They saw that conventional power politics -- military pressure, economic aid, threats of sanctions or diplomatic isolation, and other measures directed toward foreign governments -- frequently was more expensive and less effective than intelligent appeals to the moral, political and material aspirations of foreign peoples.

This community feels that it made a signal contribution to ending the Cold War. It believes that cultural and intellectual engagement with foreign peoples can be strategically critical to our national security and economic interests. It understands that the emphasis on government-to-government relations that has prevailed at the Department of State creates an institutional sub-culture that does not give sufficient value to what is called "public diplomacy", and that a measure of separation between public diplomacy and formal diplomacy is beneficial to both.

The neo-conservative internationalists were taken aback to hear younger Republicans assailing our foreign policy agencies on the House floor as "relics of the Cold War" -- a rhetoric they customarily associate with the Left. They believe that the Cold War was an honorable undertaking, and one we can learn from -- especially the lessons of engaging foreign peoples through international broadcasting and other forms of exchange. This group includes people such as Jeane Kirkpatrick, Zbigniew Brzezinski, Michael Novak, Albert Shanker and Senator Malcolm Wallop.

C. There is still a third community of potential opposition to the Helms bill that we are not reaching with our current appeals. These are people with real stakes in current foreign affairs issues, who can appreciate that the abrupt and drastic transformation the Helms legislation demands will cause enormous personnel and organizational turmoil at a time of considerable volatility in international affairs.

Anyone working in a foreign affairs agency today can sense the distraction and demoralization that this legislation has created, not because it proposes change, but because it reveals an urge to abolish government entities without offering plausible ideas on how their work will be done in new circumstances. (The suspicion is that those promoting

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this legislation have no intention that this work will indeed continue: as a Republican staffer reportedly said, "We're sending these programs to Auschwitz.")

Perhaps the U.S. business leadership can better appreciate this problem following the difficulties the U.S. encountered at the Halifax G-7. There should also be leaders in the defense community who can grasp how things can go wrong when the foreign affairs agencies are thrust into a desperate game of musical chairs.

III.

Possible action:

1. The President should invite a group that includes conservative and moderate foreign affairs leaders who have reservations about this legislation to the White House for a discussion before he vetoes it. Start by picking invitees from the list of signers of the Freedom House statement, then add to fill the group out.

2. A veto message should be accompanied by a serious speech to a foreign affairs audience on the fundamental issues of American leadership at stake here. The press should not be left to write this up in the present terms of debate.

3. The Administration should stress its own commitment to reducing foreign affairs spending by $5 billion through carefully considered "reinvention" efforts, as the Vice President has promised. All efforts should be made to secure and publicize the elusive GAO study ordered by Senator Helms office, which reportedly demonstrates that in itself his plan produces negligible savings.

4. The President should offer the Republicans an opportunity to join in sponsoring a Blue Ribbon review of our foreign policy goals, resources and organizational structures. He should point out what is wrong with the Helms assumptions, and why it is reckless to lurch ahead without due study, and greater consensus. He should explain to the American people what is happening to us in the world as a consequence of this rushed and partisan maneuver for "reform."

5. The White House should reach out to non-traditional constituencies to build support for this effort, which could have important effects on the 1996 campaign. These should include state and city trade promotion officials, academic officials, groups such as the National Council for International Visitors and the Sisters Cities program, The Institute for International Education, etc.

6. Republican threats to hold appointments and appropriations

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hostage until the President signs their bill will, if the issues have been drawn correctly, further demonstrate their irresponsibility in foreign affairs and their inablility to govern the country.

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Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: Broadcasting Funding Issues (2 pages)	n.d.	P5

COLLECTION:
Clinton Presidential Records
National Security Council
Matt Lorin (Democracy/Human Rights)
OA/Box Number: 799

FOLDER TITLE:
International Broadcasting: Consolidation - Budget - Funding Issues [1]

Jimmie Purvis
2006-0208-F
jp2597

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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BROADCASTING FUNDING ISSUES

FY`95 SUPPLEMENTAL REQUEST

The request for a $10.1 million supplemental for RFE/RL, based on real and anticipated currency exchange losses, has been submitted and will be reviewed with all other supplemental requests by Panetta, Rubin & Rivlin.

Note:

- The betting at OMB is that the supplemental will be assigned a relatively low priority, and will not survive the White House review.
- FY`95 funding levels were enhanced to facilitate consolidation and meet one-time costs. The original FY`95 request for $256.7 million was reduced to $229.7 million.
- The radios maintain that because funding was reduced they need every pfennig in order to maintain programming levels.
- At this juncture BIB admits it is not known how much money RFE/RL will need to meet the payroll in FY`95, because they don't know how many staff will take job offers in Prague.
-

Our Options:

1. Let the supplemental to be decided on its merits without intervention.
2. The parties involved, including Sasser/Lehman at OMB, agree that NSC intervention, if desireable, should take at least the initial form of a call from you to Gordon Adams with a request for favorable consideration.

FY`96 FUNDING APPEAL

The OMB passback has been appealed to Rivlin over Duffey's signature, and includes a request for restoration of $13.3 million ($9.2 for BOB, $4.1 for RFE/RL.) *The anticipated deadline for a decision on the appeal is* ***Dec. 13.***

- The appeal notes the original FY`96 request was endorsed by the Administration and Congress, meets International Broadcasting Act requirements for $400 million savings by 1997, and even exceeds mandated savings targets.
- The appeal says the cuts will mean that at BOB another 150 positions will have to be eliminated, on top of

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FY`95's 289 positions, and that at RFE/RL unspecified additional language services will have to be closed.

- Sasser/Lehman say budget reductions all fall within the Office of Engineering, should cause no layoffs of broadcasters or closing of services, and are justified on the basis of carryovers and other anomalies in the FY`95 budget.
- The appeals process is dragged out this year, apparently because of uncertainties about the new Congress and the overall domestic political climate. Less direction than usual.
- If the appeal is rejected it can be bucked up to the White House for presidential review. This is being advocated at VOA and BIB, but OMB doubts Duffey will pursue such action.

Our Options:

1. Let the appeal process run its course and advise the radios in advance of a decision that they are being swept along by broader currents and will have to live with the outcome.
2. Talk with Gordon Adams regarding NSC concerns over the impact of further cuts on the integrity of the broadcast elements, and seek relief from the cuts. In my view this option would have to be accompanied by a commitment to work, through an oversight mechanism, toward a re-invented, streamlined Office of Engineering and in a broader sense toward close coordination with the broadcast elements in the development of a management and budget structure for the IBB. (Note: It is a near-certainty that RFE/RL will lobby the BBG to have USIA bail them out of budget shortfalls in the out years; action on this appeal will set the tone for the future.)

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Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Janie Fritzman to Director Duffey; re: Recommendation for Removal of All USIA Employees from the Patrick Henry Building (3 pages)	11/26/1996	P5
002. cable	Department of State, Washington, D.C. to American Embassy, Manila; re: Letter from President Clinton to Philippine President Ramos Concerning Asia-Pacific Network Broadcasts (3 pages)	05/31/1996	P1/b(1)

COLLECTION:
Clinton Presidential Records
National Security Council
Matt Lorin (Democracy/Human Rights)
OA/Box Number: 799

FOLDER TITLE:
International Broadcasting - Lorin [3]

Jimmie Purvis
2006-0208-F
jp1853

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the 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]
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C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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D-R-A-F-T 11-26-96

h:phb2.mov

Memorandum For: Director Duffey

From: B - Janie Fritzman

Subject: Recommendation for Removal of All USIA Employees from the Patrick Henry Building

This is to follow up on Geoff Cowan's memorandum to you on the same subject (copy attached).

Summary

All USIA employees and technical operations should be relocated from the Patrick Henery Building (PHB) as soon as possible.

Background

B Bureau personnel in the Patrick Henry Building (PHB) have been working in the middle of a major building renovation project for a number of months. The renovation is expected to go on for at least another 8-9 months. A continuing series of construction accidents coupled with potentially unhealthy working conditions, has lead me to conclude that our personnel and operations should be removed from the PHB immediately.

B Bureau management worked with GSA and the unions from the very beginning of the planning for the PHB renovation project. All parties believed that television production and broadcast operations could continue in the PHB during renovations. While every effort has been made to coordinate the renovation project requirements with television broadcast requirements there have been just too many safety mishaps and disruptions to our operations. The process has been very difficult both on our staff and operations as well as on the construction contractor's schedule. (See attached memo from Mr. Cowan for additional background)

It has long been a desire of B Bureau management to have all broadcasting technical operations located in the Cohen Building. GSA's long-range space planning efforts supports consolidation of broadcasting activities in the Cohen Building. Since it appears that HHS has committed to a substantial release of space in the Cohen Building in the near future, this is an opportune time to place as much of our operations in the building as possible.

Proposed Plan

Because of the problems encountered in trying to conduct operations in the midst of on-going renovations at the PHB and

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12- 5-96 21:23 ;B/TV WORLDNET OFC. OF DIRECTOR 2025016664;# 7/11

the health and safety concerns raised by that environment, I think the time has come to remove our personnel and operations from the PHB. I think that the situation at the PHB coupled with HHS' release of space presents a unique opportunity to relocate our personnel and operations into the Cohen Building in a realigned configuration which will allow us to achieve overhead and operational cost savings.

I propose that we take GSA up on its offer (made by Mr. Doug Benton, Director of Real Property, National Capital Region, at the time of one of the serious PHB accidents) to pay for the relocation of our personnel and operations from the PHB (including the rental of television production and broadcasting facilities, and the operation of a shuttle service to move personnel between their offices and leased technical space). GSA should be supportive of this course of action since it will want to honor its commitment regarding the potentially hazardous conditions in the PHB. GSA should also be supportive of our release of the PHB and eventual relocation to the Cohen Building since GSA is under some pressure to provide the Justice Department with as much additional space in the PHB as possible to assist with temporary housing needed during the renovation of the Main Justice Building. On November 25, 1996, the Justice Department stated that it would immediately acquire all of the space which we would release in the PHB.

Sufficient space is not immediately available in the Cohen Building to house everything that would come out of the PHB. A sufficient block of space could be made ready very quickly (with GSA support)to house the television personnel who were to go on the newly designed PHB 2nd floor (essentially, the Worldnet Director's office, TV Executive office, and TV Policy office). The personnel planned to go on the newly designed PHB 3rd floor (essentially the TV Production staff) would be relocated to the space offered by GSA in the Waterside Mall building. The remaining B/TV staff (essentially the technical personnel)would be placed either at the site of the leased technical facilities or at Waterside Mall with the Production personnel. Television Marti staff and operations would be relocated either to Waterside Mall or to the Donohoe Building where space is available pending their relocation to Miami.

Personnel and technical operations would be moved from Waterside Mall into the Cohen Building on a planned, phased schedule as HHS releases incremental blocks of space and the space is designed and prepared for final use. The Bureau would begin an immediate assessment of its requirements for another television studio (and the design parameters of such a studio, if needed)and a decision made in short order.

I think that this plan will work if we get the full support and cooperation of the M Bureau and GSA. Funding for the plan is an

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12- 5-96 21:23 ;B/TV WORLDNET OFC. OF DIRECTOR 2026016664;# 8/11

important issue. I recently met with Stan Silverman to discuss a reprogramming of funds from the USIA appropriation to the IBB appropriation to support B Bureau's cost of doing business. These are funds held in the USIA appropriation for IBB's day-to-day operations such as RENT paid to GSA for the space that the B Bureau occupies, FTS telephone tolls, offices supplies, etc., etc. I think that the B Bureau can pull the relocation off if *all* of the agency funds used to pay rent for the B Bureau's *current* allocation of space be reprogrammed to the B Bureau's appropriation immediately (I understand that this will take COngressional approval). Transferring the control of these funds to the B Bureau will not impact any other operations within the USIA and it will give the B Bureau the flexibilty to achieve savings in rent payments to GSA--savings which would be used to offset some of the expenses of the proposed relocation into the Cohen Building.

In addition to your support for the above reprogramming action, your assistance may be needed if any problems are encountered with GSA honoring its commitment and in contacting Secretary Shalala about the schedule for HHS's release of space. It may also be beneficial at the appropriate point for you to encourage GSA to explore possibilities for helping HHS expedite its release of space in the Cohen Building. GSA would have incentive to expedite the build-out of the B Bureau's new space in Cohen to cease use of expensive contract technical television facilities. HHS would benefit from moving to less expensive space in the suburbs in as short a time frame as possible.

While there will certainly be considerable disruption associated with implementation of this plan, I believe that the conditions at the PHB warrant this action. I also believe that the management benefits that would result from a consolidation of broadcasting operations in the Cohen Building make a decision to proceed with this plan a very sound management decision.

Recommendation

I believe that we have reached the point at which we need to remove our operations from the PHB immediately. Therefore, I recommend that you approve my plan for removing all USIA personnel and technical operations from the PHB on an emergency basis. Upon approval, I will advise GSA to begin the emergency relocation process.

Approve:_____ Discuss:_____ Date:_____

attachment as stated (Mr. Cowan's memo)

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12- 5-96 21:23 ;B/TV WORLDNET OFC. OF DIRECTOR 2025018664;# 9/11

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	John Lenon to Kelley Lehman; re: RFE/RL Management Proposal (1 page)	06/16/1995	P5

COLLECTION:
Clinton Presidential Records
National Security Council
Matt Lorin (Democracy/Human Rights)
OA/Box Number: 799

FOLDER TITLE:
RFE/RL [1]

Jimmie Purvis
2006-0208-F
jp2593

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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June 16, 1995

MEMORANDUM FOR: Kelley Lehman

FROM: John Lennon JL

SUBJECT: RFE/RL Management Proposal

My views on the RFE/RL management plan are as follows.

+ Titles and functions used in the proposal indicate the plan is intended to accomodate current management persons and positions rather than future organizational requirements.

+ Six SES positions are not justified by functions as presented, nor by the size of the organization as a whole.

+ I question the need for a Washington-based management representative, given plans for an IBB/BBG staff, and plans for continuing active CL representation through USIA and the grantee organization. In any case, the proposed Deputy President seems clearly intended to accomodate an existing management staffer, rather than to develop a new and needed function.

+ I question the need for a Deputy Broadcasting Director. The functions of the proposed position could be subsumed within the responsibilities of the RFE and RL Directors. (An additional view is that there shouldn't be deputies at any level, unless there is a clear assignment of responsibilities that makes the position discrete, and unique within the organization.)

+ There is justification for frequent travel to the United States by the President who has nominal responsibility for privatizing the company as prescribed in the International Broadcasting Act.

+ Three SES positions would include:
a) the President, whose office functions would include liaison with outside organizations, privatization, and executive decisions affecting the direction and scope of company activity;
b) the Director of Broadcasting, who would oversee and direct program development and evaluation, broadcast activities in all languages of RFE/RL, and in-house technical operations, and engineering liaison with IBB; and,
c) the Director of Management (currently the Vice President for Finance) who would oversee and/or direct all administrative, budget, personnel, and financial management activities, telecommunications and information services, and development issues as assigned by the President (such as privatization of RSE and RWE, the divestiture of Polish and Hungarian archives, and the use of the conference facilities at headquarters in Prague.)

JEL:501-7806

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Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Richard Schifter et al to Anthony Lake; re: RFE/RL Move to Prague (4 pages)	06/28/1994	P1/b(1), P5
001b. memo	Leon Panetta to Anthony Lake; re: Cost of Relocating RFE/RL Headquarters to Prague (6 pages)	06/24/1994	P5
002a. memo	Mary Ann Peters to The Acting Secretary; re: Letter to Kevin Klose on RFE/RL (2 pages)	07/11/1994	P1/b(1)
002b. letter	Strobe Talbott to Kevin Klose; re: Move of RFE/RL from Munich to Prague (1 page)	07/17/1994	P1/b(1)
002c. letter	Kevin Klose to Strobe Talbott; re: Steps Forward for RFE/RL (2 pages)	06/18/1994	P1/b(1)
003a. letter	Strobe Talbott to Kevin Klose; re: Move of RFE/RL from Munich to Prague (1 page)	07/17/1994	P1/b(1)
003b. letter	Kevin Klose to Strobe Talbott; re: Steps Forward for RFE/RL (incomplete) (1 page)	06/18/1994	P1/b(1)
003c. letter	Mary Ann Peters to The Acting Secretary; re: Letter to Kevin Klose on RFE/RL (1 page)	07/11/1994	P1/b(1)
004. memo	re: Radio Free Europe/Radio Liberty in Prague (partial) [10 USC 130 c] (2 pages)	10/14/1994	P3/b(3)
005. talking points	re: Congressional Talking points on Move to Prague (1 page)	n.d.	P1/b(1)
006. cable	Secretary of State, Washington, D.C. to American Embassy, Prague; re: RFE/RL Relocation Plan Submitted to Congress (1 page)	08/12/1994	P1/b(1)

COLLECTION:
Clinton Presidential Records
National Security Council
Matt Lorin (Democracy/Human Rights)
OA/Box Number: 799

FOLDER TITLE:
RFE/RL [3]

Jimmie Purvis
2006-0208-F
jp1867

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 24, 1994

MEMORANDUM FOR ANTHONY LAKE
NATIONAL SECURITY ADVISOR

FROM: Leon Panetta

SUBJECT: Cost of Relocating RFE/RL Headquarters to Prague

The Czech government has asked the USG to decide by June 30th whether to accept their offer to house Radio Free Europe/Radio Liberty, Inc. (RFE/RL) headquarters in Prague's former Parliament Building, relocating the Radios from Munich. The cost of a potential move is a major factor in this decision -- the move will be have to be approved by Congress which has expressed a keen interest in ensuring that projected savings related to the recently legislated international consolidation broadcasting plan remain in tact. OMB was asked to review and comment on the relocation cost data currently available.

Background:

Last Fall, the Czech government offered the USG the use of the former Parliament headquarters in Prague as a potential new location for RFE/RL headquarters. RFE/RL management immediately embraced the offer and communicated their intense interest to Czech officials. In January, during his visit the President expressed support for the move and told the Czechs the matter was under review.

In April, the Board for International Broadcasting, the RFE/RL Board of Directors, voted unanimously to relocate headquarters to Prague. The Czechs have held their offer open since last Fall. The Czechs have said that if a decision is not made by the USG on relocation by June 30th, they will go forward with alternative plans to lease or sell the property.

To determine whether the move to Prague can be made within the projected funding levels for FY 1994 and FY 1995, RFE/RL contracted with Arthur Andersen (AA) to do a study which was completed in May.

Arthur Andersen has concluded (with qualifications) that relocating to Prague is financially feasible within RFE/RL's requested funding level for FY 1995. OMB was asked to review the

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Arthur Andersen report and comment on whether the conclusions presented therein are sound from a budgetary perspective.

Analysis:

Upon review of the details of the report and follow-on discussion with Arthur Andersen staff, OMB finds that several cost estimates and fundamental assumptions included in the study are questionable.

Lack of AA verification of Estimates and Unknowns

In the report, Arthur Andersen underscores that "understanding the underlying assumptions of the cost estimates and operating plans [for the Munich and Prague options] is key to evaluating either option."

- AA, however, has not audited the information presented in their report, and therefore, states that Arthur Andersen "does not express an opinion on the assumptions or estimates."

- AA states in the study that "there are several significant cost elements that will be beyond RFE/RL management's control and experience dictates that actual results will likely be different than projected amounts." Specific examples of unknowns that could dramatically affect the numbers include: lease costs in Prague; building renovation costs in Prague; Czech inflation; Czech laws regarding NGOs (yet to be developed); level of skills in Prague workforce; and availability and cost of adequate employee housing.

Underfunding Cost Items and Use of Plugs

Throughout the report, it often appears that when AA identifies areas as cost items that are difficult to estimate, AA defaults to using estimates at the low end of a potential range. AA has used unsubstantiated "plugs" to estimate various cost items. Specific examples of concern follow:

- Social Plan Costs: Regardless of whether RFE/RL relocates to Prague or remains in Munich, to reduce its funding level to $75 million by FY 1996, they will have to downsize significantly. German Labor Law requires that a social plan for terminated employees be established. The $2.6 million estimated for FY 1995 by AA will not be sufficient to cover

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the full social plan costs. AA has stated in follow-up discussions that they recognize the amount provided to cover this cost item is likely insufficient.

- Costs Not Specifically Included in AA's Estimates: AA claims they know there are cost items that will need to be funded that are not included in their overall estimates. AA cites the following as examples of such costs: engineering integrations/downsizing, cost of final contract settlement, additional costs of the final social plan, and the cost of introduction of required new business processes. AA has allowed for a $7.1 million contingency to cover these costs in the Prague option, $18.8 million lower than their contingency estimate for the Munich option. The only reason for the difference given by AA, is that they used a lower "plug" to estimate these costs in the Prague option to stay within the total projected FY 1995 funding level. We think these costs will exceed the $7.1 million plug in the Prague estimates.

- Litigation Costs: For both the Munich and Prague options, AA includes funding for possible litigation costs. RFE/RL and AA anticipate that suits will be brought against the RFE/RL by employees and contractors during the downsizing process. AA confirmed these estimates are based on the RFE/RL legal counsel's "best guess" or order of "magnitude estimates" which were not derived using any formula or cost/employee ratio.

- Personnel Costs in FY 1996: In estimating the comparative outyear costs of operations in Prague and Munich, AA used different Tables of Organization (TOs), or staffing levels. "Given the time constraints on the study," AA neither audited nor fundamentally questioned the RFE/RL staffing patterns, upon which they built their personnel cost estimates in Prague at $9.7 million less than those for operating in Munich.

Other Agency Views:

- USIA and Voice of America staff believe there are major gaps in the AA study and are not confident that the move to Prague can be accomplished within the cost parameters laid out by AA. They are concerned about the potential for raiding their budgets to offset higher than projected relocation costs. USIA and VOA are further concerned that

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AA has not included funding for integrating USIA and BIB radio transmitter assets in their estimates (at least $22 million).

- State Department has consistently expressed their support for the move to Prague based solely on the symbolic gesture it would be -- moving the Radios East to the very place they've provided information to for years from afar. State, however, would not offer any offsets from their budget to cover relocation costs. I understand that the U.S. Ambassadors to Germany and the Czech Republic have stated their support for this move.

- BIB staff are not convinced that they could cover the costs of relocation identified by AA within their projected funding level for FY 1995 given the high costs of downsizing they must accommodate (severance, etc.). They remain concerned, like VOA, that aside from relocation costs, no money has yet been identified to cover the costs of integrating transmitter assets.

- I understand that NSC are divided on the issue and three options have been forwarded for your consideration. In that regard I offer the following comments:

-- Should the President commit to a move to Prague and the relocation costs prove exorbitant, the consequences will be significant. The President will be put in the position of either having to go back to the Hill for more money for the Radios or drastically decrease RFE/RL programming beyond that already happening as the RFE/RL budget level is reduced from a $210 million level in FY 1994 to a $75 million in FY 1996. To go back to the Hill for funding beyond that currently projected in the budget, would be difficult given the Administration's consistent pledge to uphold the savings related to broadcast consolidation in seeking support for its original consolidation plan. To cut the Radios back further to avoid further funding requests would likely result in shutting down entire broadcast services. It is unclear that option is real given the high severance costs that would eat into any saving that may be achieved by further staff reductions.

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-- There is no way to obtain solid, reliable cost estimates in a the short-term if the Czech deadline were slightly extended. The data is simply not available. Given the unknowns and RFE/RL management's interest in the way the numbers come out, it would be most unlikely that anything positive could come from an expedited audit of the AA findings. In the short term, there is no way to quickly verify the RFE/RL cost estimates included in the AA report for either moving to, or operating in, Prague.

Congressional Interest:

Congress has laid down legislative markers signalling their concern over the cost and timing of a relocation decision.

- The House Appropriations Committee included bill language in their recently passed FY 1995 CJS Appropriations Bill that prohibits any funds appropriated in FY 1995 to be used for relocating RFE/RL from Munich. Report language expresses the Committee's dissatisfaction with analysis of relocation costs to date.

- The FY 1994/95 Foreign Relations Authorization Act requires the relocation decision to be made by the new Broadcasting Board of Governors once established. It was Congress' belief that a decision to relocate will significantly affect U.S. broadcasting operations for years to come and since the BBG is charged with defining future U.S. broadcasting strategy it is they who should make this decision.

  The legislation does provide that if the President wishes to make a decision to relocate in advance of the BBG, the President must certify that it is in the significant national interest of the United States to do so. Cost data and issue analysis must be forwarded to the Hill with the Presidential Determination in order for Congress to consider approval.

- House Foreign Affairs Committee staff were recently in Prague and Munich to explore the relocation issue further. HFAC staff members reported that they felt both the AA report and their trip raised more questions than answers. From their view, they see the budgetary issue as the primary focus of most House members and the criteria upon which the decision will be largely judged. While in Prague, the

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congressional staff members informed the Czechs that they thought it was not probable that the Congress could approve a decision to relocate by the month's end.

Conclusions:

From this report, OMB does not believe the Administration should approve a move to Prague at this time.

- It is impossible to determine with any confidence that a move to Prague can be achieved without threatening the Administration's proposed four year savings projections included in the President's budget.

- Given all the unknowns, the actual relocation costs will likely exceed those currently projected. Even if AA's relocation cost estimate of $20 million over two years proved accurate, the FY 1994 and requested FY 1995 funding levels are clearly not sufficient to cover the costs of relocation in addition to the full cost of downsizing.

- It is impossible to determine that RFE/RL could operate in Prague at the $75 million ceiling level in FY 1996 as projected in the budget and capped in legislation.

- The decision could be deferred until the BBG is in place and a more thorough analysis is done. Although the Prague Parliament Building may no longer be available at that time, an alternative site could be considered.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	John Lennon to Morton Halperin; re: Conference Call (partial) (1 page)	03/30/1995	P6/b(6)
002. email	John Lennon to Morton Halperin; re: Senior Staff Meeting (1 page)	03/28/1995	P1/b(1)
003. email	William Danvers to National Security Advisor; re: Cuba (1 page)	03/16/1995	P1/b(1)
004. memo	White House Team to VPOTUS; re: Helms Proposal (3 pages)	n.d.	P5
005. email	William Danvers to VP National Security Affairs; re: NPR & the Hill (1 page)	02/24/1995	P1/b(1), P5
006. email	William Danvers to VP National Security Affairs; re: NPR & the Hill (1 page)	02/24/1995	P1/b(1), P5

COLLECTION:
Clinton Presidential Records
National Security Council
Rob Malley (Democracy/Human Rights)
OA/Box Number: 984

FOLDER TITLE:
Foreign Affairs - Reorganization [USIA] - Notes [2]

Jimmie Purvis
2006-0208-F
jp1839

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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DRAFT

Please send comments to Kathy - she'll get them to me.

Pamela

MEMORANDUM TO THE VICE PRESIDENT

FROM: White House Team

Re: Helms Proposal

We were briefed on Senator Helms State Department proposal by SFRC staff, Admiral Nance, Steve Berry and Chris Walker on Friday, March 3. What follows are our views on the major features of the proposal, including its major strengths and weaknesses.

1. HELMS: The stated purpose, as articulated by Admiral Nance, is to strengthen the position of the Secretary of State as the chief foreign policy advisor of the President and to better tie programs with policy in content as well as responsiveness (citing AID's long project gestation).

WH Team Comment: We concur with this objective, but believe that it is best achieved by a streamlined Department of State whose core business is foreign policy leadership and coordination - not the management of all overseas operations and personnel of the U.S. government.

2. HELMS: Abolish ACDA, AID and USIA as independent agencies and consolidate their functions under the Secretary of State.

Comment: The greatest single strength of the proposal is its clarity and apparent simplicity. Although the proposal does not really represent a full consolidation, it does significantly expand the Department of State's management responsibilities. The logical extension of the Helms proposal is to consolidate other international functions under the Secretary of State. Helms' staff indicated that although they would like to address Multinational Development Banks and other areas, they would leave to the executive branch the integration of things beyond the jurisdiction of the SFRC.

Our vision - consistent with your January decision not to consolidate - is that the President and the Secretary of State's foreign policy should be supported by a variety of streamlined, specialized implementation agencies, e.g. Peace Corps, USIA - - as well as relevant parts of domestic agencies which represent international interests critical to the U.S., e.g. Treasury, Justice, Commerce.

3. HELMS: Downsize State and reduce senior levels. Reduce number of assistant secretaries, have a single IG, Legislative affairs, and General Counsel.

Comment: We agree with the need for additional downsizing and streamlining at State, although we do not know enough about the specifics in the Helms' proposal to make a judgement about the potential impact of Helms' plan on the department. In January, you called for a consolidated State/ACDA/USIA IG and elimination of overalp in legislative affairs, public affairs and other

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areas. The Helms proposal does eliminate the Under Secretary for Global affairs.

3. HELMS: Abolish Trade and Devlopment Agency, OPIC and EX-IM. Establish a new independent trade agency under the UnderSecretary for Business, Economics and Trade.

Comment: OMB believes that this is a solution in search of a problem. We understand that the Trade Promotion Coordinating Committee, recommended by REGO I, is in place and working well. Our review of trade-related agencies is to be held mid-March, which will consider elimination or privatization of one or more trade agencies.

4. HELMS: ACDA: The proposal would merge ACDA into State under an Undersecretary for Security.

Comment: The Administration position and your decision on ACDA are in direct conflict with the Helms proposal.

5. HELMS: USIA: The proposal eliminates USIA and creates a new Undersecretary of Public Diplomacy.

Comment: We agree that taking an effective, reinvented USIA and merging it into a hierarchical, un-reinvented State is a mistake. Tony Lake and Mort Halperin see a merger as possibly desirable in the future - when there is clear evidence of State's reinvention.

5. HELMS: AID: The proposal eliminates AID and appropriates foreign assistance funds to the Secretary of State in a single pot with a line item for an independent International Development Foundation. The foundation would be governed by a bi-partisan board named by the President and a Senate-confirmed president. It would appear to protect funding for the largest foreign aid constituency, non governmental organizations, and puts political foreign aid under the direct authority and management of the Secretary of State. A significant feature is that staff would be minimal, with no overseas presence. Helms' staff said that they would not seek changes in the Foreign Assistance Act.

Comment: This is the area of greatest problems and potential conflict. The Helms proposal has superficial appeal; it is a clear alternative to the current approach to foreign aid.
NSC, in particular, sees positive elements in the proposal for an independent foundation. However, there are many aspects of the proposal that raise concern, especially its potential impact on programs and budgets for Africa, sustainable development and population. The elimination of all overseas staff destroys what has generally been considered to be one of AID's greatest strengths.

Other concerns relate to the "political" side of the funds. The proposal has the positive effect of tying funds directly to foreign policy concerns, but raises many questions about how effectively those funds would be programmed and managed. We all agree that State does not have the management capacity to do much more than write checks ~~(and sometimes even they bounce)~~. Given this and resource constraints, ~~does this~~ undermine a key foreign policy tool, the ability to program, manage and oversee assistance to countries such as Haiti, Egypt and the former Soviet

we believe that the proposal

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Union?

Brian Atwood sees the Helms proposal as a lightly veiled threat to foreign assistance budgets. He is right. However the WH Team believes that the Helms proposal also represents a genuine call for more fundamental reform in the way we manage foreign asisstance - - and we agree that this is needed. Atwood has been an early supporter of reinvention and has taken many steps to change the way that AID does its business.

However, in the latest round, AID has not been ~~very~~ forthcoming with the NPR process and you are being asked to get personally involved in the fight against Helms' proposal with assertions that AID has been reinvented. In the past few days, Tony Lake has been working with Brian to develop an alternative proposal that would bring AID closer to foreign policy priorities. We are seeking additional information to see if there is an AID proposal that we can support with enthusiasm.

6. HELMS: Foreign service personnel: Helms would consolidate the five foreign services (Foreign Commercial Service, Foreign Agricultural Service and the foreign service of USIA, AID, and State), into a single foreign service, with a single director, single recruiting and training system and changes in the promotion panels and revise allowance structures.

Comment: No position at this time, except to assure that this is not a back door to consolidation that extends to the Departments of Commerce and Agriculture. ~~It goes against efforts by peers~~ NPR and OMB are looking at alternatives including eliminating one or more parts of the foreign service, such as the Foreign Commercial Service.

7. HELMS: Overseas presence would be reduced and full costs of personnel borne by home agencies.

Comment: This aspect of the proposal is still in development. They endorsed all agencies bearing the full cost of their overseas personnel, as a means to recoup more of State's costs and as an incentive for other agencies to reduce overseas staff. We are developing what we think is a better approach to establish a semi-independent franchise-like organization devoted to administrative support and governed by an inter-agency group.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Charles S. Konigsberg to Alice M. Rivlin a19:58:06.69. Subject: AMR Daily. (14 pages)	05/15/1995	P5
002. email	Charles S. Knigsberg to Alice M. Rivlin at 19:40:10.13. Subject: AMR Daily (23 pages)	05/26/1995	P5
003. email	Lisa Kountoupes to Alice M. Rivlin at 21:09:18.29. Subject: EOP Use Only: AMR Daily (42 pages)	11/10/1995	P5

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Automated Records Management System [Email]
OPD ([USIA and Merger])
OA/Box Number: 250000

FOLDER TITLE:
[05/15/1995 - 06/10/1997]

Adam Bergfeld
2006-0208-F
ab915

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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Freedom of Information Act - [5 U.S.C. 552(b)]

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RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Charles S. Konigsberg (KONIGSBERG_C) (OMB)

CREATION DATE/TIME:15-MAY-1995 19:58:06.69

SUBJECT: ~~CONFIDENTIAL~~--AMR DAILY

DETERMINED TO BE AN ADMINISTRATIVE MARKING Per E.O. 12958 as amended, Sec. 3.3 (c)
Initials: AC3 Date: 10/24/2011

TO: Alice M. Rivlin (RIVLIN_A) (OMB)
READ:15-MAY-1995 07:32:52.78

CC: Charles S. Konigsberg (KONIGSBERG_C) (OMB)
READ:15-MAY-1995 13:21:36.09

CC: Jacob J. Lew (LEW_J) (OMB)
READ:NOT READ

CC: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ:15-MAY-1995 12:47:04.79

CC: Martha Foley (FOLEY_M) (OMB)
READ:15-MAY-1995 09:54:41.94

CC: Ann M. Cattalini (CATTALINI_A) (WHO)
READ:15-MAY-1995 08:16:05.61

CC: Erin A. O'Connor (OCONNOR_E) (WHO)
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CC: James C. Murr (MURR_J) (OMB)
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CC: James J. Jukes (JUKES_J) (OMB)
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CC: Janet R. Forsgren (FORSGREN_J) (OMB)
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CC: Ronald K. Peterson (PETERSON_RK) (OMB)
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CC: LAWRENCE J. HAAS (HAAS_L) (OMB)
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CC: Lydia Muniz (MUNIZ_L) (OMB)
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CC: Charles E. Kieffer (KIEFFER_C) (OMB)
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CC: Kristen E. Panerali (PANERALI_K) (OMB)
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CC: John A. Koskinen (KOSKINEN_J) (OMB)
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CC: Chantale Wong (WONG_C) (OMB)
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CC: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnel
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CC: Thomas O'Donnell (ODONNELL_T) (OPD)
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CC: David J. Lane (LANE_D) (OPD)
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CC: John Gibbons (GIBBONS_J) Autoforward to: Remote Addres
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CC: M. Jill Gibbons (GIBBONS_M) (OMB)
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CC: Ronald E. Jones (JONES_RE) (OMB)
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CC: James A. Brown (BROWN_JA) (OMB)
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CC: Constance J. Bowers (BOWERS_C) (OMB)
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CC: Melissa Y. Cook (COOK_MY) (OMB)
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CC: Anna M. Briatico (BRIATICO_A) (OMB)
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CC: Christopher J. Mustain (MUSTAIN_C) (OMB)
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CC: Robert J. Pellicci (PELLICCI_R) (OMB)
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CC: James C. Crutchfield (CRUTCHFIEL_J) (OMB)
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CC: Elyse H. Fitter (FITTER_E) (OMB)
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CC: Michael L. Goad (GOAD_M) (OMB)
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CC: Annette E. Rooney (ROONEY_A) (OMB)
READ:15-MAY-1995 09:45:45.92

CC: Dena B. Weinstein (WEINSTEIN_D) (OPD)
READ:15-MAY-1995 09:08:03.90

CC: Stacey L. Rubin (RUBIN_S) (WHO)
READ:15-MAY-1995 08:19:33.81

CC: Jennifer N. Palmieri (PALMIERI_J) (OMB)
READ:15-MAY-1995 10:33:28.30

TEXT:

PRINTER FONT 12_POINT_ROMAN

TO: ALICE RIVLIN
cc--Lew, Griffin, Foley, Murr, OMB/2d Floor, Tyson, Gibbons
FROM: CHUCK KONIGSBERG
SUBJECT: STATUS REPORT ON PENDING LEGISLATION

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Medicare Trustees Bill:
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
The House Majority Whip's Office announced on Friday that the

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House will take up on Tuesday, HR 1590, a bill to require the Trustees of the medicare trust funds to report -- by June 30 -- recommendations on resolving projected financial imbalance in medicare trust funds. The bill will be considered under suspension of the rules--requiring 2/3 for passage. In committee, all House Dems voted against the bill; the strategy is apparently to blame House Dems if the bill fails to get 2/3 on Tuesday. A copy of the bill is attached.
There was some discussion among OMB and White House staff on Friday about whether: (1) to do a SAP on the bill; (2) send a letter in lieu of a SAP; or (3) not state a position in any formal way.
Pat's staff indicated his preference is to do a letter. No response from George. Martha has suggested that if we do a SAP or a letter, the message should be to drop the tax cuts and do medicare in the context of health reform.
HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Because the bill will be on the House Floor on Tuesday, we need a decision Monday morning about which of the above 3 strategies to adopt regarding this bill.

Packwood on Tax Cuts:
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
One argument Packwood is using in the ongoing Senate Republican debate about whether to put tax cuts into the Domenici plan, is that enacting a capital gains tax cut or expanded IRAs this year, would make a comprehensive tax overhaul next year more difficult. Packwood is talking increasingly about a major tax reform bill next year, in order to shift incentives from consumption to savings & investment.
□
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER
104TH CONGRESS
1ST SESSION

H. R. 1590

To require the Trustees of the medicare trust funds to report recommendations on resolving projected financial imbalance in medicare trust funds.

==========

IN THE HOUSE OF REPRESENTATIVES

May 9, 1995

Mr. ARCHER (for himself and Mr. THOMAS) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

==========

A BILL

CLINTON LIBRARY PHOTOCOPY

To require the Trustees of the medicare trust funds to report recommendations on resolving projected financial imbalance in medicare trust funds.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRUSTEES' CONCLUSIONS REGARDING FINANCIAL STATUS OF MEDICARE TRUST FUNDS.

(a) HI TRUST FUND.-

□

-The 1995 annual report of the Board of Trustees of the Federal Hospital Insurance Trust Fund, submitted on April 3, 1995, contains the following conclusions respecting the financial status of such Trust Fund:

(1) Under the Trustees' intermediate assumptions, the present financing schedule for the hospital insurance program is sufficient to ensure the payment of benefits only over the next 7 years.

(2) Under present law, hospital insurance program costs are expected to far exceed revenues over the 75

□

-year long

□

-range

period under any reasonable set of assumptions.

(3) As a result, the hospital insurance program is severely out of financial balance and the Trustees believe that the Congress must take timely action to establish long

□

-term

financial stability for the program.

(b) SMI TRUST FUND.-

□

-The 1995 annual report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, submitted on April 3, 1995, contains the following conclusions respecting the financial status of such Trust Fund:

(1) Although the supplementary medical insurance program is currently actuarially sound, the Trustees note with great concern the past and projected rapid growth in the cost of the program.

(2) In spite of the evidence of somewhat slower growth

rates in the recent past, overall, the past growth rates have been rapid, and the future growth rates are projected to increase above those of the recent past.

(3) Growth rates have been so rapid that outlays of the program have increased 53 percent in aggregate and 40 percent per enrollee in the last 5 years.

(4) For the same time period, the program grew 19 percent faster than the economy despite recent efforts to control the costs of the program.

SEC. 2. RECOMMENDATIONS ON RESOLVING PROJECTED FINANCIAL IMBALANCE IN MEDICARE TRUST FUNDS.

(a) REPORT.-

CLINTON LIBRARY PHOTOCOPY

□
-Not later than June 30, 1995, the Board of
Trustees of the Federal Hospital Insurance Trust Fund and the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund shall submit to the Congress recommendations for specific program legislation designed solely--

(1) to control medicare hospital insurance program costs and to address the projected financial imbalance in the Federal Hospital Insurance Trust Fund in both the short
□
-range and long-
range; and

(2) to more effectively control medicare supplementary medical insurance costs.

(b) USE OF INTERMEDIATE ASSUMPTIONS.-
□
-The Boards of Trustees
shall use the intermediate assumptions described in the 1995 annual reports of such Boards in making recommendations under subsection (a).
□

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Senate Floor Schedule:

HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Monday, 5/15:
Take up S. 395, a bill to authorize and direct the Sec. of Energy to sell the Alaska Power Administration (and North Slope Oil Export). [Draft SAP pending--support if amended]

Tuesday, 5/16:
Resume consideration of S. 534, a bill to amend the Solid Waste Disposal Act (interstate trash bill). Senate failed to invoke cloture on Friday, but a unanimous consent amendment was reached which limits further amendments (Murray, Feinstein, Levin, Domenici, and Kempthorne).

[An EPA response to Dole was sent in lieu of a SAP]

Remainder of the week: Budget Resolution (50 hours of debate).

Week of May 22: Telecommunications.

Other pending items (could come up at any time):
- HR 400/S. 719, Anaktuvuk Pass Land Exchange and Wilderness Redesignation Act of 1995 [Draft SAP -- oppose unless amended --

on hold, per Griffin]

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
HOUSE RULES COMMITTEE:
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Tuesday, 5/16: Rule for Budget Resolution

CLINTON LIBRARY PHOTOCOPY

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
HOUSE FLOOR SCHEDULE:
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Monday, May 14:
Continue consideration of HR 961, Clean Water Act Amendments (debate only) [SAP transmitted 5/9/95]
Suspension (3 bills):
HR 1266, Greens Creek Land Exchange Act.
[SAP transmitted May 12--Administration "supports"]
HR 1045, A Bill to Eliminate the National Education Standards and Improvement Council [No SAP]
Resolution expressing sense of the House that Japan should immediately eliminate barriers to the U.S. exports of autos and auto parts [No SAP]
Rules on 3 Fish Hatchery Bills.
□
Tuesday, May 16:
Continue consideration of Clean Water.
Suspension (1 bill):
H. R. 1590, a bill, to require the Trustees of the medicare trust funds to report [by June 30] recommendations on resolving projected financial imbalance in medicare trust funds.
[Decision pending on whether to send a SAP, a letter, or make no formal statement]

Wednesday, May 17:
HR 535, Corning National Fish Hatchery Conveyance Act
[SAP transmitted 5/12/95--Administration "supports"]
HR 584, Fairport National Fish Hatchery Conveyance Act
[SAP transmitted 5/12/95--Administration "supports"]
HR 614, New London National Fish Hatchery Conveyance Act
[SAP transmitted 5/12/95--Administration "supports"]
Begin consideration of Budget Resolution for FY96
[SAPs normally not sent for budget resolutions, which are concurrent resolutions of the Congress not presented to the President]

Thursday, May 18:
Complete consideration of Budget Resolution for FY96.
Friday, May 19: no session

Monday, May 22: no votes
Tuesday - Thursday, May 23-25:
Possibly the foreign affairs authorization and/or defense authorization.
Friday, May 26: Memorial Day recess begins

Other upcoming items (not scheduled yet):
H.R. 1323, Pipeline Safety Act of 1995.
[Draft SAP pending--strongly oppose]
H.R. 541, Reauthorization of the Atlantic Tunas Convention Act of 1975 [HR 541 was referred to Ways and Means after Resources. USTR is drafting views letter to Ways and Means raising concerns about infringements on President's authority.]
□

HORIZONTAL_PITCH 9

CLINTON LIBRARY PHOTOCOPY

PRINTER FONT 14_POINT_ROMAN
STATUS OF MAJOR (Non-Appropriations) LEGISLATION
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
[Prepared by OMB/LRD and OMB/LA]

PRINTER FONT 12_POINT_ROMAN
(Note: Parentheticals indicate who is tracking; bills grouped by RMO)
[Changes from previous day indicated by asterisk (*)]

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
GENERAL GOVERNMENT & FINANCE:
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER
*1. Budget Resolution: (Konigsberg)
Senate Budget Committee reported the Domenici plan May 11. House Budget Committee reported the Kasich plan May 10. Floor action in both chambers likely to begin May 17.

2. Item Veto: (Konigsberg/Jukes)
House passed HR 2 (enhanced rescission) on February 6, (294-134). Senate passed S 4 (separate enrollment) on March 23, (69-29). Conferees not yet appointed.

3. Tax Cuts: (R. Jones)
House passed HR 1215 on April 5, (246-188) including tax cuts (child credit, IRAs, repeal taxes on soc.sec., neutral cost recovery, corporate AMT, cap gains, expensing, adoptions, marriage penalty credit, long-term care incentives); raise soc. sec. earnings limit; spending caps; Medicare extenders; spectrum extender; uranium enrichment; Federal retirement reforms; and automatic sequester of amounts taxpayers dedicate to debt reduction. SAP--"If...presented ...in its current form, the Secretary of the Treasury and the Director of OMB would recommend a veto." Senate not expected to take up HR 1215, as passed by the House, however components of the bill may be considered in the context of Reconciliation.

4. Crime Bills: (R. Jones)
House split their original crime bill into 7 smaller pieces and passed 6 of them--
? HR 665, requiring restitution for victims of federal crimes, passed February 7 (431-0); SAP--"supports passage."
? HR 666, allowing federal prosecutors to use improperly obtained evidence if police officers acted in "good faith"; would apply with and w/o warrants. Passed February 8, (289-142). SAP-support only if amended to apply only where warrants have been obtained.
? HR 729, containing reforms affecting federal habeas corpus review of state criminal judgments and collateral review of federal judgements, and requiring federal juries to impose death sentences in certain cases. Passed February 8 (297-132). SAP--support if DOJ concerns addressed.
? HR 667, would replace the prison funding program enacted in '94 Act with allocations based on sentencing criteria; and would limit prisoner litigation. Passed February 10, (265-156). SAP--oppose unless amended to correct misallocation of prison funds.
□

? HR 668, to expedite the deportation of aliens who commit serious

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crimes and reimburse states for incarceration of criminal aliens.
Passed February 10, (380-20). SAP--support if amended to offset the icreased direct spending ($600m/yr).
? HR 728, combining last year's grants for 100,000 cops and crime prevention into block grants. Passed February 14, (238-192). SAP--Presidential veto threat: any effort to repeal 100,000 cops; and strongly oppose elimination of many crime prevention programs.

*5. Risk Assessment: (H. Fitter)
House passed HR 1022, Risk Benefit and Cost Benefit Act of 1995 on February 28 (286-141), requiring federal agencies to perform highly detailed analyses of the risks that proposed health, safety and environmental regulations seek to address. SAP--strongly oppose HR 1022 because it would impose overly broad, prescriptive, and costly analytical requirements on the regulatory process, encourage excessive litigation, and supersede the substantive requirements of many existing health, safety, and environmental laws (i.e., the so-called supermandate).
Senate Governmental Affairs approved S. 291 (the comparatively moderate Roth bill) on March 23 by a 10-0 vote; the text was subsequently inserted in S. 343. Senate Energy Committee approved S. 333 (a Murkowski bill which seeks a middle ground) on March 29 by a 10-9 vote. Senate Judiciary Committee chairman Hatch abruptly reported his committee's version of S. 343 (the more conservative Dole bill) on April 27. Senate floor action on consensus bill expected early June.

6. Private Property Rights (Takings): (M. Goad)
House passed HR 925 on March 3 (277-148), and subsequently rolled the bill into HR 9, which passed 277-141. HR 925 would require certain federal agencies to provide financial compensation to landowners for regulatory actions (under Endangered Species Act, wetlands, farm bill, and water rights laws) that cause a decrease of at least 20 percent in the fair market value of any portion of the landowners' properties; and the federal govt would be required to offer to buy a property if a regulatory action caused its value to decline by more than 50 percent.
SAP--strongly oppose because it would seriously undermine the Federal Government's ability to protect the general welfare and impose an almost unlimited fiscal burden upon the American taxpayer. Note: the clean water act bill, HR 961, approved by House Transportation and Infrastructure Comm. on April 8, includes takings provisions which are modeled after those in HR 9.
Senate Judiciary Committee held a hearing on S 605 on April 6 (Dole bill which has a higher threshold -- 33 percent -- but would apply to all Federal agencies). Senate Judiciary is not expected to act on S 605 until late May or early June. Justice testimony said AG would recommend a veto. In separate letters to Sen. Hatch that were sent early May, Agriculture, EPA, HHS, Interior, Justice, Transportation, and Treasury advised that they would recommend a veto.
□
7. Reg Moratorium/Waiting Period: (J. Weinberg)
House passed HR 450 on Feb. 24 by 276-146. The bill would establish a "moratorium period" -- Nov. 20, 1994 through Dec. 31, 1995 or enactment of reg reform, whichever is earlier -- during which a Federal agency may not take any "regulatory rulemaking action" unless it falls within a specified emergency exception (i.e. military or foreign affairs functions, international trade agreements, agency management, certain banking regulatory matters,

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implementation of the internal revenue laws; matters relating to loans, grants, benefits, or contracts). Also exempted: regs determined by OIRA to be necessary because of an imminent threat to health or safety or other emergency or necessary for the enforcement of criminal laws. SAP--"The President has stated that a moratorium on regulations, as provided for in H.R. 450, is not acceptable....the Secretaries of Agriculture, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, Transportation, and the Treasury, the Attorney General, and the Administrator of the Environmental Protection Agency would recommend that it be vetoed."

Senate passed S. 219 on March 29 by 100-0; under the Senate version, regs would not go into effect for 45 days, during which time Congress could enact a disapproval resolution. Conference not yet scheduled.

8. Product Liability/Civil Litigation/Medical Malpractice: (I. Schroeder)

House passed HR 956 on March 10 (265-161). It would cap punitive damages in all civil cases and would cap non-economic (pain and suffering) damages in suits against health providers and insurers. Reno/Mikva letter opposed the bill stating that product liability reform should be left to the States and punitive damages shouldn't be arbitrarily capped.

Senate passed HR 956 on May 10 (61-37). It would cap punitive damage awards by juries in product liability cases at $250,000 or twice compensatory damages (economic and non-economic damages), whichever is greater. Judges could override those limits in "egregious" cases. Punitive damage awards in product liability cases could not exceed $250,000 for small businesses. A May 10th White House statement said the Senate-passed liability bill "in its present form does not go far enough toward balancing the interests of consumers with those of manufacturers and sellers." The statement also stated the Administration's concerns regarding the limits on punitive damages adopted by the Senate and reiterated the Administration's opposition to provisions which would abolish joint and several liability. SAP--"The Administration strongly opposes" provisions that would impose an artificial ceiling on the amount of punitive damages and provisions that would abolish joint-and-several liability for non-economic damages. Conference not scheduled yet.

9. Loser Pays - Civil Litigation: (I. Schroeder)

House passed HR 988 on March 7 (232-193). The bill, which would affect only federal civil suits involving parties from different states, would impose a modified "loser pays" rule, designed to encourage parties to settle out of court. Senate action not scheduled.

□

10. Shareholder Suits: (I. Schroeder)

House passed HR 1058 on March 8 (325-99). The bill would limit the right of dissatisfied investors to sue when the value of a company's stock drops precipitously. Senate Banking Committee markup of S 240 possible in May or June.

11. Telecommunications Reform: (J. Weinberg)

House Commerce Committee--Chairman Bliley introduced HR 1555 on May 3rd. Hearings scheduled for May 10, 11, 12. Commerce (Irving) and Justice (Bingaman) to testify on May 11th. Subcommittee markup could follow shortly after hearings.

House Judiciary Committee--Chairman Hyde introduced HR 1528 on May 2nd.

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Justice (Bingaman) testified on May 9th.

Senate Commerce Committee approved S 652 on March 30; Senate floor action possible week of May 22nd; Senate Republicans are working on amendments to the bill. The committee bill would eliminate much of the existing regulation on cable television pricing and seek to promote competition in the local and long-distance telephone markets by lifting limits on foreign ownership of US telecommunications companies, allowing the Bells to offer long-distance service and manufacture phone equipment, and allowing utilities to enter the telephone business. Would also regulate the regional Bell telephone companies' entry into the cable television market.

12. Banking and Insurance Reform: (R. Jones)

House Banking Committee markup of HR 1062 scheduled for May 9; Chairman Leach's bill would permit banks and securities firms to affiliate, allowing banks to underwrite securities and permitting securities firms to own banks. Leach and Commerce Chairman Bliley have reportedly agreed to keep banking reform and insurance reform separate. (Bliley has introduced a bill that would clarify that bank insurance activities are under the supervision and authority of state regulatory agencies.)

13. HUD Elimination Act: (A. Briatico)

Although no specific hearings have been held on S. 435, a number of Senate hearings have been held on "reinventing" HUD. HUD, Justice, and OMB have sent letters to the Senate Banking, Housing, and Urban Affairs Committee strongly opposing Title II of S. 435. Title II would transfer to Justice all of the responsibilities currently assigned to HUD under the Fair Housing Act.

14. National Highway System: (J. Brown)

S. 440 (introduced by Transportation Subcomm. Chairman Warner) would designate routes for the new National Highway System. Secretary of Labor veto threat (5/9/95) on Davis Bacon repeal provision added during the Senate Environment and Public Works markup on May 10, 1995. Committee report expected to be filed on or before May 18, floor action possible anytime thereafter. House action not scheduled yet.

15. Highway Trust Fund Off-Budget Bill: (J. Brown)

HR 842 (introduced by Transportation Comm. Chairman Shuster) would remove four transportation trust funds from the federal budget. Hearings held on March 10, 1995 by the House Transportation & Infrastructure Committee. Mark-up held May 3.

HORIZONTAL_PITCH 9
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NATIONAL SECURITY & INTERNATIONAL AFFAIRS:
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_ROMAN
1. National Security: (A. Rooney)

House passed HR 7 on February 16 (241-181) (star wars was deleted on the Floor but many objectionable provisions remain which would infringe upon the authority of the President to respond to international crises and conflicts; remove UN peacekeeping as an option for burdensharing; establish an unnecessary Nat'l Security Commission; and mandate policies on NATO membership). SAP--Secretaries of State and Defense and UN Ambassador would recommend a veto.

Senate Foreign Relations Committee began hearings on March 21 on S

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5, Peacekeeping Powers Act (introduced by Dole) and HR 7. Senate Armed Services subcommittee has scheduled hearing on peacekeeping operations for May 3rd; No State witness, only DoD witnesses; may discuss S. 5 and HR 7.

*2. Foreign Affairs Consolidation and Authorization: (A. Rooney)

House International Relations Committee (HIRC) completed markup of H.R. 1561 (Gilman) on May 15th. State, AID, USIA, and ACDA testified on May 9th in opposition to the consolidation of the agencies into a "super" State Department. Secretary Christopher sent a letter to the Committee expressing "deep concerns" regarding the sharp reductions in the international affairs programs and opposing the elimination of AID, USIA, and ACDA. House floor action is expected to begin May 24th. The Senate Foreign Affairs Committee held hearings on May 11th on Senator Helms' draft consolidation proposal and will begin to markup its authorization and consolidation proposal on May 16th.

HORIZONTAL_PITCH 9
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NATURAL RESOURCES, ENERGY & SCIENCE
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER

*1. Farm Bill: (C. Crutchfield)

Traditionally a 5-year measure, this legislation will reauthorize a slew of farm, nutrition, rural development, and other USDA programs. Lugar has begun hearings on his plan to cut $15 billion from farm programs over five years. Domenici's mark for the Senate Budget Resolution assumes $14 billion in farm program savings over seven years ($46 billion for all programs under the Agriculture Committee's jurisdiction). On May 10th, Secretary Glickman released the Administration's Farm Bill guidance document that assumed savings in farm programs of $1.5 billion over five years. House and Senate Agriculture committees have scheduled a number of hearings through June. Mark-ups are likely to begin this summer. (In oral remarks before the House Agriculture Committee on May 11th, the Secretary stated that "the President has indicated his intention to veto" legislation that block grants Food Stamps.)

□

2. Clean Water Act Reauthorization: (H. Fitter)

House Transportation and Infrastructure Committee approved HR 961 on April 6. House floor debate (under an open rule) began May 10. Bill would ease, overhaul, or revoke a number of current law's anti-pollution requirements, allow states to continue to rely on voluntary measures to deal with certain water pollution problems, and restrict the ability of federal agencies to declare wetlands off limits to development. However, Senate Environment Chairman Chafee said he does not think the clean water act needs an overhaul.

3. Endangered Species: (M. Goad)

Senate Environment subcommittee approved S. 503 on March 14. The bill would impose a 6-month moratorium on new listings under the Endangered Species Act. House Resources Chairman Young may mark-up in June or July a bill restricting the Act. On May 9, Sens. Gorton, Johnston, and Shelby introduced S. 768, the "Endangered Species Act Reform Act".

4. Safe Drinking Water: (H. Fitter)

Reauthorization of the 1974 law designed to keep contaminants out of the nation's water supply. State and local officials want a state revolving loan fund for water supply projects and relief from testing requirements. House Commerce staff and Senate Environment

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and Public Works staff, respectively, are attempting to complete draft bills in May.

*5. Interstate Waste: (H. Fitter)

S. 534 would give states more power to restrict interstate garbage dumping. Reported by Senate Environment and Public Works April 18, 1995. Senate floor consideration began May 10.

6. Superfund Reform: (H. Fitter)

The taxes which fund the hazardous waste clean-up program expire at the end of 1995; there is also support among some Republicans to scale back retroactive liability (which would shift much of the costs to the government). Superfund Subcommittee Chair Bob Smith has held hearings in the Senate, but bill will not be introduced until summer. House Commerce Hazardous Materials Subcomm. Chair Oxley planning a mark-up for May.

HORIZONTAL_PITCH 9
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HUMAN RESOURCES
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER
1. Welfare Reform: (C. Mustain)

House passed HR 4 on March 23 (234-199) which would replace current welfare programs with 5 block grants to States (cash welfare; child welfare; child care; school meals; family nutrition). SAP--oppose HR 4 because it would--fail to reform welfare by moving people from welfare to work; reduce Federal funding in ways that would impair the health and nutrition of children and families; and is not tough enough on parents who owe child support, and too tough on innocent children.

Senator Kassebaum indicated on April 21 that the Senate Labor and Human Resources Committee will hold hearings on welfare reform. No date has been scheduled. Senators Packwood and Moynihan have indicated that the Senate Finance Committee will mark up welfare reform legislation during the last week of May.

2. Social Security Earnings Test: (M. Cook)

House--increase in earnings limit to $30,000 included in HR 1215, which passed on April 5, (246-188).

Senate action unclear.

3. Davis-Bacon Repeal: (C. Mustain)

Legislation would repeal the Davis-Bacon Act of 1931, which requires federal contractors working on jobs valued at more than $2000 to pay their workers the "local prevailing wage," which is often the union rate. In a 5/9/95 DOL letter, the Administration expressed its strong opposition to repeal of the Act or to piecemeal repeals of Davis-Bacon coverage of industry sectors. House Economic & Education Opportunities Subcommittee approved HR 500 on March 2. Senate Labor & Human Resources Committee approved S 141 on March 29.

4. Minimum Wage Increase: (C. Mustain)

On 2/13/95, President transmitted to Congress a proposal to raise the minimum wage in two 45 cent steps -- raising the rate to $4.70 per hour on July 4, 1995 and to $5.15 per hour on July 4, 1996. President's proposal introduced as S. 413 and H.R. 940. Senator Kassebaum indicated on April 21 that the Senate Labor and Human Resources Committee will hold hearings on increasing the minimum

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wage. No date has been set.

5. Striker Replacement: (C. Mustain)
On 3/8/95, President issued an Executive Order to deny Federal contracts to employers that permanently replace striking workers. H.R 1176 and S. 603 would nullify the Executive Order. Neither bill has been marked up or ordered reported. In addition, the House-passed rescissions bill, H.R. 1158, includes provisions to nullify the order.

HORIZONTAL_PITCH 9
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HEALTH & PERSONNEL
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER
1. Federal Retirement Reform Act: (M. Cook)
On 3/15/95, the full H. Government Reform and Oversight Committee began consideration of HR 1185. It, however, recessed before taking action on the bill. NOTE: Title IV of HR 1215, as passed by the House on 4/5/95 (246-188), contains provisions similar to those of HR 1185. The Senate Post Office and Civil Service Subcommittee is expected to hold hearings on Federal and Congressional retirement issues next month. It appears that the Senate is likely to revise the provisions in Title IV of HR 1215.
□
2. Medicare Select: (B. Pellicci)
On April 6th, the House voted 408-14 to pass HR 483, which would expand the 15-State SELECT demonstration project nationwide and make it permanent, unless HHS determines in 1999 that the program is not achieving its intended goals. The Senate is unlikely to act on HR 483 because several Senators have placed "holds" on the bill. Senator Graham (D-FL) has introduced legislation (S 717) to extend the SELECT program temporarily, for 12 months.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
MAJOR LEGISLATION AWAITING PRESIDENTIAL ACTION
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_ROMAN
? Paperwork Reduction, S. 244.
HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
MAJOR LEGISLATION ENACTED
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_ROMAN
? Unfunded Mandates Reform Act of 1995 (PL 104-4). President signed 3/22/95.
? Defense Supplemental Appropriations (PL 104-6). President signed 4/10/95.
? Permanently Extend the Tax Deductibility for Health Insurance Costs for Self-Employed Individuals (PL 104-7). President signed 4/11/95.
? HR 1345, DC Financial Responsibility and Management Assistance Act of 1995
(PL 104-8). President signed 4/17/95.

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RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Charles S. Konigsberg (KONIGSBERG_C) (OMB)

CREATION DATE/TIME:26-MAY-1995 19:40:10.13

SUBJECT: ~~CONFIDENTIAL~~ -AMR DAILY

DETERMINED TO BE AN ADMINISTRATIVE MARKING Per E.O. 12958 as amended, Sec. 3.3 (c)
Initials: ACB Date: 10/24/2011

TO: Alice M. Rivlin (RIVLIN_A) (OMB)
READ:26-MAY-1995 14:20:56.52

CC: Charles S. Konigsberg (KONIGSBERG_C) (OMB)
READ:26-MAY-1995 10:39:29.03

CC: Jacob J. Lew (LEW_J) (OMB)
READ:NOT READ

CC: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ:25-MAY-1995 22:22:43.76

CC: Martha Foley (FOLEY_M) (OMB)
READ:26-MAY-1995 10:01:17.44

CC: Ann M. Cattalini (CATTALINI_A) (WHO)
READ:26-MAY-1995 08:27:40.17

CC: Erin A. O'Connor (OCONNOR_E) (WHO)
READ:25-MAY-1995 22:22:43.76

CC: James C. Murr (MURR_J) (OMB)
READ:26-MAY-1995 08:29:24.88

CC: James J. Jukes (JUKES_J) (OMB)
READ:26-MAY-1995 08:44:13.29

CC: Janet R. Forsgren (FORSGREN_J) (OMB)
READ:31-MAY-1995 09:34:45.98

CC: Ronald K. Peterson (PETERSON_RK) (OMB)
READ:26-MAY-1995 09:02:50.12

CC: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:26-MAY-1995 15:47:32.89

CC: Robert G. Damus (DAMUS_R) (OMB)
READ:30-MAY-1995 09:14:56.97

CC: Barry B. Anderson (ANDERSON_B) (OMB)
READ:26-MAY-1995 08:44:01.33

CC: Gordon Adams (ADAMS_G) (OMB)
READ:26-MAY-1995 07:00:52.77

CC: T J Glauthier (GLAUTHIER_T) (OMB)
READ:27-MAY-1995 09:34:53.02

CC: Kenneth S. Apfel (APFEL_K) (OMB)
READ:NOT READ

CC: Nancy-Ann E. Min (MIN_N) (OMB)

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READ:26-MAY-1995 11:18:58.97

CC: Robert E. Litan (LITAN_R) (OMB)
READ:NOT READ

CC: Joseph Minarik (MINARIK_J) (OMB)
READ:26-MAY-1995 07:13:46.21

CC: Sally Katzen (KATZEN_S) (OMB)
READ:26-MAY-1995 11:46:21.25

CC: Lydia Muniz (MUNIZ_L) (OMB)
READ:26-MAY-1995 09:13:53.16

CC: Charles E. Kieffer (KIEFFER_C) (OMB)
READ:26-MAY-1995 08:54:02.18

CC: Kristen E. Panerali (PANERALI_K) (OMB)
READ:30-MAY-1995 09:11:00.27

CC: John A. Koskinen (KOSKINEN_J) (OMB)
READ:26-MAY-1995 08:49:07.85

CC: Steven Kelman (KELMAN_S) (OMB)
READ:26-MAY-1995 08:55:30.16

CC: G. Edward DeSeve (DESEVE_G) (OMB)
READ:30-MAY-1995 17:53:38.07

CC: John B. Arthur (ARTHUR_J) (OMB)
READ:26-MAY-1995 06:16:04.20

CC: William A. Halter (HALTER_W) (OMB)
READ:26-MAY-1995 10:13:45.48

CC: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:26-MAY-1995 10:30:49.90

CC: Chantale Wong (WONG_C) (OMB)
READ:26-MAY-1995 11:11:27.71

CC: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnel
READ:26-MAY-1995 09:09:50.75

CC: Thomas O'Donnell (ODONNELL_T) (OPD)
READ:26-MAY-1995 09:09:50.75

CC: David J. Lane (LANE_D) (OPD)
READ:26-MAY-1995 08:32:11.72

CC: John Gibbons (GIBBONS_J) Autoforward to: Remote Addres
READ:NOT READ

CC: M. Jill Gibbons (GIBBONS_M) (OMB)
READ:26-MAY-1995 09:06:21.39

CC: Ronald E. Jones (JONES_RE) (OMB)
READ:26-MAY-1995 10:26:33.64

CC: Ingrid M. Schroeder (SCHROEDER_I) (OMB)

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READ:26-MAY-1995 09:18:02.06

CC: Jeffrey A. Weinberg (WEINBERG_J) (OMB)
READ:26-MAY-1995 08:58:07.38

CC: James A. Brown (BROWN_JA) (OMB)
READ:26-MAY-1995 14:59:03.25

CC: Constance J. Bowers (BOWERS_C) (OMB)
READ:26-MAY-1995 09:19:01.21

CC: Melissa Y. Cook (COOK_MY) (OMB)
READ:26-MAY-1995 08:53:26.43

CC: Anna M. Briatico (BRIATICO_A) (OMB)
READ:30-MAY-1995 09:54:55.40

CC: Christopher J. Mustain (MUSTAIN_C) (OMB)
READ:26-MAY-1995 09:11:05.32

CC: Robert J. Pellicci (PELLICCI_R) (OMB)
READ:26-MAY-1995 08:02:58.17

CC: James C. Crutchfield (CRUTCHFIEL_J) (OMB)
READ:31-MAY-1995 09:30:46.26

CC: Elyse H. Fitter (FITTER_E) (OMB)
READ:26-MAY-1995 09:05:20.59

CC: Michael L. Goad (GOAD_M) (OMB)
READ:26-MAY-1995 08:19:15.62

CC: Annette E. Rooney (ROONEY_A) (OMB)
READ:26-MAY-1995 09:07:34.08

CC: Dena B. Weinstein (WEINSTEIN_D) (OPD)
READ:26-MAY-1995 08:48:59.48

CC: Stacey L. Rubin (RUBIN_S) (WHO)
READ:26-MAY-1995 08:33:18.92

CC: Jennifer N. Palmieri (PALMIERI_J) (OMB)
READ:26-MAY-1995 08:40:44.92

CC: Karin L. Kizer (KIZER_K) (OMB)
READ:26-MAY-1995 08:47:25.77

CC: Margaret R. Shaw (SHAW_M) (OMB)
READ:29-MAY-1995 12:35:54.84

CC: Deborah F. Kramer (KRAMER_D) (OMB)
READ:26-MAY-1995 08:56:19.78

CC: Diane G. Limo (LIMO_D) (OMB)
READ:26-MAY-1995 08:20:34.23

CC: Alice E. Shuffield (SHUFFIELD_A) (OMB)
READ:30-MAY-1995 15:02:20.30

CC: Janet L. Graves (GRAVES_J) (OMB)

CLINTON LIBRARY PHOTOCOPY

READ:26-MAY-1995 09:00:50.11

CC: James I. Blount (BLOUNT_J) (OMB)
READ:30-MAY-1995 08:32:30.61

CC: Lara L. Roholt (ROHOLT_L) (OMB)
READ:26-MAY-1995 09:50:50.89

CC: Philip R. Dame (DAME_P) (OMB)
READ:26-MAY-1995 08:14:30.39

CC: Alan B. Rhinesmith (RHINESMITH_A) (OMB)
READ:26-MAY-1995 08:32:52.35

CC: Kenneth L. Schwartz (SCHWARTZ_K) (OMB)
READ:26-MAY-1995 08:43:30.38

CC: Barry T. Clendenin (CLENDENIN_B) (OMB)
READ:26-MAY-1995 07:34:53.84

CC: Franklin S. Reeder (REEDER_F) (OA)
READ:26-MAY-1995 08:56:07.04

CC: Philip A. DuSault (DUSAULT_P) (OMB)
READ:26-MAY-1995 10:32:58.29

CC: Phebe N. Vickers (VICKERS_P) (OMB)
READ:26-MAY-1995 15:23:17.46

CC: Kathleen Peroff (PEROFF_K) (OMB)
READ:26-MAY-1995 17:14:04.07

CC: Ron Cogswell (COGSWELL_R) (OMB)
READ:26-MAY-1995 08:26:45.68

TEXT:

PRINTER FONT 12_POINT_ROMAN

TO: ALICE RIVLIN
cc-

Lew, Griffin, Foley, Murr, OMB/2d Floor, Tyson, Gibbons

FROM: CHUCK KONIGSBERG

SUBJECT: STATUS REPORT ON PENDING LEGISLATION

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Budget Resolution:
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Domenici's Budget Resolution passed this evening by a vote of 57-42, with 3 Democrats voting for the resolution (Kerrey, Nunn, and Robb). The Conrad alternative was defeated 60-39.

CLINTON LIBRARY PHOTOCOPY

Attached is a complete list of amendments adopted during consideration of the resolution; significant amendments are in bold type (some of the defeated amendments are politically significant).

Over the course of debate, 4 significant changes made to the Domenici plan were--
1. Kerry (Mass.) amendment to delete instructions to the Rules Comm. to repeal public funding for presidential campaigns (offset by lowering the discretionary spending caps). Passed 56-44.

2. Domenici/Grassley amendment to eliminate the IRS compliance initiative (section 25 of the FY95 budget resolution) which currently allows for additional appropriations for compliance, outside of the discretionary caps (under the rationale that the revenues raised would more than cover the outside-the-caps spending). Domenici claims his budget assumes full funding for compliance within the caps (but this would make compliance funding less certain). Passed by voice vote.

3. Grams/Abraham/Lieberman to require use of the fiscal dividend for "family tax relief and incentives to stimulate savings, investment, job creation and economic growth." On the Floor, this amendment was touted as requiring the Finance Committee to use the fiscal dividend to pay for tax cuts. However, it doesn't actually do this. The Finance Committee isn't instructed to do anything. As amended, the resolution now says that the revenue floor shall be adjusted downward by the amount of the fiscal dividend to make room for tax cut legislation; but it doesn't actually require that any such legislation be reported by Finance. Passed 54-45.

4. Snowe amendment to reduce the reconciliation instructions to Labor Comm. (relating to student loans) from $13.795 billion over 7 years to $4.395 billion by closing tax loopholes. (However, note that Finance Committee is not instructed to raise revenues.) Passed 67-32.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
SENATE ACTION ON AMENDMENTS TO THE BUDGET RESOLUTION

HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
[significant votes in boldface*]

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Friday, 5/19:

HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Defeated 0-99 a Domenici substitute amendment reflecting the President's budget.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Monday, 5/22:

CLINTON LIBRARY PHOTOCOPY

HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Passed 99-0, a Cohen amendment to express the sense of the Senate regarding losses of trust funds due to fraud and abuse in the medicare program.

* Defeated 46-

52, a Rockefeller amendment to devote part of the fiscal dividend ($100 billion) to mitigating Medicare and Medicaid cuts, instead of providing tax cuts.

* Defeated 47-

51 (failed to waive a germaneness point of order) a Harkin amendment to devote part of the fiscal dividend to mitigating education cuts, instead of providing tax cuts.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Tuesday, 5/23:

HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Adopted by voice vote a Stevens/Domenici Amendment to express the sense of the Congress regarding full funding for Decade of the Brain research.

* Defeated 47-

53 (failed to waive a germaneness point of order) a Bradley amendment to devote part of the fiscal dividend to mitigating cuts in EITC, instead of providing tax cuts.

* Defeated 50-

50, a Roth amendment expressing sense of Senate that number of Federal full-

time equivalent positions should be further reduced.

* Defeated 31-

69, a Gramm substitute amendment to incorporate a tax cut.

* Defeated 47-

53 (failed to waive a germaneness point of order) an Exon amendment to devote the fiscal dividend to mitigating cuts in Medicare, Medicaid, Education, and EITC.

* Defeated 40-

60, a Thurmond amendment to increase defense spending (offsets from non-

defense spending).

CLINTON LIBRARY PHOTOCOPY

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Wednesday, 5/24:
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Amendments adopted on Wed.:
* Adopted 85-

14 a Hatfield amendment to restore funds cut from NIH by offsets from all other accounts instead of defense (this vote is non-

binding but reflects the likely outcome of the 602(b)s given the overwhelming support for NIH.

- By voice vote, Domenici (for Bingaman) amendment to express sense of Senate regarding establishment of a nonpartisan advisory commission on budgeting and accounting.
- By voice vote, Domenici (for Dole) expressing sense of Senate that the reforms and proposals contained within the Independent Budget for Veterans Affairs, FY96, should be given careful consideration in an effort to ensure the Nation's commitment to veterans.
- Adopted 51-49 a McConnell amendment to provide for continued funding for economic development in Appalachian region.
- Adopted 51-49 a Coverdell amendment to express sense of Senate regarding reimbursement to the States for the costs of implementing the National Voter Registration Act of 1993.
* Adopted 56-

44 an Exon (for Kerry, Mass.) amendment to delete instructions to the Rules Comm. to repeal public funding for presidential campaigns; offset by lowering the discretionary spending caps.

- Adopted 100-0 a McConnell amendment to express sense of Senate on use of Presidential Election Campaign Fund in regard to sexual harassment.
* By voice vote, a Domenici/Grassley amendment to eliminate the IRS compliance initiative (section 25 of the FY95 budget resolution) which allows for additional appropriations for compliance, outside of the discretionary caps (under the rationale that the revenues raised would more than cover the outside-

the-

caps spending. Domenici claims full funding for compliance within the caps.

- Failed to table 1-99 [adopted by voice] an Exon (for Boxer) amendment to express sense of the Congress that no member of Congress may use campaign funds to defend against sexual harassment lawsuits.
- Adopted 55-45 a Dole amendment to express sense of Congress that no member of Congress or Exec. Branch may use campaign funds or privately donated funds to defend against sexual harassment lawsuits.
- By voice vote an Exon (for Murray) amendment to express sense

CLINTON LIBRARY PHOTOCOPY

of Senate that Federal Govt has a financial responsibility to schools in our Nation's communities which are adversely affected by Federal activities and that funding for such responsibilities should not be reduced or eliminated.
- By voice vote an Exon (for Pell) amendment to express sense of Senate regarding student loan cuts.
* By voice vote and Exon (for Lautenberg) amendment to repeal the ex-

patriot tax loophole and put the money into veterans programs (but does not instruct Finance Comm. to raise the revenue).

- Adopted 97-3 a Domenici (for McCain) amendment to express sense of Senate to repeal the ex-patriot tax loophole and use the money to eliminate the social security earnings penalty.

Amendments rejected on Wed.:
- Rejected 28-71 a Harkin/Bumpers amendment to reduce unnecessary military spending and shift the savings to education and job training
- Rejected 44-55 a Feingold/Hollings amendment to strike the provision permitting use of the fiscal dividend for tax cuts.
* Tabled 52-

47 a Bumpers amendment to strike the provision permitting scoring of asset sales.

- Table 51-48 a Dodd Amendment to reduce the Labor Comm. Recon. instructions by $12b and reduce discretionary cuts in education by $16b, offset by closing loopholes.
- Rejected 39-60 a Snowe amendment to increase mandatory funding for education.
* Rejected 50-

50 a Sarbanes amendment to restore cuts to Federal retirement programs by providing that Federal retirement programs will continue to calculate retirement benefits from high-

3.

* Tabled 56-

44 a Roth amendment to prohibit including revenues from ANWR in the budget.

- Tabled 58-42 a Glenn amendment to strike provisions providing for a repeal of the IRS allowance.
- Tabled 53-47 an Exon (for Bingaman) amendment to express the sense of Senate on importance of research, technology, and trade promotion and trade law enforcement programs.
- Defeated 46-54 (failed to waive a germaneness point of order) a Boxer amendment creating a point of order against tax cuts when 90% of the benefits don't go to the families making less than $100K.
- Defeated 31-69 (failed to waive a germaneness point of order), an Exon amendment to restore funding for agriculture and nutrition programs.
- Defeated 40-60 (failed to waive a germaneness point of order) an Exon amendment to limit increases in the public debt.
- Defeated 41-59 (failed to waive a germaneness point of order)

CLINTON LIBRARY PHOTOCOPY

an Exon (for Moynihan) amendment to restore funding for AFDC and JOBS programs by using amounts set aside for a tax cut.
- Defeated 45-55 (failed to waive a germaneness point of order) an Exon (for Murray) amendment relating to Medicaid benefits for children.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Thursday, 5/24:
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Amendments adopted on Thursday:
- Adopted 99-0 an Exon (for Leahy) amendment to express sense of Senate regarding nutritional health of children.
- By voice vote, an Exon (for Leahy) amendment to express sense of Senate that Federal funding of law enforcement programs should be maintained, and Federal funding for the Violent Crime Reduction Trust Fund should not be reduced.
- By voice vote, an Exon (for Feingold) amendment to express sense of Senate regarding the need to enact long-term care reforms to achieve lasting deficit reduction.
- 64-35 failed to table (then passed by voice) an Exon (for Feingold) amendment to express sense of Senate regarding major assumptions for Energy.
- By voice vote, an Exon (for Levin/Simon) amendment to express sense of Senate regarding reducing overhead expenses at DOD.
- By voice vote, an Exon (for Baucus) to express sense of Senate regarding essential air service program of the DOT.
* Adopted 54-

45, a Domenici (for Grams/Abraham/Lieberman) to require use of the fiscal dividend family tax relief and incentives to stimulate savings, investment, job creation and economic growth (i.e. capital gains).

- By voice vote, a Exon (for Bingaman/Jeffords) amendment to express sense of Senate regarding the priority that should be given to renewable energy and energy efficiency research, development, and demonstration activities.
* Adopted 67-

32, a Domenici (for Snowe) amendment to reduce the reconciliation instructions to Labor Comm., assumed to relate to student loans, from $13.795 billion over 7 years to $4.395 billion by closing tax loopholes. (However, note that Finance Committee is not instructed to raise revenues.)

Amendments rejected on Thursday:
- Rejected 31-68 an Exon (for Lautenberg) amendment to allow transfer of $1 billion from the military budget for use in strengthening enforcement of immigration laws.
- Rejected 26-73 an Exon (for Lautenberg) amendment to allow transfer of $2 billion from the military budget for use in addressing the problem of domestic violence.
- Tabled 63-36 an Exon (for Harkin) amendment to provide for additional medicare safeguards.
- Tabled 68-31 an Exon (for Harkin) amendment to express sense of Senate regarding losses to medicare and medicaid and other health programs due to disease and disability caused by tobacco products.

CLINTON LIBRARY PHOTOCOPY

- Tabled 50-49 an Exon (for Baucus) amendment to express sense of Senate regarding funding for the National Railroad Passenger Corp.
* Rejected 39-

60 an Exon (for Conrad) amendment in the nature of a substitute.

* Tabled 56-

43 an Exon (for Simon/Pell/Kennedy) to eliminate section 207 on credit reform and guaranteed student loans (which would put the administrative costs for new direct student loans on a net present value basis).

- Tabled 73-26 an Exon (for Harkin) amendment to reduce military spending by $100 [yes, 100 dollars] to reduce the deficit.
* Tabled 65-

33 an Exon (for Simon/Bumpers) amendment to eliminate the firewall between defense and nondefense discretionary accounts.

- Tabled 58-41 an Exon (for Kennedy) amendment to express the sense of Senate regarding Medicare spending for FY 1996.
- Tabled 54-45 an Exon (for Kennedy) amendment to restore $28b in outlays over 7 years by reducing by $22 billion the discretionary cuts proposed in elementary and secondary education and reduce the reconciliation instructions to the Labor Comm. by $6 billion by closing corporate tax loopholes.
- Tabled 54-45 an Exon (for Kennedy) to add $8.9 billion in BA and $6.8 billion in outlays to function 500 over 7 years to restore funding to the Pell Grant program by closing tax loopholes.
* Tabled 62-

38 an Exon (for Bradley) amendment to restore cuts in Medicare and NIH by raising the tobacco tax by $1 a pack.

- Tabled 53-47 an Exon (for Bradley) amendment to express sense of Senate that Congress should remove tax loopholes and use the savings from closing special interest tax loopholes to reduce tax rates broadly for all classes of taxpayers.
- Rejected 45-55 an Exon (for Wellstone) amendment to express sense of Senate that Finance Committee will limit or eliminate excessive and unnecessary tax expenditures and express sense of Senate regarding delivery of veterans services.
- Rejected 12-87 an Exon (for Wellstone) amendment to reduce fy96 defense spending by $10b and apply the savings to deficit reduction.
- Tabled 84-15 an Exon (for Wellstone) amendment to direct the Finance Comm. to further reduce the deficit by limiting or eliminating excessive and unnecessary tax expenditures.
- Tabled 81-18 an Exon (for Wellstone) amendment to express sense of Senate regarding low-priority domestic discretionary funding to be reduced in order to pay for partial restoration of funding for the NIH.
- Tabled 86-13 an Exon (for Bradley) amendment in the nature of a substitute.

CLINTON LIBRARY PHOTOCOPY

- Rejected 42-57 (failed to waive a germaneness point of order) an Exon (for Johnston) amendment to provide for restoration of Medicare funding.
- Rejected 46-53 (failed to waive a germaneness point of order) an Exon (for Reid) amendment to restore funding for national parks by using amounts set aside for a tax cut.
- Rejected 43-56 (failed to waive a germaneness point of order) an Exon (for Sarbanes) amendment to restore funding for water infrastructure grants.
* Rejected 44-56 (failed to waive a germaneness point of order) an Exon (for Bradley) amendment to establish a process to identify and control tax expenditures by setting a target for cuts.

- Rejected 40-60 a motion to recommit the resolution to the Budget Committee with instructions.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
SENATE FLOOR SCHEDULE:

HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
Friday, 5/25-

26:
Continue consideration of anti-terrorism bill, S. 735.
[POTUS letter pending at this time]

May 26 -

June 4: Memorial Day Recess

Week of June 5:
- Complete anti-terrorism bill. [POTUS letter pending at this time]
- Telecommunications. [Draft SAP pending]

Other pending items (could come up at any time):

- HR 400/S. 719, Anaktuvuk Pass Land Exchange and Wilderness Redesignation Act of 1995
[Draft SAP -

-

oppose unless amended -

-

on hold, per Griffin]

CLINTON LIBRARY PHOTOCOPY

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
HOUSE FLOOR SCHEDULE:
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
May 26 -

June 5: Memorial Day Recess

Tuesday, June 6: pro forma
Wednesday -

Thursday, June 7-

8:

Completion of HR 1561, American Overseas Interests Act of 1995 (merging AID, USIA, and ACDA into State).
[SAP transmitted 5/22/95 -

-

State, Defense, Treasury, UN
Ambassador, AID, ACDA, USIA would recommend veto]
HR 535, Corning National Fish Hatchery Conveyance Act
[SAP transmitted 5/12/95-

-

Administration "supports"]
HR 584, Fairport National Fish Hatchery Conveyance Act
[SAP transmitted 5/12/95-

-

Administration "supports"]
HR 614, New London National Fish Hatchery Conveyance Act
[SAP transmitted 5/12/95-

-

Administration "supports"]
Friday, June 9: no business scheduled

Week of June 12: DOD Authorization

Other upcoming items (not scheduled yet):
- H.R. 541, Reauthorization of the Atlantic Tunas Convention Act of 1975 [HR 541 was referred to Ways and Means after Resources. USTR is drafting views letter to Ways and Means raising concerns about infringements on President's authority.]

- Telecommunications

- Banking Reform
- Davis-Bacon Repeal
- Striker Replacement (overturning EO)

CLINTON LIBRARY PHOTOCOPY

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
SUMMARY of ADMINISTRATION OPPOSITION
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
[most recent statements]

[Changes from previous day indicated by asterisk (*)]

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Presidential Veto Threats:
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER
*Rescissions/supplemental, HR 1158--On 5/25/95, POTUS reiterated he would veto the conference agreement.
Foreign Affairs Authorization/Merge AID, ACDA, USIA into State, POTUS said on 5/23, "If this bill passes in its present form, I will veto it." (SAP--HR 1561, DOD, Treasury, UN Ambassador, AID, ACDA, USIA would recommend veto.)

100,000 cops: HR 728, Law Enforcement Block Grants, SAP 2/13/95.
Civil Litigation, POTUS said on 5/4/95 he would veto the Senate product liability bill due to Dole's amendment limiting punitive damage awards in all civil lawsuits to twice a claimant's compensatory damages; provision was later limited to product liability cases only. A May 10th White House statement said the Senate-passed liability bill "in its present form does not go far enough toward balancing the interests of consumers with those of manufacturers and sellers." House bill--"oppose" and "strongly oppose".

PRINTER FONT 10_POINT_COURIER_OBLIQUE
[The following presidential veto threats were not in SAPs or letters:]
PRINTER FONT 10_POINT_COURIER
GOP Committee-

reported Budget Plans, On 5-10-95, WH/COS Panetta said "if it was contained in a reconciliation bill similar to what's in their budget, then I don't think there's any question what the president would do. He wouldn't be passing out any pens on this one, I can tell you that."
Welfare Reform, HR 4 (SAP, 3/21/95 said oppose, but in a 4/13/95 CNN interview, POTUS said "I'd be happy to veto").

Student Loans, POTUS said in 3/23 interview with college newspaper reporters that he is willing to veto legislation which cuts back on "areas important to me." (This was in response to a question about proposals to cap or eliminate direct loans, cut Pell grants, or eliminate interest subsidies).
Davis-

Bacon, S 141, President quoted on 4/6/95 as saying he would veto; Reich letter -- would recommend veto 3/28/95. (Also, Reich letter on Highway Designation Bill, S. 440, including Davis-Bacon repeal for highway projects--Labor would recommend veto.)
Loser Pays -

Civil Litigation, POTUS said on 4/7/95 "I will veto any bill

CLINTON LIBRARY PHOTOCOPY

with a "loser pay" requirement such as that was in the House bill." HR 988 (see Reno/Mikva Letter, 3/6/95, opposing the bill.)
Superfund Reauthorization: POTUS said on 4/7/95: "I will not compromise...any protection against toxic waste. The environment cannot protect itself. And if it requires a presidential veto to protect it, then that's what I'll provide."

Assault Weapons Ban: POTUS reaffirmed on 5/15/95 that he would veto any attempt to repeal the assault weapons ban.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Multiple Agency Veto Threats:
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_ROMAN
Nat'l Security, SAP--HR 7: State, Defense, and UN Ambassador would recommend veto - 2/13/95. In addition, POTUS said on 4/7/95 he would "refuse() to approve the so-called peacekeeping legislation passed by the House."

Regulatory Moratorium, HR 450--Ag, Energy, HHS, HUD, Interior, Labor, DOT, Treasury, DOJ, EPA would recommend veto, SAP 2/23/95. (In addition, POTUS said on 4/7/95 "if Republicans send me a bill that would let unsafe planes fly or contaminated meat be sold, or contaminated water continue to find itself into city water systems, I will veto it." Veto threat reiterated in Earth Day speech, 4/21/95.)
Clean Water Amendments of 1995, HR 961--EPA, Interior, Justice, and OMB would recommend veto. (In addition, POTUS said on 4/7/95: "I will not compromise any clean water...protection....The environment cannot protect itself. And if it requires a presidential veto to protect it, then that's what I'll provide."
Tax Fairness and Deficit Reduction Act, HR 1215, SAP--5/5/95, Secretary of the Treasury and the Director of OMB would recommend a veto. (In addition, on 4/7/95 POTUS said a $200 billion tax cut is "not going to happen. We can't afford it.")
Takings/Private Property Protection -- In letters to Senate Judiciary Committee in early May, Agriculture, EPA, HHS, Interior, Justice, DOT, Army (Corps), Defense and Treasury advised they would recommend veto. (In addition, POTUS said on 4/7/95: "I will also veto the House-passed requirement that government pay property owners billions of dollars every time we act to defend our national heritage of seashores or wetlands or open spaces.") House SAP said "strongly oppose" (SAP on HR 925, 3/1/95)]

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Single Agency Veto Threats:
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_ROMAN
Teamwork for Employees & Managers Act, HR 743 (Reich letter: recommend veto, 3/6/95; press reported that VP said on 2/20 that President would veto)
*Food Stamps -

Block Grant, 1995 Farm Bill, Sec. Glickman stated before S. Ag. Cte., 5-23-95, that he strongly opposes block granting food stamps and that the President has indicated his intention to veto such legislation.
Service Contract Repeal Act -- see "oppose" below; also, press reported that VP indicated on 2/20 that President would veto

CLINTON LIBRARY PHOTOCOPY

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Strongly Oppose:

HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_ROMAN
Highway Off-

Budget, HR 842 (OMB letter, 3/27/95)
Risk Assessment, HR 1022 (SAP, 2/27/95)
Federal Retirement Reform, (President's letter on HR 1215 to Speaker Gingrich strongly opposing reductions in retirement benefits to pay for tax cut; see also, OMB letter opposing HR 1185, 3/15/95)

HUD Elimination Act, S 435 (OMB letter strongly objecting to transfer of Fair Housing Act responsibilities to AG, 3/13/95)
Pipeline Safety Act, HR 1323 (DOT letter, 5/12/95)

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Oppose:

HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_ROMAN
Service Contract Repeal Act, HR 246 (DOL Statement, 2/15/95) [see veto threats, above]
Lorton Closure, HR 461 (Bureau of Prisons letter, "seriously flawed," 3/16/95)
Housing for Older Persons Act, HR 660 (SAP, 4/6/95: "would potentially increase discrimination against families....the Administration prefers administrative action)
Telecommunications: Object to provisions of the bill: VP said on 4/3 that he opposes provisions of the Senate Commerce Comm. bill, and on 4/4 the VP clarified in a letter, "I did not say that the President would veto the bill, since it is too early for such a decision...."
American Overseas Interests Act of 1995: HR 1561, State letter to House International Relations Committee, 5-9-95.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
Oppose Unless Amended:

HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_ROMAN
Medicare Select, HR 483 (HHS letter, 3/7/95)
Violent Criminal Incarceration, HR 667 (SAP, 2/9/95)
Securities Litigation Reform, HR 1058 (Reno/Mikva Letter, 3/6/95)

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
STATUS OF MAJOR (Non-

Appropriations) LEGISLATION
HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER

CLINTON LIBRARY PHOTOCOPY

[Prepared by OMB/LRD and OMB/LA]

PRINTER FONT 12_POINT_ROMAN
(Note: Parentheticals indicate who is tracking; bills grouped by RMO)

[Changes from previous day indicated by asterisk (*)]

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
GENERAL GOVERNMENT & FINANCE:

HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER
*1. Budget Resolution: (Konigsberg)
House completed action on HConRes 67 on 5/18, passing the Kasich budget plan 238-193. Senate completed action on 5/25, passing the Domenici budget 57-42.

*2. Item Veto: (Konigsberg/Jukes)
House passed HR 2 (enhanced rescission) on February 6, (294-134). Senate passed S 4 (separate enrollment) on March 23, (69-29). Conferees not yet appointed.

3. Tax Cuts: (R. Jones)
House passed HR 1215 on April 5, (246-188) including tax cuts (child credit, IRAs, repeal taxes on soc.sec., neutral cost recovery, corporate AMT, cap gains, expensing, adoptions, marriage penalty credit, long-term care incentives); raise soc. sec. earnings limit; spending caps; Medicare extenders; spectrum extender; uranium enrichment; Federal retirement reforms; and automatic sequester of amounts taxpayers dedicate to debt reduction. SAP--"If...presented ...in its current form, the Secretary of the Treasury and the Director of OMB would recommend a veto." Senate not expected to take up HR 1215, as passed by the House, however components of the bill may be considered in the context of Reconciliation.

4. Crime Bills: (R. Jones)
House split their original crime bill into 7 smaller pieces and passed 6 of them--
? HR 665, requiring restitution for victims of federal crimes, passed February 7 (431-0); SAP--"supports passage."
? HR 666, allowing federal prosecutors to use improperly obtained evidence if police officers acted in "good faith"; would apply with and w/o warrants. Passed February 8, (289-142). SAP-support only if amended to apply only where warrants have been obtained.
? HR 729, containing reforms affecting federal habeas corpus review of state criminal judgments and collateral review of federal judgements, and requiring federal juries to impose death sentences in certain cases. Passed February 8 (297-132). SAP--support if DOJ concerns addressed.
? HR 667, would replace the prison funding program enacted in '94 Act with allocations based on sentencing criteria; and would limit prisoner litigation. Passed February 10, (265-156). SAP--oppose unless amended to correct misallocation of prison funds.
? HR 668, to expedite the deportation of aliens who commit serious crimes and reimburse states for incarceration of criminal aliens.

Passed February 10, (380-20). SAP--support if amended to offset the increased direct spending ($600m/yr).

CLINTON LIBRARY PHOTOCOPY

? HR 728, combining last year's grants for 100,000 cops and crime prevention into block grants. Passed February 14, (238-192). SAP--Presidential veto threat: any effort to repeal 100,000 cops; and strongly oppose elimination of many crime prevention programs.

5. Risk Assessment: (H. Fitter)

House passed HR 1022, Risk Benefit and Cost Benefit Act of 1995 on February 28 (286-141), requiring federal agencies to perform highly detailed analyses of the risks that proposed health, safety and environmental regulations seek to address. SAP--strongly oppose HR 1022 because it would impose overly broad, prescriptive, and costly analytical requirements on the regulatory process, encourage excessive litigation, and supersede the substantive requirements of many existing health, safety, and environmental laws (i.e., the so-called supermandate).

Senate Governmental Affairs approved S. 291 (the comparatively moderate Roth bill) on March 23 by a 10-0 vote; the text was subsequently inserted in S. 343. Senate Energy Committee approved S. 333 (a Murkowski bill which seeks a middle ground) on March 29 by a 10-9 vote. Senate Judiciary Committee chairman Hatch abruptly reported his committee's version of S. 343 (the more conservative Dole bill) on April 27. Senate floor action on consensus bill expected in June.

*6. Private Property Rights (Takings): (M. Goad)

House passed HR 925 (277-148), subsequently incorporated the bill into HR 9, and then passed HR 9 (277-141). HR 925 would require certain federal agencies to provide landowners with financial compensation for regulatory actions (under Endangered Species Act, and wetlands, farm bill, and water rights laws) that cause a decrease of at least 20 percent in the fair market value of any portion of the landowners' properties. The Federal Government would be required to offer to buy a property if a regulatory action caused its value to decline by more than 50 percent.

SAP--strongly oppose because it would seriously undermine the Federal Government's ability to protect the general welfare and impose an almost unlimited fiscal burden upon the American taxpayer. Note: HR 961, the clean water act bill that the House Transportation and Infrastructure Committee approved on April 8, includes takings provisions which are modeled after those in HR 9.

Senate Judiciary Committee held an April 6 hearing on S 605 (Dole/Hatch). S. 605 has a 33 percent threshold, and would apply to all Federal agencies. Committee markup in June is probable. Justice testimony said the AG would recommend veto. In separate letters to Sen. Hatch that were sent early May, Agriculture, EPA, HHS, Interior, Justice, Transportation, and Treasury advised that they would recommend veto.

Senate Environment and Public Works may hold June hearings on the effects of environmental laws on private property and remedies under the Fifth Amendment to the Constitution and proposed statutory remedies.

7. Reg Moratorium/Waiting Period: (J. Weinberg)

House passed HR 450 on Feb. 24 by 276-146. The bill would establish a "moratorium period" -- Nov. 20, 1994 through Dec. 31, 1995 or enactment of reg reform, whichever is earlier -- during which a Federal agency may not take any "regulatory rulemaking action" unless it falls within a specified emergency exception (i.e. military or foreign affairs functions, international trade

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agreements, agency management, certain banking regulatory matters, implementation of the internal revenue laws; matters relating to loans, grants, benefits, or contracts). Also exempted: regs determined by OIRA to be necessary because of an imminent threat to health or safety or other emergency or necessary for the enforcement of criminal laws. SAP--"The President has stated that a moratorium on regulations, as provided for in H.R. 450, is not acceptable....the Secretaries of Agriculture, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, Transportation, and the Treasury, the Attorney General, and the Administrator of the Environmental Protection Agency would recommend that it be vetoed."

Senate passed S. 219 on March 29 by 100-0; under the Senate version, regs would not go into effect for 45 days, during which time Congress could enact a disapproval resolution. Conference not yet scheduled.

8. Product Liability/Civil Litigation/Medical Malpractice: (I. Schroeder)

House passed HR 956 on March 10 (265-161). It would cap punitive damages in all civil cases and would cap non-economic (pain and suffering) damages in suits against health providers and insurers. Reno/Mikva letter opposed the bill stating that product liability reform should be left to the States and punitive damages shouldn't be arbitrarily capped.

Senate passed HR 956 on May 10 (61-37). It would cap punitive damage awards by juries in product liability cases at $250,000 or twice compensatory damages (economic and non-economic damages), whichever is greater. Judges could override those limits in "egregious" cases. Punitive damage awards in product liability cases could not exceed $250,000 for small businesses. A May 10th White House statement said the Senate-passed liability bill "in its present form does not go far enough toward balancing the interests of consumers with those of manufacturers and sellers." The statement also stated the Administration's concerns regarding the limits on punitive damages adopted by the Senate and reiterated the Administration's opposition to provisions which would abolish joint and several liability. SAP--"The Administration strongly opposes" provisions that would impose an artificial ceiling on the amount of punitive damages and provisions that would abolish joint-and-several liability for non-economic damages. Conference not scheduled yet.

9. Loser Pays -

Civil Litigation: (I. Schroeder)

House passed HR 988 on March 7 (232-193). The bill, which would affect only federal civil suits involving parties from different states, would

impose a modified "loser pays" rule, designed to encourage parties to settle out of court. Senate action not scheduled.

10. Shareholder Suits: (I. Schroeder)

House passed HR 1058 on March 8 (325-99). The bill would limit the right of dissatisfied investors to sue when the value of a company's stock drops precipitously. Senate Banking Committee markup of S 240 possible in May or June.

11. Telecommunications Reform: (J. Weinberg)

House Commerce Committee--Chairman Bliley introduced HR 1555 on May 3rd. Hearings held on May 10, 11, 12. Commerce (Irving) and Justice

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(Bingaman) testified on May 11th. Subcommittee marked bill up on May 17th. Full committee markup expected on May 24th.

House Judiciary Committee--Chairman Hyde introduced HR 1528 on May 2nd.

Justice (Bingaman) testified on May 9th. Marked up the bill on May 18th.

Senate Commerce Committee approved S 652 on March 30; Senate floor action likely following Memorial Day recess; Senate Republicans are working on amendments to the bill. The committee bill would eliminate much of the existing regulation on cable television pricing and seek to promote competition in the local and long-distance telephone markets by lifting limits on foreign ownership of US telecommunications companies, allowing the Bells to offer long-distance service and manufacture phone equipment, and allowing utilities to enter the telephone business. Would also regulate the regional Bell telephone companies' entry into the cable television market.

12. Banking and Insurance Reform: (R. Jones)

House Banking Committee markup of HR 1062 scheduled for May 9; Chairman Leach's bill would permit banks and securities firms to affiliate, allowing banks to underwrite securities and permitting securities firms to own banks. Leach and Commerce Chairman Bliley have reportedly agreed to keep banking reform and insurance reform separate. (Bliley has introduced a bill that would clarify that bank insurance activities are under the supervision and authority of state regulatory agencies.)

13. HUD Elimination Act: (A. Briatico)

Although no specific hearings have been held on S. 435, a number of Senate hearings have been held on "reinventing" HUD. HUD, Justice, and OMB have sent letters to the Senate Banking, Housing, and Urban Affairs Committee strongly opposing Title II of S. 435. Title II would transfer to Justice all of the responsibilities currently assigned to HUD under the Fair Housing Act.

14. National Highway System: (J. Brown)

S. 440 (introduced by Transportation Subcomm. Chairman Warner) would designate routes for the new National Highway System. Secretary of Labor veto threat (5/9/95) on Davis Bacon repeal provision added during

the Senate Environment and Public Works markup on May 10, 1995. Committee report expected to be filed on or before May 18, floor action possible anytime thereafter. House action not scheduled yet.

15. Highway Trust Fund Off-

Budget Bill: (J. Brown)

HR 842 (introduced by Transportation Comm. Chairman Shuster) would remove four transportation trust funds from the federal budget. Hearings held on March 10, 1995 by the House Transportation & Infrastructure Committee. Mark-up held May 3.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
NATIONAL SECURITY & INTERNATIONAL AFFAIRS:
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_ROMAN
1. National Security: (A. Rooney)

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House passed HR 7 on February 16 (241-181) (star wars was deleted on the Floor but many objectionable provisions remain which would infringe upon the authority of the President to respond to international crises and conflicts; remove UN peacekeeping as an option for burdensharing; establish an unnecessary Nat'l Security Commission; and mandate policies on NATO membership). SAP--Secretaries of State and Defense and UN Ambassador would recommend a veto.

Senate Foreign Relations Committee (SFRC) began hearings on March 21 on S 5, Peacekeeping Powers Act (introduced by Dole) and HR 7. Aspects of S 5 were considered on May 17th as part of the SFRC markup of Foreign Affairs Authorization and Consolidation proposals and deleted from the bill as reported. State advises that peacekeeping will be considered separately by the Committee at a later date.

*2. Foreign Affairs Consolidation and Authorization: (A. Rooney)

House floor action on H.R. 1561 (Gilman) began on May 23rd and will resume after the Memorial Day recess. On May 23rd, the President expressed serious concerns regarding congressional legislation that would "place new restrictions on how America conducts its foreign policy and slash our budget in foreign affairs." Further, the President advised that if H.R. 1561 passed in its present form, he would veto it. SAP (May 22nd) stated that State, DOD, Treasury, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of HR 1561. This bill imposes unnecessary foreign policy and other restrictions, eliminates 3 foreign affairs agencies, and reduces authorization levels. The Senate Foreign Relations Committee (SFRC) ordered reported Senator Helms' draft foreign affairs consolidation and authorization proposal on May 17th by a vote of 10-8. On May 23rd, SFRC began consideration of Senator Helms' Foreign Aid Reduction Act. Sec. Christopher sent a letter to Helms on May 22nd strongly opposing both bills and noting that inclusion of similar crippling provisions in HR 1561 would lead State and others to recommend a veto if such a bill is presented to the President.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
NATURAL RESOURCES, ENERGY & SCIENCE
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER
1. Farm Bill: (C. Crutchfield)

Traditionally a 5-year measure, this legislation will reauthorize a slew of farm, nutrition, rural development, and other USDA programs.

Lugar has begun hearings on his plan to cut $15 billion from farm programs over five years. Domenici's mark for the Senate Budget Resolution assumes $14 billion in farm program savings over seven years ($46 billion for all programs under the Agriculture Committee's jurisdiction). On May 10th, Secretary Glickman released the Administration's Farm Bill guidance document that assumed savings in farm programs of $1.5 billion over five years. House and Senate Agriculture committees have scheduled a number of hearings through June. Mark-ups are likely to begin this summer. (In oral remarks before the House Agriculture Committee on May 11th, the Secretary stated that "the President has indicated his intention to veto" legislation that block grants Food Stamps.)

2. Clean Water Act Reauthorization: (H. Fitter)

House Transportation and Infrastructure Committee approved HR 961 on

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April 6. Passed by the House by a vote of 240-185 on May 16. Bill would ease, overhaul, or revoke a number of current law's anti-pollution requirements, allow states to continue to rely on voluntary measures to deal with certain water pollution problems, and restrict the ability of federal agencies to declare wetlands off limits to development. SAP contained multiple agency veto threat. Senate Environment Chairman Chafee has indicated that Clean Water Act reauthorization is not one of his top priorities.

*3. Endangered Species: (M. Goad)

On March 14, the Senate Environment Subcommittee approved S. 503. The bill would impose a 6-month moratorium on new listings under the Endangered Species Act (ESA).

On May 9, Sens. Gorton, Johnston, and Shelby introduced S. 768, the "Endangered Species Act Reform Act". The bill would: (1) require the consideration of economic factors when listing species and a cost-benefit analyses of proposed conservation measures; (2) require an ad hoc committee of private individuals and local and state government representatives to review each proposed action; (3) require, under certain circumstances, the Secretaries of Commerce and the Interior to make final decisions on whether to protect a species and to restrict land use; and (4) restrict the definition of "harm" of an endangered species to those actions that directly result in the injury or death of the animal or plant.

On May 25, the Departments of Agriculture, Commerce, and the Interior testified before the House Endangered Species Task Force on possible changes to the ESA. Interior advises that, during the Memorial Day recess, the Task Force plans to draft legislation to amend the ESA; Interior plans to testify at the June 21 hearing on the Task Force draft. House Resources Chairman Young may mark up a bill in June or July.

4. Safe Drinking Water: (H. Fitter)

Reauthorization of the 1974 law designed to keep contaminants out of the nation's water supply. State and local officials want a state revolving loan fund for water supply projects and relief from testing

requirements. House Commerce staff and Senate Environment and Public Works staff, respectively, are attempting to complete draft bills.

5. Interstate Waste: (H. Fitter)

S. 534 would give states more power to restrict both intra and interstate garbage dumping. Passed by the Senate by a vote of 94-6 on May 16.

6. Superfund Reform: (H. Fitter)

The taxes which fund the hazardous waste clean-up program expire at the end of 1995; there is also support among some Republicans to scale back retroactive liability (which would shift much of the costs to the government). Superfund Subcommittee Chair Bob Smith has held hearings in the Senate, but bill will not be introduced until summer. House Commerce Hazardous Materials Subcomm. Chair Oxley planning a mark-up for June.

HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
HUMAN RESOURCES
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER

CLINTON LIBRARY PHOTOCOPY

1. Welfare Reform: (C. Mustain)

House passed H.R. 4 on March 23 (234-199) which would replace current welfare programs with 5 block grants to States (cash welfare; child welfare; child care; school meals; family nutrition). SAP--oppose H.R. 4 because it would--fail to reform welfare by moving people from welfare to work; reduce Federal funding in ways that would impair the health and nutrition of children and families; and is not tough enough on parents who owe child support; and too tough on innocent children.

Senate Finance Committee will mark up welfare reform legislation on May 25 and bring measure to floor after the Memorial Day recess. The bill block grants AFDC, imposes a five-year time limit on benefits, tightens eligibility for SSI, and strengthens child support enforcement. HHS cited concerns with the bill in a May 24 letter to the Committee. Senator Packwood indicated May 15 that the bill would be considered as a stand-alone bill unless it is filibustered. In that case, the bill would be considered as a component of the budget reconciliation bill. The Senate Labor and Human Resources Committee will mark up child care legislation on May 25 that is expected to be included in the final Senate welfare reform package. HHS supported the Labor and Human Resources child care bill in a May 24 letter to the Committee, but cited concerns with potential cuts in other child care programs.

2. Social Security Earnings Test: (M. Cook)

House--increase in earnings limit to $30,000 included in HR 1215, which passed on April 5, (246-188).

Senate action unclear.

3. Davis-

Bacon Repeal: (C. Mustain)

H.R. 500 and S. 141 would repeal the Davis-Bacon Act of 1931. The act requires Federal contractors working on jobs valued at more than $2000

to pay their workers the "local prevailing wage," which is often the union rate. A House Economic & Education Opportunities Subcommittee referred H.R. 500 to full committee on March 2. Senate Labor & Human Resources Committee reported S. 141 with amendments on May 12. In addition, S. 440 (see National Highway System entry above) includes a repeal of Davis-Bacon coverage to Federal highway projects.

4. Minimum Wage Increase: (C. Mustain)

On 2/13/95, President transmitted to Congress a proposal to raise the minimum wage in two 45 cent steps -- raising the rate to $4.70 per hour on July 4, 1995 and to $5.15 per hour on July 4, 1996. President's proposal introduced as S. 413 and H.R. 940. Senator Kassebaum indicated on April 21 that the Senate Labor and Human Resources Committee will hold hearings on increasing the minimum wage. No date has been set.

5. Striker Replacement: (C. Mustain)

On 3/8/95, President issued an Executive Order to deny Federal contracts to employers that permanently replace striking workers. H.R. 1176 and S. 603 would nullify the Executive Order. Neither bill has been marked up or ordered reported. Provisions to nullify the order were dropped from the House rescission bill, H.R. 1158, in the House-Senate Conference.

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HORIZONTAL_PITCH 9
PRINTER FONT 14_POINT_ROMAN
HEALTH & PERSONNEL
HORIZONTAL_PITCH 12
PRINTER FONT 10_POINT_COURIER
1. Federal Retirement Reform Act: (M. Cook)

On 3/15/95, the full H. Government Reform and Oversight Committee began consideration of HR 1185. It, however, recessed before taking action on the bill. NOTE: Title IV of HR 1215, as passed by the House on 4/5/95 (246-188), contains provisions similar to those of HR 1185. The Senate Post Office and Civil Service Subcommittee is expected to hold hearings on Federal and Congressional retirement issues next month. It appears that the Senate is likely to revise the provisions in Title IV of HR 1215.

2. Medicare Select: (B. Pellicci)

On April 6th, the House voted 408-14 to pass HR 483, which would expand the 15-State SELECT demonstration project nationwide and make it permanent, unless HHS determines in 1999 that the program is not achieving its intended goals. On May 17th, the Senate passed H.R. 483 with amendments by voice vote. The Senate-passed bill changes to 1996 the date by which HHS must determine if the SELECT program is meeting its intended goals. In addition, the Senate-passed bill requires GAO to report to Congress by June 10, 1996, on a number of issues affecting beneficiaries' safeguards under SELECT. Timing of conference action is uncertain.

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CC: Lauren Haber (HABER_L) (OMB)
READ:12-NOV-1995 15:16:40.01

CC: Robert S. Fairweather (FAIRWEATHE_R) (OMB)
READ:12-NOV-1995 18:33:00.28

CC: Bruce D. Beard (BEARD_B) (OMB)
READ:13-NOV-1995 07:43:37.32

CC: James B. Kazel (KAZEL_J) (OMB)
READ:NOT READ

CC: John Gribben (GRIBBEN_J) (OMB)
READ:11-NOV-1995 09:06:04.11

CC: Victoria L. Schaefer (SCHAEFER_V) (OMB)
READ:14-NOV-1995 12:30:20.56

CC: Michelle Denton (DENTON_M) (CEQ)
READ:13-NOV-1995 09:43:27.58

CC: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:11-NOV-1995 10:29:36.69

CC: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:13-NOV-1995 11:14:32.39

CC: Mary Ellen Glynn (GLYNN_M) (WHO)
READ:NOT READ

CC: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

CC: Ira Fishman (FISHMAN_I) (WHO)
READ:NOT READ

CC: Mark A. Weatherly (WEATHERLY_M) (OMB)
READ:10-NOV-1995 23:55:52.74

CC: Bruce W. McConnell (MCCONNELL_B) (OMB)
READ:13-NOV-1995 08:58:22.13

CC: Bernard H. Martin (MARTIN_B) (OMB)

CLINTON LIBRARY PHOTOCOPY

READ:13-NOV-1995 09:18:13.68

TEXT:

PRINTER FONT 12_POINT_ROMAN
November 10, 1995 (9:00 pm)

TO: ALICE RIVLIN

FROM: LISA KOUNTOUPES

SUBJECT: DAILY LEGISLATIVE REPORT

CONGRESS TODAY:
The House passed HR 2586, Temporary Extension of the Debt Limit as amended by the Senate (219
□
-185). [SAP sent 11/9:
?If HR 2586 were presented to the President in its current form, he would veto it.?] The House also passed the HJ Res 115, Continuing Resolution for FY 1996 amended (224
□
-172). The
House also passed HR 2394 as amended by the Senate.

[On Thursday, November 9, the Senate also passed S Res 193, S 848, SJ Res 29, HR 2394, S Res 194, HR 2589 by voice vote.]

SENATE FLOOR SCHEDULE

Monday, October 13:
- HJ Res 115, Continuing Resolution for FY 1996 as amended by the House. [SAP sent 11/8: ?If HJ Res 115 were presented to the President in its current form, he would veto it.?]
- Appoint conferees on HR 2491, the Seven
□
-year Balanced Budget
Reconciliation Act of 1995. There will be four motions to instruct conferees on social security, health care, Medicare/tax cut and nursing home standards.
- Appoint conferees on HR 927, Cuba sanctions bill.

The Majority Leader announced that the Senate will recess from November 17 - 27.

CLINTON LIBRARY PHOTOCOPY

HOUSE FLOOR SCHEDULE:

Monday, November 13:

(11 Suspensions)
- HR 657, Extending Construction Deadline for Certain Hydroelectric Projects
- HR 680, Extending Construction Deadline for Certain Hydroelectric Projects
- HR 1011, Extending Construction Deadline for Certain Hydroelectric Projects
- HR 1014, Extending Construction Deadline for a Hydroelectric License
- HR 1051, Extending Construction Deadline for Certain Hydroelectric Projects
- HR 1290, Extending Construction Deadline for Certain Hydroelectric Projects
- HR 1335, Extending Construction Deadline for Certain Hydroelectric Projects
- HR 1336, Extending Construction Deadline for a Hydroelectric License
- HR 2204, Defense Production Act
- HR 924, Prohibition on Certain Transfers of National Forest Lands
- HR 826, Big Thicket National Preserve Land Exchanges

Tuesday, November 14 and the Balance of the Week:
(2 Corrections)
- HR 2366, Repealing an Unnecessary Medical Device Reporting Requirement
- S 790, Federal Reports Elimination and Sunset Act
- HR 2539, ICC Elimination Act of 1995
- HR 1058, Securities Litigation Reform Act Conference Report
- HR 2126, Defense Appropriations Conference Report
- HR 1977, Interior Appropriations Conference Report
- HR 2564, Lobbyist Disclosure Reform
- H Res 250, Gift Reform
- HR 2491, Budget Reconciliation Act of 1995 Conference Report

POTENTIAL FLOOR ACTION THROUGH NOVEMBER:
- Appropriations conference reports (Nov.)
- Glass/Steagall & Bank Reg. Reform (Nov.)
- Anti
□
-Terrorism (Nov.)
- Debt Limit (Nov.)
- Endangered Species Act

(If you have questions about the House or Senate legislative schedules, contact Lydia Muniz at OMB Legislative Affairs, 54790.)

APPROPRIATIONS

CLINTON LIBRARY PHOTOCOPY

The President has signed the Military Construction Bill (HR 1817) and the Agriculture Bill (HR 1976), and vetoed the Legislative Branch Bill (HR 1854). Veto recommendations are indicated by an asterisk.
*Agriculture (HR 1976)
- House subcommittee reported-
□
-OMB letter 6/21: serious objections.
- House committee reported-
□
-Floor SAP 7/18: USDA/OMB veto recommendation.
- House passed-
□
-OMB letter 8/11: USDA/OMB veto recommendation.
- Senate Committee reported-
□
-Floor SAP 9/18: Administration could support if concerns addressed.
- House & Senate passed-
□
-OMB letter 9/27: Administration could support if concerns addressed.
- POTUS signed 10/21.
*C/J/S (HR 2076)
- House subcommittee reported-
□
-OMB letter 7/18: Attorney General/Commerce/OMB veto recommendation.
- House committee reported-
□
-Rules SAP 7/20: Attorney General/Commerce/OMB veto recommendation.
- House committee reported-
□
-Floor SAP 7/24: Attorney General/Commerce/OMB veto recommendation.
- House committee reported-
□
-POTUS letter 7/25: "I would veto it because it would eliminate the Community Oriented Policing Services (COPS) program."
- House passed-
□
-OMB letter 8/12: Commerce/OMB veto recommendation.
- Senate subcommittee reported-
□
-OMB letter 9/12: President would veto.
- Senate committee reported-
□
-Floor SAP 9/14: President would veto.
- House & Senate passed-
□
-OMB letter 11/6: President would veto.
*Defense (HR 2126/S 1087)

CLINTON LIBRARY PHOTOCOPY

- House subcommittee reported-
□
-OMB letter 7/20: Administration
does not support.
- House committee reported-
□
-Rules SAP 7/27: "the President
will not support the bill unless... concerns are addressed."
- House committee reported-
□
-Floor SAP 7/31: "the President
will not support the bill unless... concerns are addressed."
- Senate committee reported-
□
-Floor SAP 8/10: senior advisers
veto recommendation.
- House committee reported-
□
-Floor SAP 9/7: senior advisers

veto recommendation.
- House and Senate passed-
□
-OMB letter 9/18: senior advisors
veto recommendation.
- Conference Report-
□
-OMB letter 9/29: President will veto.
*DC (HR 2546)
- Senate committee reported-
□
-Floor SAP 9/21: pleased with
funding level, but strongly opposed to provision.
- House subcommittee reported-
□
-OMB letter 10/24: strongly
object to funding cuts
- House committee reported-
□
-Rules SAP 10/30: senior advisors
would recommend veto.
- House committee reported-
□
-Floor SAP 11/1: President would
veto.

□
*Energy/Water (HR 1905)
- House subcommittee reported-
□
-OMB letter 6/20: strongly
opposed.
- House passed-
□
-OMB letter 7/20: strongly opposed.
- Senate committee reported-
□
-Senate SAP 7/31: strongly
opposed.
- House and Senate passed-

CLINTON LIBRARY PHOTOCOPY

□
-OMB letter 10/13: senior advisors
would recommend veto based on potential conference changes.
*Foreign Ops (HR 1868)
- House committee reported-
□
-Floor SAP 6/22: difficulty
supporting if improvements are not made.
- Senate subcommittee reported-
□
-OMB letter 9/14: raising
concerns.
- Senate committee reported-
□
-Floor SAP 9/20: serious concerns.
- House and Senate passed-
□
-OMB letter 10/19: State & Treasury
veto recommendation if low House funding & Senate earmarks are
not corrected.
- House committee reported-
□
-Floor SAP 10/31: Secretary of
State would recommend veto.
*Interior (HR 1977)
- House subcommittee reported-
□
-OMB letter 6/21: serious
objections.
- House committee reported-
□
-Floor SAP 7/12: OMB/Interior veto
recommendation.
- House passed-
□
-OMB letter 7/25: OMB/Interior veto
recommendation.
- House passed-
□
-Senate Floor SAP 8/4: OMB/Interior veto
recommendation.
- House and Senate passed-
□
-OMB letter 9/18: OMB/Interior veto
recommendation.
- Conference committee-
□
-VP statement 9/22: ?If Congress sends
the President the fiscal 1996 Interior Appropriations Bill as
approved by the conference committee, he will veto it.?
- Conference report-
□
-OMB letter 10/19: ?Vice President stated
on September 22nd that if Congress sent the POTUS the FY 1996
Interior Appropriations Bill as approved by the conference
committee, the President would veto it.?
- Conference report (of 10/31)-
□
-House Floor SAP 11/6:
President would veto.

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*Labor/HHS/Ed (HR 2127)
- Panetta, 7/11: if subcommittee. chairman's mark reaches the President's desk in its current form, "he will veto."
- House subcommittee reported-
□
-OMB letter 7/19: President would veto.
- House committee reported-
□
-Rules SAP 7/27: President would veto.
- House committee reported-
□
-Floor SAP 8/2: President would veto.
- House passed-
□
-OMB letter 8/12: President would veto.
- Senate subcommittee reported-
□
-OMB letter 9/14: President would veto.
- Senate committee reported-
□
-Floor SAP 9/26: President would veto.

*Leg Branch (HR 1854)
- Conference report-
□
-POTUS said on 8/1: "If the congressional leadership follows through on its plan to send me its own funding bill before it finishes work on the rest of the budget, I will be compelled to veto it."
- Rivlin letter 9/6: ?To avoid a veto, Congress should first make substantial progress in presenting other appropriations bills that the President can sign...?
- POTUS veto 10/3: will not sign Leg. Branch Appropriations until Congress completes action on remaining FY 1996 Appropriations bills

Mil Con (HR 1817)
- House subcommittee reported-
□
-OMB letter 6/13: would support if modified.
- House committee reported-
□
-Rules SAP 6/15: would support if modified.
- House
□
-passed-
□
-OMB letter 7/18: strongly objects to certain provisions.
- Senate committee reported-
□
-Floor SAP 7/20: strongly objects

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to certain provisions.
- House and Senate passed-
□
-OMB letter 9/14: serious
objections, position to be determined.
- POTUS signed 10/3: disappointed that Act provides $70
million for unneeded projects... would have used line
□
-item
veto authority had Congress completed action on line
□
-item veto
legislation.
Transportation (HR 2002)
- House committee reported-
□
-Rules SAP 7/19: serious
objections.
- House committee reported-
□
-Floor SAP 7/21: serious
objections.
- House passed-
□
-OMB letter 8/1: serious objections.
- Senate committee reported-
□
-Floor SAP 8/9: appreciate that
several concerns are addressed, but have some remaining
concerns.
- House and Senate passed-
□
-OMB letter 9/13: outlines several
remaining concerns.

*Treasury/Postal (HR 2020)
- House subcommittee reported-
□
-OMB letter 7/10: serious
objections.
- House committee reported-
□
-Floor SAP 7/17: OMB/Sr.WH
officials/OPM veto recommendation.
- House
□
-passed-
□
-OMB letter 7/24: OMB/Sr.WH
officials/Treasury/OPM veto recommendation.
- Senate subcommittee reported-
□
-POTUS statement re: ONDCP
7/26: ?As this bill is now constructed, I will not sign it?.
- Senate subcommittee reported-
□
-OMB letter 7/27: Treasury veto
recommendation.
- Senate committee reported-
□

CLINTON LIBRARY PHOTOCOPY

-Floor SAP 8/3: President has
stated he would not sign due to elimination of ONDCP;
Treasury veto recommendation due to other concerns.
- House and Senate passed-
□
-OMB letter 9/12: OMB, Treasury, OPM

veto threat on House and Senate bills.
*VA/HUD/Independent Agencies (HR 2099)
- House subcommittee reported-
□
-Panetta statement 7/11:
President will veto.
- House subcommittee reported-
□
-OMB letter 7/17: senior
advisors veto recommendation.
- House committee reported-
□
-Rules SAP 7/24: President would
veto.
- House committee reported-
□
-Floor SAP 7/26: President would
veto.
- House
□
-passed-
□
-POTUS stated 8/1: "The minute this polluter's
protection act hits my desk, I will veto it."
- House
□
-passed-
□
-OMB letter 8/12: President would veto.
- Senate subcommittee reported-
□
-OMB letter 9/13: President
would veto.
- Senate committee reported-
□
-Floor SAP 9/25: President would
veto.
- House & Senate passed-
□
-OMB letter 11/6: President would
veto.
□

PRINTER FONT 12_POINT_COURIER
SUMMARY of ADMINISTRATION OPPOSITION
[Prepared by OMB/LRD and OMB/LA]
(NON
□
-APPROPRIATIONS)

(Note: For details on the legislation listed below,
including the basis for opposition, see the "STATUS OF
MAJOR LEGISLATION" list that follows - note the item #;

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for appropriations items, see the "APPROPRIATIONS"
list, above.)

Changes from previous day indicated by asterisk (*).

VETOES:

PRINTER FONT 12_POINT_ROMAN
Rescissions/Supplemental - HR 1158
Bosnia - S. 21 [Item 104]
Legislative Branch Appropriations - HR 1854

PRINTER FONT 12_POINT_COURIER
PRESIDENTIAL VETO THREATS:

Americans with Disabilities Act Revisions - July 26, POTUS said
he would veto "any substantive change to the ADA."
Arctic National Wildlife Refuge - [Item #211]
Assault Weapons Ban

Clean Water Amendments of 1995 - HR 961 [Item # 202]
Crime/100,000 cops - HR 728, Law Enforcement Block Grants [Item
#4]
Davis
□
-Bacon - S 141 [Item #303]
Dismantling Commerce Department - HR 1756 and S 929 [Item #20]
Foreign Affairs Authorization/Merge AID, ACDA, USIA into State -
HR 1561, S 908, S 961 [Item #102]

Loser Pays - Civil Litigation - HR 988 [Item #7]
Medicare Preservation Act - HR 2425, passed by the House on 10/19
by a vote of 231
□
-201. HR 2425 was incorporated into the House
budget reconciliation bill, which was passed on 10/26 by a vote
of 227
□
-203.

National Defense Authorization Act - S 1026 [Item #103]
National Security Bill - HR 872 [Item #101]
Product Liability/Civil Litigation - HR 956 [Item #6]

Student Loans
Takings/Private Property Protection - HR 925 and S 605 [Item
#213]
Tax Fairness and Deficit Reduction Act - HR 1215 [Item #3]
Teamwork for Employees and Managers Act - HR 743 (Item #307]
Telecommunications Amendments - HR 1555 [Item #9]
Welfare Reform - HR 4 [Item #301]

MULTIPLE AGENCY VETO RECOMMENDATIONS:
Comprehensive Regulatory Reform Act of 1995 - S 343 [Item #212]

Regulatory Moratorium - HR 450 [Item #5]
PRINTER FONT 12_POINT_ROMAN
Cuban Liberty and Democratic Solidarity Act - HR 927 [Item # 105]
*Federal Aviation Administration Revitalization Act of 1995 - HR

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2276 [Item #22]

Science Authorizations - HR 2405 {Item #214]

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SINGLE AGENCY VETO RECOMMENDATIONS:
Endangered Species Conservation and Management Act - HR 2275 [Item #203]
Financial Institutions Regulatory Relief Act of 1995 - HR 1858 [Item #14]
Food Stamps - Block Grant, HR 4, HR 1997, and S 904 [Items #201, 301, & 310]
Mining Law - S 506 [Item #207]
National Defense Authorization Act - HR 1530 [Item #103]
National Highway System Designation Act of 1995 - S 440 [Item #12]
Utah Wilderness - HR 1745 and S 884 [Item #208]

OSHA Reform - HR 1834 [Item #311]

Student Loan Provisions - in Senate reconciliation bill
□

Transfer BLM Lands to States - HR 2032 [Item #210]

STRONGLY OPPOSE:

Federal Retirement Reform - HR 1215 and HR 1185 [Item #401]

Highway Off
□
-Budget - HR 842 and HR 2274 [Item #13]
HUD Elimination Act - S 435 [Item #11]
Legal Aid Reform Act - HR 2277 [Item #21]
Livestock Grazing Act - S 852 and HR 1713 [Item #209]
National Highway System Designation Act of 1995 - S 440 and HR 2274 [Item #12]
Pipeline Safety Act - HR 1323 [Item #19]
Risk Assessment - HR 1022 [Item #212]
Telecommunications - S 652 [Item #9]

OPPOSE:
*Housing for Older Persons Act - HR 660 [Item #16]
Lorton Closure - HR 461 [Item #15]
Regulatory Sunset and Review Act of 1995 - HR 994 [Item #18]
Service Contract Repeal Act - HR 246 [Item #304]

OPPOSE UNLESS AMENDED:

PRINTER FONT 12_POINT_ROMAN
Securities Litigation Reform - HR 1058 [Item #8]
Violent Criminal Incarceration - HR 667 [Item #4]
\d
□

PRINTER FONT 12_POINT_COURIER
STATUS OF MAJOR (Non
□
-Appropriations) LEGISLATION
[Prepared by OMB/LRD]

CLINTON LIBRARY PHOTOCOPY

PRINTER FONT 12_POINT_ROMAN
(Note: Parentheticals indicate who is tracking; bills grouped by RMO)

[Changes from previous day indicated by asterisk (*)]
PRINTER FONT 12_POINT_COURIER
GENERAL GOVERNMENT & FINANCE:

1. Budget Resolution: (Konigsberg)
House completed action on HConRes 67 on 5/18, passing the Kasich budget plan 238
□
-193. Senate completed action on 5/25, passing the Domenici budget 57
□
-42. Budget Resolution conference agreement passed the House on 6/29 by a vote of 239
□
-194, and passed the Senate the same day by a vote of 54
□
-46 (party line).
*2. Item Veto: (Konigsberg/J. Gibbons, x57593)
House passed HR 2 (enhanced rescission) on February 6, (294
□
-134). Senate passed S 4 (separate enrollment) on March 23, (69
□
-29). Conference: Next meeting of conferees is tentatively scheduled for November 8th.
3. Tax Fairness and Deficit Reduction Act: (R. Jones, x53386)
House passed HR 1215 on April 5, (246
□
-188) including tax cuts (child credit, IRAs, repeal taxes on soc.sec., neutral cost recovery, corporate AMT, cap gains, expensing, adoptions, marriage penalty credit, long
□
-term care incentives); raise soc. sec. earnings limit; spending caps; Medicare extenders; spectrum extender; uranium enrichment; Federal retirement reforms; and automatic sequester of amounts taxpayers dedicate to debt reduction. SAP-- "If...presented ...in its current form, the Secretary of the Treasury and the Director of OMB would recommend a veto." Senate is handling tax cuts in the context of reconciliation. Basis for opposition: Bill is fiscally irresponsible and would provide disproportionate tax benefits to the wealthy at the expense of programs for average Americans.
4. Crime Bills: (R. Jones, x53386)
House split their original crime bill into 7 smaller pieces and passed 6 of them--
? HR 665, requiring restitution for victims of federal crimes, passed February 7 (431
□
-0); SAP--"supports passage."

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? HR 666, allowing federal prosecutors to use improperly obtained evidence if police officers acted in "good faith"; would apply with and w/o warrants. Passed

February 8, (289- 142). SAP
□
-support only if amended to
apply only where warrants have been obtained.
? HR 729, containing reforms affecting federal habeas corpus review of state criminal judgments and collateral review of federal judgements, and requiring federal juries to impose death sentences in certain cases. Passed February 8 (297
□
-132). SAP-
□
-support if DOJ concerns
addressed.
? HR 667, would replace the prison funding program enacted in '94 Act with allocations based on sentencing criteria; and would limit prisoner litigation. Passed February 10, (265
□
-156). SAP-
□
-oppose unless amended.
Basis for opposition: Proposed distribution of prison grants is inferior to current program; drug court program would be repealed.
? HR 668, to expedite the deportation of aliens who commit serious crimes and reimburse states for incarceration of criminal aliens. Passed February 10, (380
□
-20). SAP-- support if amended to offset the increased direct spending ($600m/yr).
? HR 728, combining last year's grants for 100,000 cops and crime prevention into block grants. Passed February 14, (238
□
-192). SAP-
□
-Presidential veto threat. Basis for opposition: Bill repeals police grants program, which provides for 100,000 cops. It also eliminates many crime prevention programs.

Senate action on crime legislation not yet scheduled. However, habeas corpus provisions related to those in HR 729 are included in the Senate
□
-passed anti
□
-terrorism bill
(S 735, discussed below).

5. Reg Moratorium/Waiting Period: (J. Weinberg, x53457)
House passed HR 450 on Feb. 24 by 276
□
-146. The bill would

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establish a "moratorium period" -- Nov. 20, 1994 through Dec. 31, 1995 or enactment of reg reform, whichever is earlier -- during which a Federal agency may not take any "regulatory rulemaking action" unless it falls within a specified emergency exception (i.e. military or foreign affairs functions, international trade agreements, agency management, certain banking regulatory matters, implementation of the internal revenue laws; matters relating to loans, grants, benefits, or contracts). Also exempted: regs determined by OIRA to be necessary because of an imminent threat to health or safety or other emergency or necessary for the enforcement of criminal laws. SAP--"The President has stated that a moratorium on regulations, as provided for in H.R. 450, is not acceptable....the Secretaries of Agriculture,

Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, Transportation, and the Treasury, the Attorney General, and the Administrator of the Environmental Protection Agency would recommend that it be vetoed." (In addition, POTUS said on 4/7/95, "if Republicans send me a bill that would let unsafe planes fly or contaminated water continue to find itself into city water systems, I will veto it." Veto threat reiterated in Earth Day speech, 4/21/95.) Basis for opposition: Would prevent the issuance of meritorious rules.
Senate passed S. 219 on March 29 by 100
□
-0; under the
Senate version, regs would not go into effect for 45 days, during which time Congress could enact a disapproval resolution. A March 29 statement by the President called the 45
□
-day review period "the right way to reform regulation."
Conference: On June 16, the Senate requested a conference and appointed conferees. Press reports indicate that the House may seek to attach its regulatory sunset legislation (HR 994, described below) to S 219.
6. Product Liability/Civil Litigation/Medical Malpractice:
(I. Schroeder, x53883)
House passed HR 956 on March 10 (265
□
-161). It would cap
punitive damages in all civil cases and would cap non-economic (pain and suffering) damages in suits against health providers and insurers. Basis for opposition: Product liability reform should generally be left to the States; punitive damages shouldn't be arbitrarily capped; and differential treatment of "economic" and "noneconomic" (e.g., "pain and suffering") damages is inappropriate. (March 6th Reno/Mikva letter.)

Senate passed HR 956 on May 10 (61
□
-37). It would cap
punitive damage awards by juries in product liability cases at $250,000 or twice compensatory damages (economic

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and non
□
-economic damages), whichever is greater. Judges could override those limits in "egregious" cases. Punitive damage awards in product liability cases could not exceed $250,000 for small businesses. Basis for opposition: A May 10th White House statement said the Senate
□
-passed liability bill "in its present form does not go far enough toward balancing the interests of consumers with those of manufacturers and sellers." The statement also stated the Administration's concerns regarding the limits on punitive damages adopted by the Senate and reiterated the Administration's opposition to provisions which would abolish joint and several liability. (A provision limiting punitive damage awards in all civil lawsuits, which was the subject of a May 4th

Presidential veto threat, was later limited to product liability cases only.)
Medical malpractice/liability reform was added to the Reconciliation bill.
Conference: Media reports indicate that House leaders may appoint conferees in early November.

7. Loser Pays - Civil Litigation: (I. Schroeder, x53883)
House passed HR 988 on March 7 (232
□
-193). Basis for
opposition: The bill, which would affect only Federal civil suits involving parties from different States, would impose a modified "loser pays" rule, intended to encourage parties to settle out of court. The President said on 4/7/95 that he "will veto any bill with a 'loser pay' requirement such as that was in the House bill." In the Senate, provisions similar to those of HR 988 were added to -- and subsequently deleted from -- the product liability bill (HR 956) on the Senate floor.

8. Shareholder Suits: (I. Schroeder, x53883)
House passed HR 1058 on March 8 (325
□
-99). Basis for
opposition: Could lead to inadequate deterrence against financial fraud. (March 6th Reno/Mikva letter.)
Senate passed HR 1058 on 6/28/95 (69
□
-30). SAP sent to
Senate on 6/23/95 states that the Senate version (previously S. 240) "is now a substantial improvement on [the House version of] H.R. 1058, which the Administration could not support." The statement recommended amendments to: (1) clarify that safe harbors should not protect purposefully misleading statements; (2) restore liability for aiding and abetting in private action that follow a SEC action; and (3) extend the statute of limitations for private securities fraud actions to five years after a violation occurs. The SAP opposed a provision in the bill that would establish

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proportionate liability for reckless defendants and recommends replacing it with an amendment that would require culpable solvent defendants to pay up to two times their proportionate share of the damages, when a portion of the award is uncollectible.

Conference: House appointed conferees on 10/24/95. Senate has not appointed conferees yet. Media reports indicate that a compromise has been worked out which would basically adopt the Senate bill with modifications to the safe harbor provisions.
9. Telecommunications Amendments: (J. Weinberg, x53457)
House passed HR 1555, amended, on August 4th, 305
□
-117.
Statement by the President on August 1st threatening to veto HR 1555 with the managers? amendments. Basis for

opposition: Would harm competition and weaken benefits to the public.

Senate passed S. 652 on June 15th, 81
□
-18. SAP strongly
opposed Commerce Committee
□
-reported bill. White House
Press Office issued an Administration statement on Senate passage of S 652 on June 16: "The Administration's position on the final legislation will depend on the extent to which the Administration's concerns have been addressed satisfactorily during the course of the entire legislative process." VP said on April 3 that he opposes the Senate Commerce Committee bill, and on April 4 the VP clarified in a letter, "I did not say that the President would veto the bill, since it is too early for such a decision...." Basis for opposition: Would result in higher phone and cable bills and decrease competition for phone and cable services.
Conference: President sent a letter to Senator Hollings on 10/26/95 stating the following concerns: that neither bill provides a meaningful role for the Justice Department in safeguarding competition before local telephone companies enter new markets; the bills allow too much concentration within the mass media and in individual markets; the provisions allowing mergers of cable and telephone companies are overly broad; and ?I oppose deregulating cable programming services and equipment rates before cable operators face real competition.? Conferees met for the first time on 10/25/95.

10. Banking and Insurance Reform: (R. Jones, x53386)
House Banking Committee marked up Chairman Leach's HR 1062 on May 18. This bill would permit banks and securities firms to affiliate, allowing banks to underwrite securities and permitting securities firms to own banks. HR 1062 was reported by the House Commerce Committee on June 22. A new bill (HR 2520) combining aspects of HR 1062 and HR 1858 (discussed below) was

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introduced on Oct. 24. (See below for discussion of HR 1858 - Banking Deregulation.)
11. HUD Elimination Act: (A. Briatico, x57887)
Although no specific hearings have been held on S. 435, a number of Senate hearings have been held on "reinventing" HUD. HUD, Justice, and OMB have sent letters to the Senate Banking, Housing, and Urban Affairs Committee strongly opposing Title II of S. 435. Title II would transfer to Justice all of the responsibilities currently assigned to HUD under the Fair Housing Act. The Senate
□
-passed VA/HUD Appropriations Bill (H.R. 2099) also would transfer all Fair Housing Act responsibilities from HUD to Justice. The Administration strongly opposed this

transfer in the SAP on H.R. 2099 sent on September 25th. Basis for opposition: The administration of these authorities is best accomplished by HUD, which has the infrastructure to handle these responsibilities.
12. National Highway System: (J. Brown, x53473)
Senate bill (S. 440) passed the Senate on June 22nd. It would designate routes for the new National Highway System (NHS). Absent designation of the NHS, DOT is unable to obligate $5.2 billion in highway funding in FY 1996. Basis for opposition: Repeal of national maximum speed limit law and motorcycle helmet requirements. (SAP to Senate, 6/15/95. A provision repealing
Davis
□
-Bacon
□
-type labor protections, which was the subject of a Secretary of Labor veto threat in the SAP, was deleted on the Senate floor.)
House bill (H.R. 2274) passed the House on September 20th. Basis for opposition. Repeal of national maximum speed limit law and motorcycle helmet requirements; could provide for up to $2.2 billion more in highway spending than contemplated by current law; requires congressional approval for all changes to NHS; rescinds funding for congestion pricing program; and restricts the Federal Transit Administration?s authority to enter into full funding agreements.
Conference: Press reports suggest that conferees are close to finishing their work.
13. Highway Trust Fund Off
□
-Budget Bill: (J. Brown, x53473)
House bill (HR 842 and HR 2274). HR 842 was ordered reported by House Transport. Cte. on May 3. Subsequently incorporated in HR 2274, the ?National Highway System Designation Act of 1995" in a House Transport. Subcommittee markup on September 7th. Removed from HR 2274 prior to floor action in return for a commitment from the Speaker for floor consideration of HR 842.
Basis for opposition: Bill removes four trust funds from the Budget -- inconsistent with unified budget. (Rivlin letter to Chairman Shuster, 3/27/95.) Senate bill (S.

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729) was introduced on April 27 by Sens. Baucus and Lott.
14. Banking Deregulation: (R. Jones, x53473)
House Banking Committee reported Chairman Leach's HR 1858 (successor to HR 1362) on July 18. A new bill (HR 2520), combining aspects of HR 1858 and HR 1062 (described above) was introduced on Oct. 20. Basis for opposition: Weakens important safeguards for assuring the safety and soundness of FDIC
□
-insured depository institutions and
would eviscerate the Community Reinvestment Act.
(Secretary Rubin issued a veto threat in a 6/29/95 letter to Chairman Leach. Under Secretary Hawke, in an 10/29/95

letter to the Banking Committee, restated the Treasury veto recommendation on a component of the new bill and added, ?Despite some modest improvements in that component...the bill remains deeply flawed. . . .?)
Senate bill (S 650) was ordered reported by the Senate Banking Committee on September 27th. The Senate bill contains some, but not all, of the troublesome provisions.

15. Lorton Closure: (M. Cook, x53924)
The House Government Reform and Oversight D.C. Subcommittee has held a couple of hearings this year on HR 461, the "Lorton Correctional Complex Closure Act." At these hearings, no Administration witnesses were asked to testify. Justice, however, expects Administration witnesses to be invited to testify at future Subcommittee hearings on this matter. On 3/16/95, Justice sent a letter to this Subcommittee opposing HR 461. Basis for opposition: The approach of HR 461 is "seriously flawed" but alternatives, which will be discussed with the Congress, exist to remedy the Lorton issue.
*16. Housing for Older Persons Act: (A. Briatico, x57887)
On April 6, 1995, HR 660 passed the House by a vote of 424 to 5. The Administration sent a SAP on 4/6/95 opposing H.R. 660. The Senate Subcommittee on the Constitution, Federalism and Property approved HR 660 by voice vote on August 2nd with an amendment that would require senior citizen housing to have at least 80 percent actual occupancy by seniors to qualify for the exemption from the Fair Housing Act. Justice sent a letter to the Senate Judiciary Committee opposing this bill on 9/20/95. The Committee approved H.R. 660 on 10/26/95. Basis for opposition: Amends the Fair Housing Act in a way that would loosen the standards used to determine what housing qualifies for the "housing for older persons" exemption, potentially increasing discrimination against families. Therefore, the Administration prefers administrative action to clarify the application of the "housing for older persons" exemption. NOTE: The bill's provisions are similar to those of Title IV of HR 8, the "Senior Citizens' Equity Act," a Contract with America bill.

17. Counterterrorism: (R. Jones, x53386)
Senate passed S 735 on June 7 (81
□

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-8) The bill includes
many proposals similar or identical to Presidential
proposals (e.g., establishes Federal jurisdiction for
terrorist acts, expedites removal of alien terrorists
from the U.S., implements the international agreement on
marking plastic explosives, etc.). Does not include the
Administration's language for funding compliance with the
1994 digital telephony legislation. Includes habeas

corpus reforms similar to that passed the House as a free
standing bill (H.R. 729, listed under crime heading
above). House Judiciary Committee ordered H.R. 1710
reported on June 20 (23
□
-12). The House bill also
includes many of the President's proposals, including a
funding mechanism for digital telephony. Opposition from
conservative Republicans has delayed further action on
the bill. The Committee will not issue the report until
they believe they have enough votes for it to pass. No
further action is expected until after appropriations and
reconciliation action is completed. Rep. Schumer has
begun circulating a discharge petition to move the bill
to the House Floor.

18. Regulatory Sunset and Review: (J. Gibbons, x57593)
House bill (HR 994) was approved by a Gov. Reform &
Oversight Cte. on 7/18/95 with significant amendments by
a vote of 39
□
-7. On 10/31/95 House Judiciary Cte. marked
up HR 994 and ordered it reported, as amended, by a voice
vote. Basis for opposition: Open
□
-ended in scope,
excessively rigid, and contradictory criteria for review
of regulations; paperwork requirements are unworkable.
(Katzen testimony of 3/28/95 before House Gov. Reform.)
Senate action not scheduled. Press reports indicate the
the House may attach HR 994 to S 219 as passed by the
Senate (described above).
19. Pipeline Safety: (J. Brown, x53473)
House bill (HR 1323) has been reported by Transportation
and Commerce Ctes. A SAP strongly opposing the bill was
sent to the House on September 20th. The bill was
subsequently removed from the House floor schedule.
Basis for opposition: (1) Authorizes less than 44
percent of the FY 1996 Budget request for pipeline safety
activities; and (2) imposes burdensome and costly risk
assessment procedures on the pipeline safety rulemaking
process.
20. Dismantling Commerce Department: (J. Weinberg, x53457)
House bill (HR 1756) hearing was held by two House
Commerce Subcommittees on 7/24/95 at which Secretary
Brown announced that the President will veto any
legislation to dismantle
the Commerce Department.
Multiple House Committees
have approved conflicting
versions of HR 1756.

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Compromise version included
in House reconciliation
bill. Senate bill (S 929)
hearing was held by Senate
Governmental Affairs on
7/25/95 at which Secretary

Brown repeated Presidential
veto statement. On 9/7/95
Senate Governmental Affairs
Committee marked up S. 929
and ordered it reported by
a vote of 5 to 3.
Basis for opposition: Commerce Department is working
effectively to promote economic growth.
21. Legal Aid Act of 1995: (A. Briatico, x57887)
House bill (HR 2277) to abolish the Legal Services
Corporation and replace it with a block grant program was
marked up by the House Judiciary Committee on 9/13/95.
Justice and White House Counsel sent a letter to the
Committee ?vigorously opposing? the bill. The New York
Times reported on 9/13/95 and 9/14/95 that the Clinton
Administration/President would veto the bill. (The Times
did not provide an information source regarding the veto
threat.) The Administration has not taken
a formal position
on a related Senate bill,(S 958) which would also abolish
the LSC. Basis for opposition: Eliminating the LSC
would result in the loss of effective,
community
□
-based legal services for millions of
poor and low
□
-income individuals.

*22. Federal Aviation Administration Revitalization Act of
1995.: (J. Brown, x53473)
House bill (HR 2276). HR 2276 was ordered reported by
House Transport. Cte. On November 1. In separate letters
dated October 31 to the Committee, the Departments of
Transportation and Justice stated that they would
recommend veto of H.R. 2276. Basis for opposition: Bill
removes FAA from the Department of Transportation and
establishes it as an independent establishment in the
Executive branch, eroding accountability and creating
Constitutional concerns; structure of proposed governing
board poses constitutional concerns; removes Airport and
Airways Trust Fund from the Budget -- inconsistent with
unified budget. Senate bill (S. 1239) was introduced on
September 13 by Sen. McCain.

NATIONAL SECURITY & INTERNATIONAL AFFAIRS:
101. National Security: (A. Rooney, x57300)
House passed HR 7 on February 16th (241
□
-181) (star wars
was deleted on the Floor but many objectionable
provisions remain which would infringe upon the authority
of the President to respond to international crises and

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conflicts; remove UN peacekeeping as an option for burdensharing; establish an unnecessary Nat'l Security Commission; and mandate policies on NATO membership). (HR 872 was amended on the House floor and passed as HR

7) On 4/7/95, POTUS said that he would refuse to approve the peacekeeping legislation passed by the House. SAP (Feb. 13th)-- State, Defense, and the U.S. Ambassador to the UN would recommend a veto. Basis for opposition: Infringes on President's constitutional authorities as Commander in Chief; and virtually eliminates U.S. participation in UN peacekeeping efforts.
Senate Foreign Relations Committee (SFRC) began hearings on March 21st on S 5, Peacekeeping Powers Act (introduced by Dole) and HR 7. Aspects of S 5 were considered on May 17th as part of the SFRC markup of Foreign Affairs Authorization and Consolidation proposal (S 908) and deleted from the bill as reported. State advises that peacekeeping may be considered separately by the Committee at a later date.
102. Foreign Affairs Authorization and Consolidation: (A. Rooney, x57300)
House passed HR 1561 on June 8th (222 - 192). On September 27th, the H. International Relations Cmt. voted (21
□
-12) to include, by reference, the House passed consolidation provisions of HR 1561 in its recommendation for Reconciliation. The House passed its reconciliation bill (HR 2491) on 10/26/95 by 227
□
-203. On May 23rd, the
President expressed serious concerns regarding congressional legislation that would "place new restrictions on how America conducts its foreign policy and slash our budget in foreign affairs." Further, the President advised that if HR 1561 passed in its present form, he would veto it. SAP (May 22nd) -- State, DOD, Treasury, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of HR 1561. In an October 18th letter to Chairman Kasich, OMB reiterated the Administration?s serious objections to the foreign affairs consolidation provisions (Division A of H.R. 1561) contained in the House International Relations reconciliation language. Basis for opposition: Imposes numerous, far
□
-reaching restrictions on the
conduct of American foreign policy; inappropriately consolidates three foreign affairs agencies (AID; ACDA; USIA) into a "super" State Department; and significantly reduces appropriation authorizations for international affairs programs.
Senate Foreign Relations Committee (SFRC) ordered reported Senator Helms' foreign relations authorization and consolidation proposal (S 908) on May 17th by a vote of 10- 8. On June 7th, SFRC ordered reported Senator Helms' Foreign Aid Reduction Act (S 961) by a vote of 10
□

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-8. On July 26th, the President stated that S. 908 ?would undermine the President?s authority to conduct our nation?s foreign policy and deny us the resources we need to

lead in the world.? (The statement also cited S. 961 as contributing to the "dangerous and shortsighted" cuts in the international affairs budget.) The President concluded that he would veto this legislation in its present form. On August 1st, the Senate failed twice to invoke cloture on S. 908 on identical votes of 55
□
-45. On
September 29th, a unanimous
□
-consent time agreement was
reached providing for Senate consideration of S. 908 (i.e., 4 hours of debate on the bill and an Helms
□
-Kerry
to be agreed
□
-upon ?managers? amendment?). SAP (June 28th) -- State, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of S 908. Basis for opposition: Same as opposition to House bill. SAP on S. 961 (July 27th) -- State, Defense, U.S. Ambassador to the UN, and AID would recommend a veto. Basis for opposition: unwise restrictions on Presidential authority, congressional micro
□
-management, and inadequate
appropriations authorizations. Further Senate consideration of S. 961 is uncertain.
103. National Defense Authorization Act: (R. Nassif, x57896) House passed HR 1530 (300
□
-126) on June 15th. Sec. Perry,
in a June 20th letter to Sen. Thurmond, stated that "[m]any of the provisions . . . are totally unacceptable. Unless they are eliminated or radically modified, they threaten the prospects for the bill itself." SAP on HR 1530 (6/13/95)-
□
-strongly opposes. Basis for
opposition: Raises serious constitutional, national security, budget, personnel, and management concerns. Senate passed S 1026, the companion bill, on September 6th (64
□
-34). The National Security Adviser, in an August 4th letter to Sen. Daschle, stated that "unless the unacceptable missile defense provisions are deleted or revised and other changes are made to the bill . . . . the President's advisors will recommend that he veto the bill." SAP on S 1026 (7/31/95)--"The President will not support the bill unless these concerns are addressed." Basis for opposition: Raises serious constitutional, national security, budget, and management concerns. Conferees met in closed session on September 28th, but

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did not complete action; it is not clear when this conference will conclude.
104. Bosnia: (A. Rooney, x57300)
On August 11th, the President vetoed S. 21. Congressional action to override the President?s veto is unlikely at this time. In July 25th letters to Senators Dole and Daschle, the President expressed strong opposition to S. 21, the Bosnia and Herzegovina Self
□
-Defense Act. The President concluded that he would veto any resolution or bill that "may require the United States to lift unilaterally the arms embargo." A similar

provision was added to H.R. 1561 during House consideration. (See above for status of H.R. 1561). The Senate passed S. 21, by 69
□
-29 on July 26th and the House, by a vote of 298 to 128, passed and cleared the bill for the President on August 1st. Basis for opposition: Undermine efforts to achieve a negotiated settlement in Bosnia and could lead to an escalation of the conflict there, including the possible Americanization of the conflict.
105. Cuban Liberty and Democratic Solidarity Act: (A. Rooney, x57300)
House passed H.R. 927 by vote of 294
□
-130 on September 21st. Sec. Christopher letter (9/20) to Speaker prior to House floor action stating that he would recommend a veto of H.R. 927 because it ?would damage prospects for a peaceful transition in Cuba and jeopardize a number of U.S. interests around the world.? SAP on H.R. 927 (9/20/95) -- President?s senior advisors would recommend a veto. Basis for opposition: Would not advance U.S. interests in Cuba and would damage other U.S. interests. The Senate passed H.R. 927, as amended, by a vote of 74
□
-24 on October 19th. After two failed attempts to invoke cloture, the Dole/Helms substitute was amended to delete Title III, which would have allowed a private right of action for Cuban
□
-Americans whose property had been confiscated by the Cuban government. SAP on H.R. 927 (10/11/95) -- President?s senior advisors would recommend a veto. Basis for opposition: Would not advance U.S. interests in Cuba and would damage other U.S. interests.
Conference action is expected this year.
NATURAL RESOURCES, ENERGY & SCIENCE
201. Farm Bill: (A. Perkins, x53857)
Traditionally a 5
□
-year measure, this legislation will reauthorize a slew of farm, nutrition, rural development, and other USDA programs. The Administration's Farm Bill

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guidance assumes savings in farm programs of $4.2 billion over 7 years. Most action on farm programs currently involves reconciliation, with instructions requiring cuts of $13.4 billion over 7 years. In the House, serious divisions between Republicans prevented the Agriculture Committee from approving reconciliation legislation. Chairman Roberts was unable to convince some southern Republicans to support his ?Freedom to Farm? proposal (HR 2195) to decouple farm payments from production levels and increase planting flexibility. However, the House Rules Committee included the Roberts? bill in its rule for reconciliation and the House passed it (HR 2491) on

October 26th by 227
□
-203. In an October 18th letter to Chairman Kasich and an October 23rd letter to Chairman Domenici, OMB expressed the Administration?s serious concern with the deep level of cuts proposed for Agriculture by the reconciliation instructions. The letter to Kasich also noted ?serious concerns with the House Republican leadership?s ?Freedom to Farm? proposal to reach the savings target, particularly its effect on the federal safety net for family
□
-sized farms.?
In the Senate, the Agriculture Committee passed Chairman Lugar?s mark on 9/28/95 by a 9
□
-8
□
-1, with Sen. The Senate reconciliation bill (H.R. 2491) passed by 52
□
-47 on 10/27/95.
202. Clean Water Amendments of 1995: (H. Fitter, x53233)
House passed HR 961 on May 16th, by a vote of 240
□
-185.
The bill would ease, overhaul, or revoke a number of current law's anti
□
-pollution requirements, allow States to continue to rely on voluntary measures to deal with certain water pollution problems, and restrict the ability of Federal agencies to declare wetlands off limits to development. On May 30, 1995, POTUS stated that the House
□
-passed bill "will not get past my desk."
SAP, sent on May 9, 1995, contained multiple agency veto threat (OMB, Justice, EPA, Interior). Basis for opposition: The bill would reduce water quality protection; eliminate fundamental wetlands protections; create enormous new costs (the bill includes a "mandatory compensation" takings provision similar to that contained in HR 925); fail to address effectively non
□
-point source

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pollution; and paralyze the Federal Government's ability to issue regulations and guidance to protect the Nation's waters. Senate Environment Chairman Chafee has indicated that Clean Water Act reauthorization is not one of his top priorities.
203. Endangered Species: (M. Goad, x57301)
At July 13th and 20th oversight hearings before the Senate Environment and Public Works Committee, the Departments of Commerce and the Interior testified on the Endangered Species Act (ESA). The Committee may hold additional oversight hearings. On 10/26/95, Sen. Kempthorne (R
□
-ID) introduced legiation to revise the ESA.
The bill would direct the manner in which Interior manages endangaged species, end automatic protection for certain subspecies, and redefine endangered species as those likely to become extinct within 40 years. CEQ advises that Sen. Reid (D
□
-NV) may also introduce a bill
to reauthorize the ESA.
On May 25th, the Departments of Agriculture, Commerce, and the Interior testified before the House Endangered

Species Task Force on possible changes to the ESA. The bill would: (1) provide financial compensation for use or takings of private property under ESA; (2) modify ESA enforcement, conservation management, and listing procedures; (3) redefine the role and authorities of other Federal agencies; (4) curtail habitat protection activities; and (5) prescribe State authority to protect endangered species. At the September 20th House Resources Committee hearing on HR 2275, the Task Force bill, the Department of the Interior (Frampton) advised that ?the Secretary of the Interior would recommend that the President veto the bill if it is presented to him in its current form.? Justice (Fois), in an 10/12/95 report to Rep. Young, advised that ?[i]f H.R. 2275 were presented to the President, the Attorney General would recommend that he veto the bill?. On October 12th, the House Resources Committee ordered H.R. 2275, as amended, reported (27
□
-17). In a 10/18/95 letter to Chairman
Kasich, OMB expressed the Administration?s strong objection to language in the House reconciliation bill that would exempt a broad list of agency actions from ESA requirements. (On 10/26/95, the House passed its reconciliation bill by a vote of 227
□
-203.) Basis for
opposition: would undermine the scientific foundation of the Endangered Species Act; would impose costly, bureaucratic processes; would unfairly compensate certain property owners if regulatory actions taken under the ESA cause a decrease of 20 percent or more in the fair market value of any portion of the landowner?s property; depart from 200 years of constitutional jurisprudence; prevent enforcement of national and international wildlife laws;

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and would provide virtually no protection for wildlife.
204. Safe Drinking Water: (H. Fitter, x53233)
Reauthorization of the 1974 law designed to keep contaminants out of the nation's water supply. State and local officials want a State revolving loan fund for water supply projects and relief from testing requirements. House Commerce Committee staff is working on legislation. Senate. S. 1316, the Safe Drinking Water Act Amendments of 1995 (Kempthorne) was introduced on 10/12/95. The Environment and Public Works Committee ordered the bill reported on 10/19/95. EPA Administrator Browner generally supports the bill which would: capitalize State Revolving Funds, increase flexibility in standard setting and monitoring, and provide technical assistance to small systems.
205. Interstate Waste: (H. Fitter, x53233)
Senate passed S 534 on May 16th, by a vote of 94
□
-6. S.
534 would give states more power to restrict both intra and interstate garbage dumping. House Commerce subcommittee marked up an unnumbered subcommittee print

on May 18, 1995. Timing of full Committee action is uncertain.
206. Superfund Reform: (H. Fitter, x53233)
The taxes which fund the hazardous waste clean
□
-up program
expire at the end of 1995. There is support among some Republicans to scale back retroactive liability (which would shift much of the costs to the government). Senate Environment Subcommittee Chair Bob Smith introduced S. 1285, the accelerated Cleanup and Environmental Restoration Act of 1995 on 9/29/95. EPA Administrator Browner issued a statement on 9/29/95 saying that the Smith proposal would delay cleanup and fail to promote complete cleanup. A 10/12/95 hearing on S. 1285 was abruptly cancelled due to Sen. Majority Leader Dole?s opposition to a key provision authorizing a 50 percent tax credit to companies that expeditiously cleanup their share of a superfund site. The future of Superfund legislation in the Senate is unclear. House On October 18, 1995, Congressmen Oxley introduced H.R. 2500, Reform of Superfund Act of 1995. At a October 26, 1995 House Commerce Subcommittee hearing EPA, Justice, Defense, HHS (ATSDR), and Commerce (NOAA) testified in opposition to the bill. EPA stated that H.R. 2500 would not: protect human health and the environment, complete cleanups faster and at lower cost, reduce litigation, reform the liability scheme, or appropriately involve the community in decisionmaking. House Commerce Subcomittee on Commerce Trade, and Hazardous Materials began markup of H.R. 2500 on 11/1/95.

207. Mining Law: (M. Goad x57301)
Senate Energy and Natural Resources Committee has postponed indefinitely its markup of legislation (S 506) on hardrock mining on Federal lands, but included similar provisions in its 9/21/95 markup of

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reconciliation legislation. In a 9/20/95 letter to Chairman Murkowski, Secretary Babbitt cited serious concerns with the mining law provisions proposed for reconciliation. (The Secretary had previously indicated in a 5/25/95 letter on S 506 that he would recommend a veto of S 506.) The House Resources Committee included in its 9/19/95 reconciliation markup a number of provisions similar to S. 506 on mining patents, royalties, and maintenance fees. Secretary Babbitt cited serious concerns with these provisions in a 9/19/95 letter to Chairman Young. In a 10/18/95 letter to Rep. Kasich and a 10/23/95 letter to Sen. Domenici, OMB expressed the Administration's concern that the House and Senate reconciliation provisions to reform the 1872 hardrock mining law would, in fact, leave it largely intact. Reconciliation legislation (HR 2491) was passed by the House and Senate, respectively, on 10/26/95 and 10/27/95.

Basis for opposition: S 506 does not provide for meaningful reform. It would (1) grant rights to purchase valuable Federal mineral lands at bargain
□
-basement
prices; (2) deprive Federal land managers of authority to protect the environment; and (3) result in little or no return to Federal taxpayers for use of publicly
□
-owned
mineral deposits. Justice also strongly opposed S 506 in a 6/12/95 letter because it would increase litigation over public liability for cleanup.

208. Utah Wilderness: (M. Goad, x57301)
House Resources Committee on 8/2/95 ordered reported HR 1745, designating certain Federal lands in Utah as wilderness. Interior testified 6/29/95 before the Committee that the Secretary would recommend a veto of HR 1745. Basis for opposition: The bill would (1) fail to designate enough land as wilderness; (2) open up for development too much land currently protected as wilderness study areas; and (3) allow road construction and other activities that are incompatible with wilderness designation. Senate Energy and Natural Resources Committee has begun consideration of identical legislation (S 884) introduced by Sens. Hatch and Bennett. Interior testified on 7/13/95 before the Committee that the Secretary would recommend a veto of S 884. Basis for opposition: Same as House.

209. Livestock Grazing: (M.Goad x57301)
Senate Energy and Natural Resources Committee reported S 852 on 7/28/95, but further action on the bill is on hold until the bill's sponsor (Domenici, R
□
-NM) can forge
a compromise that can pass the Senate. Interior hopes the delay will give time for its new grazing regulations, which took effect on August 21st, to become more firmly established. However, some Western Democrats would like to reach a legislative compromise to make the issue go away. Interior strongly opposed S 852 in testimony before

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the Senate on 6/22/95, and USDA Forest Service objected in a 7/18/95 letter to provisions in the reported bill that apply to National Forest System lands. Basis for opposition: S 852 would (1) establish grazing as a dominant use for public lands over recreation, wildlife protection, and other concerns; (2) limit public involvement in the management of public lands; and (3) restrict land managers ability to enforce environmental and other applicable statutes.
The House Resources Committee included a number of provisions similar to S 852 in its 9/19/95 reconciliation markup. Secretary Babbitt cited serious concerns with these provisions in a 9/19/95 letter to Chairman Young. In an October 18th letter to Chairman Kasich, OMB stated that the Congress should not "use the budget process in

an effort to stop the (grazing) reforms" as proposed in the House Resources reconciliation language. (On 10/26/95, the House passed its reconciliation bill by a vote of 227
□
-203.) If these provisions are dropped by the reconciliation conferees, the Committee is expected to consider stand- alone legislation (HR 1713) that was approved in subcommittee on 9/12/95. Interior opposed HR 1713 in 7/11/95 testimony.

210. Transfer BLM Lands to States: (C. Crutchfield, x53857) Interior testified before the House National Parks Subcommittee on 8/01/95 that the Secretary would recommend veto of HR 2032. Basis for opposition: HR 2032 would "transfer tremendous national assets and revenues to a small number of fortunate States. The bill is fiscally irresponsible and would squander much of our national heritage." No bill introduced in the Senate.

211. Arctic National Wildlife Refuge: (M. Goad, x57301) On 08/01/95, the Senate Energy and Natural Resources Committee held an oversight hearing on oil and gas exploration on the coastal plain of the Arctic National Wildlife Refuge. Interior Secretary Babbitt, in a statement presented before the Committee, stated that he would "recommend to the President that he veto any legislation" that would allow for such activity in the Refuge. On 08/03/95, Secretary Babbitt reiterated the veto threat before the House Committee on Resources. In a 09/19/95 letter to Rep. Young and a 09/20/95 letter to Sen. Murkowski, Secretary Babbitt stated restated his ?intent to recommend to the President that he veto legislation opening the Arctic National Wildlife Refuge to oil and gas development? and advised that he ?would also recommend to the President that he veto a reconciliation bill containing any such provision.? In 09/21/95 letters to Reps. Young and Miller and Sens. Murkowski and Johnston, OMB Director Rivlin stated that, if the reconciliation bill ?includes language to open the coastal plain of the Arctic National Wildlife Refuge (ANWR) to oil and gas drilling, [the President] will veto the bill.? In a 10/18/95 letter to Rep. Kasich and a 10/23/95 letter to Sen. Domenici, OMB advised that ?the President will veto any reconciliation bill that opens

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ANWR to oil and gas drilling.? Both the House and Senate enacted versions of reconciliation contain provisions opening ANWR to oil and gas drilling. Basis for opposition: Such legislation would allow industrial development in, thus placing at risk the wildlife resources of, the only area along on the Alaskan arctic coast that is dedicated to the protection of wildlife and wilderness resources.

212. Reg Reform/Risk Assessment: (H. Fitter, x53233) House passed HR 1022, Risk Benefit and Cost Benefit Act of 1995 on February 28th (286
□
-141), requiring Federal agencies to perform highly detailed analyses of the risks that proposed health, safety and environmental regulations seek to address. SAP sent to the House on February 27, 1995, strongly oppose HR 1022. Basis for opposition: HR 1022 would impose overly broad, prescriptive, and costly analytical requirements on the regulatory process, encourage excessive litigation, and supersede the substantive requirements of many existing health, safety, and environmental laws (i.e., the so
□
-called supermandate).
Senate - Senate Floor action on S 343 began on 6/28. A 7/17/95 cloture vote failed (48
□
-46); a second cloture vote on 7/18/95 also failed (53
□
-47); a third cloture vote failed (58
□
-40) on 7/20/95. A SAP was transmitted on 7/10/95: veto threat by Secretaries of Labor, Agriculture, Health and Human Services, Housing and Urban Development, Transportation, the Treasury, and the Interior, the Administrator of EPA, and the Director of OMB. In addition, in a 6/23/95 letter to Senators Dole and Daschle, OMB OIRA Administrator Katzen stated "we continue to have serious concerns with S 343, and I would recommend that the President veto it if it were presented to him in its current form." Basis for opposition: Would impair rather than improve the regulatory process by generating additional costs, paperwork, litigation, and delay.
213. Private Property Rights/Takings: (M. Goad, x57301) On March 3rd, the House passed HR 925 (277
□
-148), subsequently incorporated the bill into HR 9, and then passed HR 9 (277
□
-141). HR 925 would require certain Federal agencies to compensate financially landowners if regulatory actions (taken under Endangered Species Act, and wetlands, farm, and water rights laws) cause a

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decrease of at least 20 percent in the fair market value of any portion of the landowners' properties. The agencies would be required to offer to purchase the property if the regulatory action causes a decrease of more than 50 percent in the property's value. SAP on HR 925-

□

-strongly oppose (3/1/95). On April 7th, POTUS said, "I will also veto the House

□

-passed requirement that government pay property owners billions of dollars every time we act to defend our national heritage of seashores or wetlands or open spaces." Basis for opposition: Undermines Federal authority to protect the general welfare; expands the traditional concept of Fifth Amendment "takings"; creates new direct spending; and imposes an unlimited fiscal burden in the form of an arbitrary, automatic compensation requirement for reductions in property values that are attributable to

Federal actions.

The Senate Judiciary Committee held an April 6th hearing on S 605 (Dole/ Hatch). (S 605 has a 33 percent threshold, and would apply to all Federal agencies.) In testimony presented at the hearing, Justice threatened veto. In separate letters sent to Sen. Hatch in May and June, Agriculture, Army

□

-Civil Works, Defense, EPA, GSA, HHS, Interior, Justice, Transportation, and Treasury advised that they would recommend veto. In a June 7th letter to Sens. Hatch, Biden, Dole, and Daschle, OMB Director Rivlin advised that, due to the significant increase in Federal spending that would result if S 605 were enacted, she would recommend veto. Interior, in an October 18th statement presented before the Judiciary Committee, reiterated the multiple agency veto threat. The Senate Environment and Public Works (EPW) Committee held a June 27th hearing at which Interior and Justice advised that they would recommend veto of S 605 and HR 925. In an additional EPW hearing on July 12th, EPA, Army (Corps), and OMB advised that they would recommend a veto of S.605 or similar legislation. Basis for opposition: Same as opposition to House bill.

214. Science Authorizations: (J. Weinberg, x53457) House passed HR 2405, the Omnibus Civilian Science Authorization Act, on October 12th by a vote of 248

□

-161.

SAP sent on October 11th: veto threat by Secretaries of Commerce and Energy, EPA Administrator, OMB Director, and Science Adviser. Basis for opposition: Unacceptably deep reductions in and terminations of Federal investments in science and technology. Senate action on an omnibus bill appears unlikely.

HUMAN RESOURCES

* 301. Welfare Reform: (M. Haskins, x53923) HR 4 SAP, 3/21/95 said oppose, but in a 4/13/95 CNN

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interview, POTUS said "I'd be happy to veto". Basis for opposition: denial of cash benefits to unwed parents under age 18; funding cuts to Food Stamp and other nutrition programs; funding cuts and removal of Federal oversight of State child protection systems; inadequate resources and requirements for States to move people from welfare to work; and inadequate resources for States in times of recession.
House passed H.R. 4 on March 23 (234
□
-199) which would
replace current welfare programs with 5 block grants to States (cash welfare; child welfare; child care; school meals; family nutrition). House SAP opposed H.R. 4 because it would: fail to reform welfare by moving people from welfare to work; reduce Federal funding in ways that would impair the health and nutrition of

children and families; and is not tough enough on parents who owe child support, and too tough on innocent children.
Senate Finance Committee reported its version of H.R. 4 on June 9. The bill would block grant AFDC; impose a five- year time limit on benefits; tighten eligibility for SSI; and strengthen child support enforcement. HHS cited concerns with the bill in a May 24 letter to the Committee. On August 3, 1995, Senator Dole introduced S. 1120, a ?perfecting amendment.? S. 1120 is based on the S. Finance Committee?s H.R. 4, but also includes provisions: reauthorizing the Child Care Development Block Grant; consolidating training programs (based on S. 143, Kassebaum's Workforce Development Act); and allowing States the option of receiving their Food Stamp revenue in the form of a block grant
Senate incorporated the text of S. 1120, as amended, into H.R. 4, and passed it on September 19 (87
□
-12). Senate SAP
opposed S. 1120 and supported S. 1117, the Democratic leadership alternative. On September 19, the President signaled support for the Senate
□
-passed H.R. 4. He
stated,?If welfare reform remains a bipartisan effort to promote work, protect children and collect child support from people who ought to pay it, we will have welfare reform this year, and it will be a great thing...But, if the Congress gives in to extremist pressure and walks away from this bipartisan American common ground, they will kill welfare reform.?
House and Senate conferees have been named. On October 18th, Director Rivlin sent a letter to the House and Senate leadership and the welfare reform conferees stating the Administration?s views on the the House- and Senate
□
-passed
bills.
Conference Committee began meeting Tuesday, October 24.
On October 26, HHS Secretary Shalala and SSA
Commissioner Chater sent their agencies?

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views letters on the House- and Senate- passed
welfare reform bills to the House and Senate leadership and
to the welfare reform conferees.
*302. Social Security Earnings Test: (M. Cook, x53924)
House-
□
-A proposed increase in earnings limit from $11,280
to $30,000 (over 5 years) was included in HR 1215, which
passed on April 5, (246
□
-188). On January 9, 1995, Social
Security Commissioner Chater testified that the
?Administration would support, in principle, a moderate
increase in the retirement earnings test exempt amount
for beneficiaries who have reached the age of 65?, as
long as the costs of the increase were fully offset.
When pressed to define ?moderate?, the Commissioner used
$1,000 as an example of a possible moderate increase.
Both the House and Senate have expressed their intention
to pass legislation by the end of 1995 that would
increase the retirement earnings test exempt amount.

Senate -
□
-On November 2, 1995, the Senate failed to waive
a point
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-of
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-order with respect to consideration of S.
1372, a bill that would increase the Social Security
earnings limit. According to the Congressional Monitor,
?[s]upport for the thrust of the bill was widespread, but
many Senators objected to the proposed method of
offsetting the added costs -- an across
□
-the
□
-board cut in
discretionary spending. . . . Majority Leader Bob Dole,
Kan., said an effort would be made to find another way to
finance the bill. Senator McCain vowed to bring the
measure up again before Thanksgiving.?
303. Davis
□
-Bacon Repeal: (A. Briatico, x57887)
H.R. 500 and S. 141 would repeal the Davis
□
-Bacon Act of
1931. The act requires Federal contractors working on
jobs valued at more than $2000 to pay their workers the
"local prevailing wage," which is often the union rate.
A House Economic & Education Opportunities Subcommittee
referred H.R. 500 to full committee on March 2. Senate
Labor & Human Resources Committee reported S. 141 on May
12. A provision to repeal Davis
□
-Bacon coverage of
Federal Highway projects was dropped from S. 440, the
National Highway bill (see entry above). S.1120 (Work

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Opportunity Act of 1995) would modify Davis
□
-Bacon labor
standards protections for tenants of public housing. The Administration?s SAP on S.1120 (dated August 5, 1995) recommended deleting this provision from the bill and indicated that Davis
□
-Bacon reform would be the
appropriate avenue for making changes Davis
□
-Bacon
requirements. (The text of S. 1120 passed the Senate as H.R. 4.) Basis for opposition: repeal of Davis- Bacon requirements would depress workers' wages. President quoted on 4/6/95 as saying he would veto S. 141; Reich letter -- would recommend veto 3/18/95. (Also Reich letter and Senate SAP on S. 440 stated Labor would recommend veto.

304. Service Contract Repeal Act: (A. Briatico, x57887)
Press reported that VP indicated on 2/20/95 that President would veto such legislation. Basis for opposition: repeal of Service Contract Act would depress workers' wages. HR 246 was marked up by a House EEO subcommittee on 3/03/95.

305. Minimum Wage Increase: (A. Briatico, x57887)
On 2/13/95, President transmitted to Congress a proposal to raise the minimum wage in two 45 cent steps -- raising the rate to $4.70 per hour on July 4, 1995 and to $5.15 per hour on July 4, 1996. President's proposal introduced as S. 413 and H.R. 940. Senator Kassebaum indicated on April 21 that the Senate Labor and Human Resources Committee will hold hearings on increasing the minimum wage. No date has been set.

306. Striker Replacement: (B. Pellicci, x54871)
On 3/8/95, President issued an Executive Order to deny Federal contracts to employers that permanently replace striking workers. H.R. 1176 and S. 603 would nullify the Executive Order. The House Economic and Educational Opportunities Committee reported H.R. 1176 on June 27. The House
□
-passed Labor/HHS Appropriations bill (H.R.
2127) contains a provision prohibiting the use of funds to enforce the President?s Executive Order as does the Senate version of the bill, which is awaiting floor action.

307. Teamwork for Employees and Managers Act:(B. Pellicci, x54871)
HR 743 and S295. (SAP on 9/27/95 stated that if H.R. 743 were presented to the President, the Secretary of Labor would recommend that it be vetoed. Reich letter: recommend veto, 3/6/95, 6/21/95, and 9/26/95; 9/26/95 letter noted that the President stated before the UAW on June 12th, that he would veto any effort to weaken section 8 (a)(2) of the National Labor Relations Act; press reported that VP said on 02/20/95 that President would veto such legislation.) Basis for opposition:

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would allow employers to establish company unions where no union currently exists or alternative, company
□
-dominated organizations where employees are in the process of determining whether to be represented by a labor organization. On 9/27/95, the House passed HR 743 by a vote of 221
□
-202. No action has been taken to date on
S295.

308. Social Security Solvency: (M. Cook, x53924) The "Strengthening Social Security Act of 1995" (S. 825), one of the "Simpson/Kerrey" bills, is designed to secure the long
□
-term solvency of the Social Security program. It would: (1) accelerate the currently scheduled increase of the normal retirement age; (2) limit COLAs to certain Social Security beneficiaries; (3) adjust, for a limited period, Social Security COLA estimates based on CPI; (4) modify the formula for determining the primary insurance amount (the basic monthly benefit payable to a worker) to make it more progressive; (5) allow future beneficiaries to divert up to 2 percentage points of their payroll taxes to place in their own personal investment plan; (6) reduce gradually spousal benefits starting in 2000; (7) redirect revenue obtained through the taxation of Social Security benefits from the HI Trust Fund to the OASDI Trust Fund; and (8) invest a portion of the OASDI Trust Fund assets in a stock fund index. On June 27, 1995, a Senate Finance Subcommittee

held a hearing on the solvency of the Social Security system. To date, the Administration has not taken a position on S. 825. No comparable bill has been introduced in the House.

309. Employment, Training, and Retraining: (C. Bowers, x53803) Both the Senate and House have acted on bills that would consolidate numerous Federal education and job training programs grants for youth development and career preparation, adult training, adult education and literacy, and vocational rehabilitation. These bills differ significantly from the President's proposal to restructure education and job training programs (the G.I. Bill for America's Workers), and they reduce substantially Federal resources for these functions. House passed H.R. 1617 (The Consolidated and Reformed Education, Employment and Rehabilitation Systems, or 'CAREERS' Act) on September 19, 1995 (345
□
-79). It incorporates the text of H.R. 1720 (Privatization Act of 1995), which was reported by the House EEO Committee on June 22, 1995. H.R. 1720 would privatize Sallie Mae and Connie Lee and eliminate numerous higher education programs. The Administration proposes to privatize these

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GSEs and eliminate the higher education programs, but its privatization initiatives differ in certain respects from H.R. 1720. A September 19, 1995, Statement of Administration Policy stated that the Administration supports H.R. 1617 for purposes of House passage, but will work to address significant concerns. Basis for Concerns: inadequate authority to continue the current School

□

-to

□

-Work Opportunities Act, restrictions on governors in the use of vocational rehabilitation service delivery systems, insufficient funding, failure to provide sub

□

-State allocation formulas to target funds to those most in need, and shortcomings in the authorities to privatize the higher education GSEs. Senate passed S. 143 (Workforce Development Act) on October 11, 1995 (95

□

-2). The provisions of S. 143 were at one time incorporated in large part into S. 1120, the Republican leadership welfare reform bill. The August 5th Statement of Administration Policy on S. 1120 expressed concerns with a variety of these provisions and stated that the inclusion of the provisions in S. 1120 was ?inappropriate?. In a September 12th letter to the Senate, Secretary Reich cited serious concerns with the bill. An amendment was adopted by the Senate to delete the job training provisions from S. 1120. SAP on S. 143 sent to Senate on October 10, 1995. It stated that the Administration supports S. 143 for the purpose of Senate passage (and it enumerates key features the Administration supports), but has significant concerns it will work to address during conference. Basis for

Concerns: insufficient empowerment of adult trainees through Skill Grants, insufficient funding, inadequate accountability for Federal funds -- including an unwieldy new bureaucratic structure that may pose Appointments Clause problems, downsizing and elimination of Jobs Corps as a national program, and elimination of Trade Adjustment Assistance retraining services.

310. Food Stamps - Block Grant: (M. Haskins, x53923) Sec. Glickman stated before S. Ag. Cte., 5/23/95, that he strongly opposes block granting food stamps and that the President has indicated his intention to veto such legislation. Basis for opposition: would jeopardize the health and nutrition of low

□

-income families.

Any changes made to the Food Stamp program are expected to be done within the context of Welfare Reform (H.R. 4). The Senate

□

-passed version of H.R. 4 provides States the option of receiving their Food Stamp revenue as a block grant. House

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-passed HR 4 (the welfare reform bill) and HR 1997 (the food and nutrition title of the Farm Bill), as approved by a H. Agriculture Subcommittee on 7/11/95, do not contain provisions that would block grant Food Stamps. According to USDA, the Full H. Agriculture Committee is expected to take up HR 1997 in September.

311. OSHA Reform: (C. Bowers, x53803)
The House Economic and Educational Opportunities Committee, Subcommittee on Workforce Protections, held a hearing June 28, 1995, on H.R. 1834 (Ballenger), the "Safety and Health Improvement and Regulatory Reform Act of 1995." Labor testified against H.R. 1834. Basis for Opposition: Would redirect funding away from enforcement activities, jeopardize the health and safety of American workers by weakening enforcement and regulatory authority, and particularly threaten miners by revising Federal mine safety and enforcement. On July 12, 1995, Secretary Reich held a press conference on the House appropriation subcommittee actions affecting the Department of Labor. In response to a question, Secretary Reich stated that he "will strongly recommend a veto of the Ballenger bill . . . [which] amounts to a wrecking ball rather than reform." H.R. 1834 is pending in the subcommittee.

HEALTH & PERSONNEL
401. Federal Retirement Reform Act: (M. Cook, x53924)
HR 1215 and HR 1185 both include Federal retirement reform provisions. The Administration's position on such reforms has been articulated in the President's 4/5/95 letter on HR 1215 to Speaker Gingrich and in OMB's 3/15/95 letter on HR 1185 to Speaker Gingrich. Basis for

opposition: Reduces retirement benefits of Federal employees to finance a tax cut for the wealthy.
On 3/15/95, the full H. Government Reform and Oversight Committee began consideration of HR 1185. It, however, recessed before taking action on the bill. NOTE: Title IV of HR 1215, as passed by the House on 4/5/95 (246
□
-188), contains provisions similar to those of HR 1185. To date, the Senate has taken no action on a stand
□
-alone retirement bill. On June 19, 1995, however, the FBI and DEA testified before a S. Governmental Affairs subcommittee opposing changes in retirement benefits for Federal employees. Modifications to Federal retirement programs have been included in both the House and Senate reconciliation bills.

PRINTER FONT 12_POINT_ROMAN
MAJOR LEGISLATION ENACTED
PRINTER FONT 12_POINT_COURIER
? Unfunded Mandates Reform Act of 1995 (PL 104
□
-4). President signed 3/22/95.

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? Defense Supplemental Appropriations (PL 104
□
-6). President
signed 4/10/95.
? Permanently Extend the Tax Deductibility for Health
Insurance Costs for Self
□
-Employed Individuals (PL 104
□
-7).
President signed 4/11/95.
? HR 1345, DC Financial Responsibility and Management
Assistance Act of 1995 (PL 104
□
-8). President signed 4/17/95.
? Paperwork Reduction (PL 104
□
-13). President signed 5/22/95.
? Medicare SELECT (PL 104
□
-18). President signed 7/7/95.
? Emergency Supplemental Appropriations for Additional
Disaster Assistance, for Anti
□
-terrorism Initiatives, for
Assistance in the Recovery from the Tragedy that Occurred at
Oklahoma City, and Rescissions Act, 1995 (PL 104
□
-19).
President signed 7/27/95.

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Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	jbyrne to Prince_ J at 11:16:00.00. Subject: Request.... (5 pages)	05/22/1995	P5
002. email	Jonathan M. Prince to Robert O. Boorstin at 12:19:31.95. Subject: Forwarding, no dog in the hunt, enjoy. (5 pages)	05/22/1995	P5
003. email	Lydia Muniz to Patrick J. Griffin, Alphonse Maldon, Martha Foley, and Andrew D. Sens at 18:40:57.32. Subject: SAP on S908, Foreign Relations Revitaliztion Act of 1995. (8 pages)	06/27/1995	P5
004. email	Alphonse Maldon to Patrick J. Griffin, Erin A. O'Connor, and Stacey L. Rubin (1 page)	10/10/1995	P5

COLLECTION:
Clinton Presidential Records
Automated Records Management System (Email)
WHO ([USIA and Merger])
OA/Box Number: 500000

FOLDER TITLE:
[05/17/1995 - 11/03/1995]

Adam Bergfeld
2006-0208-F
ab916

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: jbyrne@usaid.gov@INET@EOPMRX

CREATION DATE/TIME:22-MAY-1995 11:16:00.00

SUBJECT: REQUEST....

TO: PRINCE_J (PRINCE_J@A1@CD) (WHO)
READ:22-MAY-1995 12:18:14.29

TEXT:
Jonathan:

Our Latin America Assistant Administrator Mark Schneider sent me this proposed language to see if any of it could make it into Mack Maclarty or the President's or Tony Lake's remarks to the Summitt of the America's speeches today or tomorrow.

Anything you can do to forward it along would be great. I'll give you a call later.

Thanks.

Jay

PS Poker this week? I'm expecting a great game... might even Barbeque if the weather permits.

INSERT FOLLOWS:

You understand the importance of Latin America and the Caribbean to our national interest. You know that Latin America already represents the fastest growing market for American goods and services of any region of the world++$92 billion in exports last year, triple what it was a decade ago. You also know that we cannot close our eyes and stand aside when conflict tears the fabric of the nations of the hemisphere.

Yet legislation now being considered in the Congress would violate the separation of powers, deny the executive branch the resources to defend US foreign poicy objectives and US national interests and put us on a false path toward isolationism.

It is a false path because in the 1990s, even more than in the 1930s, we cannot cut ourselves off from the world around us. The revolutions in technology and information make it ever clearer that we cannot prosper if the world around us decays.

For a decade we poured nearly $10 billion in resources into Central America as civil strife dominated that region. Now after a bipartisan consensus supported a negotiated solution to those conflicts, we are at the point of success. President Bush made commitments of assistance to help consolidate the negotiated settlements that the Congress supported. Those are commitments of the United States++not of any party.

Yet the budget and foreign affairs authorizing bills now being considered would violate those commitments. They would tear apart a consensus that took a decade to build in Central America and in the United States.

It is irresponsible to turn away from countries like El Salvador and

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Nicaragua which have turned in guns and bullets for ballots and deny them the meager resources that they need to complete the transition to peace and democracy. Yet that is what the legislation on the Hill would do.

The inevitable result will be conflict, turmoil and instability. We will see a halt to the current trend of business investment and growth in Central America and unfortunately a threat of hundreds of thousands of displaced persons fleeing their countries. That is not in the US national interest.

It also would be disastrous to walk away from our partnership with the Andean nations who have joined us in a battle against drugs. If more coca is grown next year in those countries because we are denied the resources for alternative crops and jobs for those farmers, more cocaine will be flown across our borders the year after.

In this hemisphere, we have seen a consensus on free societies and free markets built over the past two decades. The Summit of the Americas saw that consensus etched into the Final Declaration.

Preserve and strengthen the community of democracies of the Americas. Promote prosperity through economic integration and free trade;
Eradicate poverty and discrimination in our hemisphere
Guarantee sustainable development and conserve our natural environment for future generations.

We need all of the instruments of foreign policy to advance those principles including bilateral foreign assistance through USAID and multilateral foreign assistance through the Inter+American Development Bank and the World Bank to advance those principles.

Aid also can be critical in advancing each of those principles, in helping to build the justice systems, to support anti+corruption efforts and monitor elections that are crucial to building democracy.

Some people talk of trade not aid. Many of the countries still need aid so that they have greater capacity to trade++so that their own markets can grow and their own businesses offer products that we want to buy.

Even more directly, we can be a catalyst for helping countries carry out the health and education reforms that can help reduce poverty and expand participation by those left out in the past. Finally, in environment, our bilateral and multilateral aid protects the environment we all share as a part of assuring sustainable development for us and for our children.

Foreign assistance in Latin America is needed to help many of the nations continue their transition to open societies and open markets. They need to develop the human capital to build their own economies and to give their people a stake in the liberal economic reforms that are essential to growth.

Our ability to help advance the Summit agenda would be seriously damaged by the Helms and Gilman bills and the current versions of the budget resolutions. They would not only rip apart USAID, USIA and ACDA but they would produce++at a minimum++cuts of 35+40% in program resources for Latin America. Remember that we already have cut our funding to the bone. Aid to Latin America represents only one+half of one+tenth of one percent now of our federal budget, about 40% less than the $1.2 billion of FY 1993. They also would spell an immediate and totally unjustified end to the Inter+American Foundation. The cuts proposed by those bills would mean a minimum of a 60% reduction of funds for Latin America and the Caribbean since 1993.

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If those bills are approved by the Congress, I will recommend to the President that they be vetoed.
==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE:22-MAY-1995 11:19:00.00

ATT BODYPART TYPE:p

TEXT:
WPCI

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Courier 10cpi2xxx,:x□

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<WGxYou understand the importance of Latin America and theCaribbean to our nat ional interest. You know that Latin Americaalready represents the fastest grow ing market for American goodsand services of any region of the world$92 billio n in exportslast year, triple what it was a decade ago. You also know that we cannot close our eyes and stand aside when conflict tears thefabric of the nat ions of the hemisphere.

xYet legislation now being considered in the Congress wouldviolate the separat ion of powers, deny the executive branch theresources to defend US foreign poi cy objectives and US nationalinterests and put us on a false path toward isola tionism.

x

xIt is a false path because in the 1990s, even more than inthe 1930s, we canno t cut ourselves off from the world around us.The revolutions in technology and information make it everclearer that we cannot prosper if the world around us decays.

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xYet the budget and foreign affairs authorizing bills nowbeing considered woul d violate those commitments. They would tearapart a consensus that took a deca de to build in Central Americaand in the United States.

xIt is irresponsible to turn away from countries like ElSalvador and Nicaragua which have turned in guns and bullets forballots and deny them the meager res ources that they need tocomplete the transition to peace and democracy. Yet th at is whatthe legislation on the Hill would do.

xThe inevitable result will be conflict, turmoil andinstability. We will see a halt to the current trend of businessinvestment and growth in Central America and unfortunately athreat of hundreds of thousands of displaced persons fleei ngtheir countries. That is not in the US national interest.

xIt also would be disastrous to walk away from ourpartnership with the Andean nations who have joined us in abattle against drugs. If more coca is grown nex t year in thosecountries because we are denied the resources for alternativec rops and jobs for those farmers, more cocaine will be flownacross our borders the year after.

xIn this hemisphere, we have seen a consensus on freesocieties and free market s built over the past two decades. TheSummit of the Americas saw that consensu s etched into the FinalDeclaration."h)0*0*0*1"xThe principles were clear:

xPreserve and strengthen the community of democracies of theAmericas.

xPromote prosperity through economic integration and freetrade;

xEradicate poverty and discrimination in our hemisphere

xGuarantee sustainable development and conserve our naturalenvironment for fut ure generations.

xWe need all of the instruments of foreign policy to advancethose principles i ncluding bilateral foreign assistance throughUSAID and multilateral foreign as sistance through the InterAmerican Development Bank and the World Bank to advan ce thoseprinciples.

x Aid also can be critical in advancing each of thoseprinciples, in helping to build the justice systems, to supportanticorruption efforts and monitor elect ions that are crucial tobuilding democracy.

CLINTON LIBRARY PHOTOCOPY

xSome people talk of trade not aid. Many of the countriesstill need aid so tha t they have greater capacity to tradesothat their own markets can grow and the ir own businesses offerproducts that we want to buy.

xEven more directly, we can be a catalyst for helpingcountries carry out the h ealth and education reforms that canhelp reduce poverty and expand participati on by those left out inthe past. Finally, in environment, our bilateral and mu ltilateralaid protects the environment we all share as a part of assuringsust ainable development for us and for our children.

xForeign assistance in Latin America is needed to help manyof the nations cont inue their transition to open societies andopen markets. They need to develop the human capital to buildtheir own economies and to give their people a stake in theliberal economic reforms that are essential to growth.

========== END ATTACHMENT 1 ==========

========== ATTACHMENT 2 ==========
ATT CREATION TIME/DATE:22-MAY-1995 11:19:00.00

ATT BODYPART TYPE:D

TEXT:
RFC-822-headers:
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V4.3-13 #6879)
id <01HQSVGPCEHC000270@PMDF.EOP.GOV>; Mon, 22 May 1995 11:16:23 -0400 (EDT)
Received: by gatekeeper.eop.gov (5.65/fma-120691); id AA23850; Mon,
22 May 95 11:16:37 -0400
Received: from avalon.usaid.gov by usaid.gov (4.1/2.9-eef) id AA11510; Mon,
22 May 95 11:18:00 EDT
Received: by avalon.usaid.gov; Mon, 22 May 95 11:20:25 EDT
X-Priority: 3 (Normal)
========== END ATTACHMENT 2 ==========

CLINTON LIBRARY PHOTOCOPY

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jonathan M. Prince (PRINCE_J) (WHO)

CREATION DATE/TIME:22-MAY-1995 12:19:31.95

SUBJECT: Forwarding, no dog in the hunt, enjoy.

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:22-MAY-1995 17:07:28.01

TEXT:

==========ATTACHMENT 1==========
ATT CREATION TIME/DATE:22-MAY-1995 11:08:00.00

ATT BODYPART TYPE:E

ATT CREATOR: Jay Byrne

ATT SUBJECT: REQUEST....

ATT TO: PRINCE_J (PRINCE_J@A1@CD)

TEXT:
Jonathan:

Our Latin America Assistant Administrator Mark Schneider sent me this proposed language to see if any of it could make it into Mack Maclarty or the President's or Tony Lake's remarks to the Summitt of the America's speeches today or tomorrow.

Anything you can do to forward it along would be great. I'll give you a call later.

Thanks.

Jay

PS Poker this week? I'm expecting a great game... might even Barbeque if the weather permits.

INSERT FOLLOWS:

You understand the importance of Latin America and the Caribbean to our national interest. You know that Latin America already represents the fastest growing market for American goods and services of any region of the world++$92 billion in exports last year, triple what it was a decade ago. You also know that we cannot close our eyes and stand aside when conflict tears the fabric of the nations of the hemisphere.

Yet legislation now being considered in the Congress would violate the separation of powers, deny the executive branch the resources to defend US foreign poicy objectives and US national interests and put us on a false path toward isolationism.

It is a false path because in the 1990s, even more than in the 1930s, we cannot cut ourselves off from the world around us. The revolutions in technology and information make it ever clearer that we cannot prosper if the world around us decays.

CLINTON LIBRARY PHOTOCOPY

For a decade we poured nearly $10 billion in resources into Central America as civil strife dominated that region. Now after a bipartisan consensus supported a negotiated solution to those conflicts, we are at the point of success. President Bush made commitments of assistance to help consolidate the negotiated settlements that the Congress supported. Those are commitments of the United States++not of any party.

Yet the budget and foreign affairs authorizing bills now being considered would violate those commitments. They would tear apart a consensus that took a decade to build in Central America and in the United States.

It is irresponsible to turn away from countries like El Salvador and Nicaragua which have turned in guns and bullets for ballots and deny them the meager resources that they need to complete the transition to peace and democracy. Yet that is what the legislation on the Hill would do.

The inevitable result will be conflict, turmoil and instability. We will see a halt to the current trend of business investment and growth in Central America and unfortunately a threat of hundreds of thousands of displaced persons fleeing their countries. That is not in the US national interest.

It also would be disastrous to walk away from our partnership with the Andean nations who have joined us in a battle against drugs. If more coca is grown next year in those countries because we are denied the resources for alternative crops and jobs for those farmers, more cocaine will be flown across our borders the year after.

In this hemisphere, we have seen a consensus on free societies and free markets built over the past two decades. The Summit of the Americas saw that consensus etched into the Final Declaration.

Preserve and strengthen the community of democracies of the Americas. Promote prosperity through economic integration and free trade;
Eradicate poverty and discrimination in our hemisphere
Guarantee sustainable development and conserve our natural environment for future generations.

We need all of the instruments of foreign policy to advance those principles including bilateral foreign assistance through USAID and multilateral foreign assistance through the Inter+American Development Bank and the World Bank to advance those principles.

Aid also can be critical in advancing each of those principles, in helping to build the justice systems, to support anti+corruption efforts and monitor elections that are crucial to building democracy.

Some people talk of trade not aid. Many of the countries still need aid so that they have greater capacity to trade++so that their own markets can grow and their own businesses offer products that we want to buy.

Even more directly, we can be a catalyst for helping countries carry out the health and education reforms that can help reduce poverty and expand participation by those left out in the past. Finally, in environment, our bilateral and multilateral aid protects the environment we all share as a part of assuring sustainable development for us and for our children.

Foreign assistance in Latin America is needed to help many of the nations continue their transition to open societies and open markets. They need to develop the human capital to build their own economies and to give their

CLINTON LIBRARY PHOTOCOPY

people a stake in the liberal economic reforms that are essential to growth.

Our ability to help advance the Summit agenda would be seriously damaged by the Helms and Gilman bills and the current versions of the budget resolutions. They would not only rip apart USAID, USIA and ACDA but they would produce++at a minimum++cuts of 35+40% in program resources for Latin America. Remember that we already have cut our funding to the bone. Aid to Latin America represents only one+half of one+tenth of one percent now of our federal budget, about 40% less than the $1.2 billion of FY 1993. They also would spell an immediate and totally unjustified end to the Inter+American Foundation. The cuts proposed by those bills would mean a minimum of a 60% reduction of funds for Latin America and the Caribbean since 1993.

If those bills are approved by the Congress, I will recommend to the President that they be vetoed.
========== END ATTACHMENT 1 ==========

========== ATTACHMENT 2 ==========
ATT CREATION TIME/DATE:22-MAY-1995 11:19:00.00

ATT BODYPART TYPE:p

TEXT:
WPCI

2

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@8;X@HP LaserJet III (Laser 4, LAC/AA)HPIII.PRSx□

@,\,2ˆX@2
<WGxYou understand the importance of Latin America and theCaribbean to our nat ional interest. You know that Latin Americaalready represents the fastest grow ing market for American goodsand services of any region of the world$92 billio n in exportslast year, triple what it was a decade ago. You also know that we cannot close our eyes and stand aside when conflict tears thefabric of the nat ions of the hemisphere.

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x

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========== END ATTACHMENT 2 ==========

========== ATTACHMENT 3 ==========
ATT CREATION TIME/DATE:22-MAY-1995 11:19:00.00

ATT BODYPART TYPE:D

TEXT:
RFC-822-headers:
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V4.3-13 #6879)
id <01HQSVGPCEHC000270@PMDF.EOP.GOV>; Mon, 22 May 1995 11:16:23 -0400 (EDT)
Received: by gatekeeper.eop.gov (5.65/fma-120691); id AA23850; Mon,
22 May 95 11:16:37 -0400
Received: from avalon.usaid.gov by usaid.gov (4.1/2.9-eef) id AA11510; Mon,
22 May 95 11:18:00 EDT
Received: by avalon.usaid.gov; Mon, 22 May 95 11:20:25 EDT
X-Priority: 3 (Normal)
========== END ATTACHMENT 3 ==========

CLINTON LIBRARY PHOTOCOPY

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Lydia Muniz (MUNIZ_L) (OMB)

CREATION DATE/TIME:27-JUN-1995 18:40:57.32

SUBJECT: SAP on S908, Foreign Relations Revitalization Act of 1995

TO: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ:29-JUN-1995 08:09:24.09

TO: Alphonse Maldon (MALDON_A) (WHO)
READ:27-JUN-1995 19:30:31.85

TO: Martha Foley (FOLEY_M) (OMB)
READ:27-JUN-1995 19:12:30.17

TO: Andrew D. Sens (SENS_A) (NSC)
READ: 3-JUL-1995 09:41:06.31

CC: Charles S. Konigsberg (KONIGSBERG_C) (OMB)
READ:27-JUN-1995 21:18:34.67

TEXT:

PLEASE REVIEW THE ATTACHED SAP AND GET BACK TO ME WITH CLEARANCE AND/OR COMMENTS BY 8:00 PM TONIGHT (I can be reached at 5
-4790).
THE BILL IS SCHEDULED FOR SENATE FLOOR ACTION TOMORROW. PLEASE NOTE THE MULTIPLE AGENCY VETO RECOMMENDATIONS.

THANK YOU!

PRINTER FONT 12_POINT_COURIER
DRAFT -- NOT FOR RELEASE

June 27, 1995

(Senate)

S. 908 - Foreign Relations Revitalization Act of 1995
(Helms (R) North Carolina)
PRINTER FONT 12_POINT_COURIER_OBLIQUE

PRINTER FONT 12_POINT_COURIER

If S. 908 were presented to the President in its current form, the Secretary of State, the U.S. Ambassador to the United Nations, the Administrator of the Agency for International Development (AID), the Director of the U.S. Information Agency (USIA), and the Director of the U.S. Arms Control and Disarmament Agency (ACDA) would recommend the bill be vetoed.
This bill would push the United States to retreat from world affairs when it is increasingly clear that this country's policies overseas make a vital contribution to the well
-being of
the United States. S. 908 would drastically reduce the resources available to meet the threats and opportunities that the United States faces around the world. The bill as a whole unacceptably

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infringes on the President's authority and responsibility under the Constitution to conduct foreign affairs.
Among the most objectionable provisions, S. 908 would:

--Impose Unnecessary Foreign Policy and Other Restrictions. The broad range of restrictions contained in this bill represent an assault on the authority of the President to conduct the foreign policy of the United States and on the Nation's ability to respond rapidly and effectively to threats to our security. These include provisions that would impermissably interfere with the President's ability to conduct diplomatic relations with foreign countries and in international fora, including delicate relations with China and North Korea. S. 908 also imposes onerous and unreasonable reporting and certification requirements that would greatly impede the U.S. in its ability to participate and lead in the United Nations and other multilateral institutions. Further, the bill would compel a change in U.S. refugee policy that could pose a serious threat to U.S. borders, limiting the President's ability to respond to boat migration and possibly exacerbating the illegal smuggling of aliens into the United States.

--Abolish Three Foreign Affairs Agencies. S. 908 would eliminate AID, ACDA, and USIA by March 1, 1997, and consolidate the wide

-ranging programs and policy responsibilities of these agencies into the Department of State. By this consolidation and by drastically and arbitrarily cutting personnel, S. 908 would seriously impair the conduct of U.S. foreign policy.

Under the Administration's streamlining efforts, the foreign affairs agencies are reducing staffing by 4,700 positions, cutting bureaucratic layers and duplication, eliminating low

-priority overseas posts and programs,
re

-engineering their business processes, establishing common administrative services, and realizing program and administrative savings. The Administration's approach preserves the talents and resources necessary to protect the vital interests of the United States abroad. Each of the agencies has a distinct mission that can best be performed by independent agencies under the overall foreign policy guidance of the Secretary of State; in this way, the United States can most flexibly address the complex challenges of the post

-Cold war world.

--Reduce Foreign Affairs Authorization Levels. The FY 1996 International Affairs budget request, which accounts for only 1.3 percent of total Federal spending, is essential to advancing U.S. interests around the world and ensuring the safety and prosperity of Americans at home. The funding limitations contained in S. 908 would undermine the United States' ability to protect its security, economic and other interests around the world, thereby endangering the safety and prosperity of all Americans. Our security depends on the steady and active engagement of the

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United States in world affairs. The Administration's proposed foreign affairs budget ensures the ability of the United States to work with other countries to foster a safe and open world community.
Pay

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-Go Scoring
S. 908 would affect receipts and direct spending; therefore, it is subject to the pay

-as

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-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. OMB's preliminary scoring estimates of this bill is that its enactment would be revenue neutral. Final scoring of this legislation may differ from these estimates.

* * * * *

(Do Not Distribute Outside Executive Office of the President)
This Statement of Administration Policy (SAP) was developed by the Legislative Reference Division (Rooney), in consultation with IAD (DuSault/Sasser/Piller), BASD (Chellaraj), BRCD (Kaufman), the Departments of State (Sherman), Commerce (Van Hanswyk), Defense (Brick), the Treasury (Levy), Justice (Jones), and Transportation (Crouter), NSC (Sens), AID (Buckley/Miller), USIA (Wilson), ACDA (Spalatin), (b)(3) ONDCP (Chronister), OPM (Woodruff), EXIM (Thompson), TDA (Casper), NPR (Johnson), and White House Legislative Affairs (Maldon).
S. 908 was ordered reported by the Senate Foreign Relations Committee (SFRC) on May 17th, by a vote of 10 to 8.
Administration Position To Date
On May 22nd, Secretary Christopher sent a letter to SFRC Chairman Helms noting the following serious concerns: (1) numerous constraints on the conduct of foreign policy, (2) significant reductions in appropriation authorizations, and (3) consolidation of foreign affairs agencies into a "super" State Department. In addition on May 11th, State, AID, USIA, and ACDA testified in strong opposition to the consolidation provisions.
Provisions of S. 908

S. 908 is an omnibus bill that authorizes appropriations for FYs 1996

-1999 for the Department of State, contributions to international organizations, USIA and ACDA activities, and AID operating expenses. S. 908 also abolishes AID, USIA, and ACDA and merges their functions and activities into the State Department by March 1, 1997. The bill includes provisions that improve State Department operations and administrative authorities. S. 908 makes other policy, programmatic, and

technical changes to laws affecting U.S. foreign relations, many of which micromanage Executive authority.

APPROPRIATIONS AUTHORIZATIONS

The following table compares the FYs 1996 and 1997 appropriation authorizations requested with those contained in S. 908:

($ in millions)

	FY 1996 Request	FY 1996 S. 908	FY 1997 Request	FY 1997 S. 908
State	4,801.9	4,547.1	4,657.8	4,399.7
USIA activities	1,300.3	1,181.0	1,261.3	1,100.2
ACDA activities	76.3	22.7	74.0	0.0
AID oper. exp.	568.0	467.0	551.0	420.5
Transition Fund	0.0	125.0	0.0	100.0
Total	6,746.5	6,342.8	6,544.2	6,020.4

S. 908 also establishes a transition fund with $125 million and $100 million authorized for FY 1996 and 1997, respectively to cover the costs (severance, etc.) of consolidation.

FOREIGN RELATIONS AUTHORIZATIONS - DIVISION A of S. 908

Division A authorizes appropriations for the Department of State, U.S. information, educational, and cultural programs, U.S. arms control and disarmament and AID operating expenses. In addition, Division A includes a number of authorities and restrictions. These include:

-- Fees. S. 908 contains several sections that authorize the collection, and use, of fees. Most of these authorities are supported by the State Department. These include: extension through FY 1999 of the surcharge for machine readable non

-immigrant visas (MRV) and border crossing identification cards; fees for certain immigrant visas; fees for providing training at the Foreign Service Institute; fees for the use of diplomatic reception rooms; and reimbursement from insurance companies for certain health care costs.

-- Administrative Support System. Authorizes State to establish a financial system whereby agencies maintaining an overseas presence would reimburse State for the incremental expenses incurred by State in providing for their administrative support.

-- Buying Power Maintenance. The bill would authorize the transfer of expired unobligated balances from prior years into the Buying Power Maintenance Account, subject to appropriation action.

-- Lease

-Purchase. S. 908 would require that multi

-year lease

-purchase transactions be scored in accordance with actual annual obligations. This is inconsistent with the Budget Enforcement Act of 1990 scoring rules on lease

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-purchases and
would encourage acquisition of buildings by lease
□
-purchase, which
is normally more costly to Government. This provision is subject to appropriations action.

-- Personnel. The bill also contains several provisions relating to personnel, including end
□
-of
□,
-year ceilings on Foreign Service
strength for FYs 1996 through 1999 and Foreign Service reforms regarding salary, awards, and separation. It also requires that post
□
-employment restrictions regarding lobbying apply to chiefs of mission.

-- Terrorist Lookout Committees. S. 908 would require creation of these committees in each U.S. embassy, including monthly meetings and reports and quarterly reports to Congress.
-- Refugee and other related provisions. S. 908 would expand the definition of "fear of persecution" for refugee/asylum purposes to include fear of forced abortion, forced sterilization, or persecution for resistance to such measures. It also would exclude from the United States persons with membership in a terrorist organization, or who have advocated terrorism or incited racial tensions, and establish a broad basis for exclusion of aliens responsible for or connected with the confiscation of property of U.S. nationals. In addition, S. 908 prohibits the use of funds to resettle or facilitate admission into the United States of Iraqi nationals who, on the date of enactment, are residing in Saudi Arabia or Turkey.
-- United Nations Peacekeeping. S. 908 would:
o Require a 15
□
-day prior notification to
Congress of all UN Security Council votes that involve the use of U.S. Armed Forces or expenditure of U.S. funds.
o Codify the existing requirement for monthly briefings and five
□
-day prior notification of Security
Council votes. It specifies the type of information to be provided regarding U.S. participation in or support for UN peacekeeping and that this information is to be provided in writing.
o Prohibit funds from being obligated for U.S. contributions to UN peacekeeping activities unless the Secretary of State determines and certifies to the designated congressional committees that U.S. manufacturers and suppliers are being given opportunities equal to foreign manufacturers and suppliers to provide equipment, material, and services.
o Withhold specified percentages of the UN regular budget (20%), U.S. assessed (50%) and voluntary (100%) contributions toward UN peacekeeping activities until the

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President makes a near impossible certification

to Congress that the UN, through its Office of Inspector General, has undertaken certain prescribed activities regarding financial and management accounting of UN peacekeeping activities.

o Require the President to ensure that, before intelligence information is provided to the UN, the Director of the CIA has established guidelines that protect sources and methods against unauthorized disclosure. Require periodic reporting to Congress on intelligence released to the UN.

o Terminate U.S. funding for the United Nations Protection Force (UNPROFOR) unless the President certifies and reports to Congress on certain UNPROFOR actions.

-- International Organizations. S. 908 contains a number of provisions that prohibit U.S. participation in, or use of funds for, designated international organizations/activities. These include the international criminal court, the International Labor Organization, the UN Industrial Development Organization, the International Natural Rubber Organization, the International Tropical Timber Organization, and others.

-- Taiwan. The bill would amend the Taiwan Relations Act to clarify that it supersedes any provision of the 1982 Joint U.S.

-China Communique (i.e., removes the Communique's restraint on arms sales to Taiwan). This amendment could undermine U.S. relations with China, while not enhancing Taiwan's security. In addition, S. 908 would require that the President of China on Taiwan be admitted to the United States for a visit in 1995. (This visit has already occurred.)

-- Special Envoy for Tibet. S. 908 would require the establishment of a special envoy for Tibet and require a series of separate reports on Tibet on human rights and other matters whenever country

-by

-country reports are submitted to Congress.

-- Pristina, Kosovo. It would also authorize State to establish diplomatic facilities in Pristina.

-- North Korea. S. 908 would prohibit the use of funds to establish U.S. offices in the Democratic People's Republic of Korea, unless authorized by statute, and condition FY 1996 authorization of foreign building funds upon presidential certification that no FY 1995 funds were expended to open such an office.

-- Radio Free Asia. S. 908 would require that a plan for establishing Radio Free Asia be provided to Congress 90 days after enactment.

-- Pilot Advertising Program. The bill would authorize USIA to carry out a six month pilot program to allow advertisements on

its television and radio broadcasts and retain receipts for program use.

-- Au Pair Program. The bill also would extend the au pair

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program through FY 1999.
CONSOLIDATION OF FOREIGN AFFAIRS AGENCIES - DIVISION B of S. 908
S. 908 would abolish AID, USIA, and ACDA and provide for the transfer of their functions to the Department of State no later than March 1, 1997. It includes a number of provisions relating to the Department of State's organizational structure, specifying the duties, title, and number of under secretaries and assistant secretaries. The bill would create an Inspector General (IG) for Foreign Affairs and repeals language relating to the IG for ACDA, USIA, and AID.

This bill also would limit personnel strength for FYs 1997
□
-1999;
i.e., by February 28, 1997, nine percent less than date of enactment, an additional three percent less by September 30, 1997, and an additional two percent less by September 30, 1998.
S. 908 contains a number of authorities for the transfer of personnel, funds, and property, including limited buy
□
-out
authority, which is subject to appropriations.
S. 908 also would require a number of reports relating to consolidation. These include a report on: (1) a plan to consolidate missions and consular posts (imposes funding restrictions if the report is not submitted within 180 days); (2) unification of the Foreign Commercial Service and Foreign Agricultural Service within State's Foreign Service personnel system; and (3) export promotion and trade activities, including any reorganization plan to improve these activities.
PAY
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-GO Scoring
According to IAD (Pipan), S. 908 would affect receipts and direct spending; therefore, it is subject to the pay
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requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. While there are numerous provisions authorizing the collection and use of fees, except for the pilot advertising program, section 137 provides that these authorities may only be exercised to the extent or in the amounts provided in appropriations acts. OMB's preliminary scoring estimate for the pilot advertising program is that its enactment would be revenue neutral. CBO agrees with this estimate; however, CBO's estimates assume that the provision on voluntary separation incentive will have an effect on retirement costs. OMB considers this an indirect effect, thus not scorable for paygo purposes.

LEGISLATIVE REFERENCE DIVISION DRAFT
6/27/95 - 5:30 P.M.

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RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Alphonse Maldon (MALDON_A) (WHO)

CREATION DATE/TIME:10-OCT-1995 18:07:04.12

SUBJECT: Helm's reorganization bill

TO: Patrick J. Griffin (GRIFFIN_P) (WHO)
READ:11-OCT-1995 07:15:04.75

TO: Erin A. O'Connor (OCONNOR_E) (WHO)
READ:10-OCT-1995 18:13:58.55

TO: Stacey L. Rubin (RUBIN_S) (WHO)
READ:10-OCT-1995 18:34:01.91

TEXT:
Leon Fuerth met with AID, ACDA and USIA reps today to finalize proposed legislation that will be discussed with Senate Democrats on Wednesday. Consenus seems to indicate that it is highly unlikely that the Senate will welcome our proposal. I am convinced that we gain nothing by having our staff negotiate with the Senate staff. I think the VPOTUS will have to take the lead in talking to Sen. Kerry, Sen. Dodd and Sen. Sarbanes. Any help you ca give to this notion would be appreciate.

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Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Anne M. Edwards to Remote Addressee at 10:39:22.71. Subject: A working path? (partial) (1 page)	11/20/1996	P6/b(6)
002. email	Susan E. Walitsky to jeisenbe at 10:08:05.00. Subject: [none] (1 page)	04/18/1997	P2
003. email	Dorothy Drengler to mh-jpn at 09:23:13.00. Subject: Re: Another week gone by. (partial) (1 page)	11/18/1997	P6/b(6)
004a. email	James J. Jukes to G. Timothy Saunders and Phillip Caplan at 19:06:00.00. Subject: Update on Foreign Affairs agencies reorganization plan. (partial) (1 page)	12/21/1998	P5
004b. email attachment	Memorandum for the President from Jacob J. Lew. Subject: Foreign Affairs Agencies Reorganization Plan. (partial) (1 page)	12/21/1998	P5
005a. email	G. Timothy Saunders to William W. McCathran and Edwin R. Thomas at 12:49:39.00. Subject: Update on Foreign Affairs agencies reorganization plan.(partial) (1 page)	12/22/1998	P5
005b. email attachment	Memorandum for the President from Jacob J. Lew. Subject: Foreign Affairs Agencies Reorganization Plan. (partial) (1 page)	12/22/1998	P5
006. email	Marsha Scott to Bruce R. Lindsey and Bob J. Nash at 16:18:28.00. Subject: Dr. Bill Bader. (1 page)	04/06/1999	P2, P5
007. email	Bob J. Nash to Marsha Scoot at 11:26:16.00. Subject: Re: Dr. Bill Bader. (1 page)	04/07/1999	P5, P6/b(6)
008. email	mwx@usis.dk to Anne M. Edwards at 07:54:39.00. Subject: A Small Request. (2 pages)	04/08/1999	P6/b(6)

COLLECTION:
Clinton Presidential Records
Automated Records Management System [Email]
WHO ([USIA and merger])
OA/Box Number: 500000

FOLDER TITLE:
[11/20/1996 - 04/12/1999]

Adam Bergfeld
2006-0208-F
ab667

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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CLINTON LIBRARY PHOTOCOPY

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009. email	Marsha Scott to Heather M. Marabeti at 15:57:31.00. Subject: Re: Dr. Bill Bader. (2 pages)	04/09/1999	P2, P5, P6/b(6)
010. email	Heather M. Marabeti to Marsha Scott at 09:12:37.00. Subject: Re: Dr. Bill Bader. (2 pages)	04/12/1999	P2, P5, P6/b(6)

COLLECTION:
Clinton Presidential Records
Automated Records Management System [Email]
WHO ([USIA and merger])
OA/Box Number: 500000

FOLDER TITLE:
[11/20/1996 - 04/12/1999]

Adam Bergfeld
2006-0208-F
ab667

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CLINTON LIBRARY PHOTOCOPY

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Susan E. Walitsky (CN=Susan E. Walitsky/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:18-APR-1997 10:08:05.00

SUBJECT:

TO: jeisenbe (jeisenbe @ usia.gov @ inet [WHO])
READ:UNKNOWN

TEXT:
I'm going to come over for a bit on Monday afternoon around 3pm. I am curious to know how the announcement of the reorganization will effect the filling of the Associate Director positions. I want to get a clearer idea from the Director what the timeline may look like so that we can be up front with people like Dolores Cross and others.

Sue

CLINTON LIBRARY PHOTOCOPY

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: James J. Jukes (CN=James J. Jukes/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:21-DEC-1998 19:06:00.00

SUBJECT: Update on Foreign Affairs agencies reorganization plan

TO: G. Timothy Saunders (CN=G. Timothy Saunders/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Phillip Caplan (CN=Phillip Caplan/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
FYI -- A copy of an update I just sent to my bosses.
---------- Forwarded by James J. Jukes/OMB/EOP on 12/21/98 07:05 PM ----------

James J. Jukes

12/21/98 07:04:49 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
bcc: Records Management@EOP
Subject: Update on Foreign Affairs agencies reorganization plan

To update my previous message on this subject (attached) . . .

1. We have this afternoon received from State its proposed final version of the reorganization plan and report. This redraft is acceptable to USIA, AID, ACDA, the Broadcasting Board of Governors, and OMB staff.

2. NSC staff has not yet signed off on the documents. NSC's Don Kerrick told State this afternoon that NSC is giving this afternoon's draft to the President, who wants to review it.

3. We have today received from State a draft fact sheet on the plan, intended for release by the Press Secretary's office. The current draft, reflecting agency comments received this afternoon, is attached. We expect to receive additional comments (from NSC, AID, and Justice) tomorrow.

4. USIA Director Duffy has asked Bruce Sasser to note "for the record", in OMB's note transmitting the report to the President, that USIA has concerns with: (1) the proposed merger of two USIA Bureaus (the Bureau of Information and the Bureau of Education and Cultural Affairs) into a single bureau within State; and (2) the merger of USIA's appropriation account for International Information Programs into State's operational account.

Next Steps

We will coordinate with NSC to get a final NSC signoff. We will then forward the proposed final version (with the transmittal letters to Congress) to the Director for transmittal to the President.

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE PRESIDENT

FROM: Jacob J. Lew
Director

SUBJECT: Foreign Affairs Agencies Reorganization Plan

Attached for your signature are eight letters transmitting to congressional committees the reorganization plan and report required by 1601 of the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277, Division G). As required by the Act, the reorganization plan describes how the United States Arms Control and Disrmament Agency (ACDA), the United States Information Agency (USIA), and portions of the Agency for International Development (AID) will be incorporated into the Department of State. The Act requires that the President transmit these documents to specified congressional committees by December 20, 1998.

Also attached is a fact sheet on this subject for release by the Office of the Press Secretary.

The attached documents were prepared by the Department of State. They have been reviewed and approved by ACDA, USIA, AID, the Department of the Treasury, the Office of Personnel Management, the General Services Administration, [the National Security Council staff], and this Office.

[The USIA Director does not object to the transmittal of these documents to the Congress, but asked that we note for the record his concerns with: (1) the proposed merger of two USIA Bureaus (the Bureau of Information and the Bureau of Education and Cultural Affairs) into a single bureau within State; and (2) the merger of USIA's appropriation account for International Information Programs into State's operational account.]

Attachments

CLINTON LIBRARY PHOTOCOPY

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Attachments

Attached are: (1) the draft fact sheet; (2) the draft Presidential transmittal letters to the Congress; and (3) the draft memo from the Director to the President.

James J. Jukes

12/16/98 06:46:30 PM
Record Type: Record

To: Bruce K. Sasser/OMB/EOP@EOP
cc: See the distribution list at the bottom of this message

CLINTON LIBRARY PHOTOCOPY

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Director

SUBJECT: Foreign Affairs Agencies Reorganization Plan

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[The USIA Director does not object to the transmittal of these documents to the Congress, but asked that we note for the record his concerns with: (1) the proposed merger of two USIA Bureaus (the Bureau of Information and the Bureau of Education and Cultural Affairs) into a single bureau within State; and (2) the merger of USIA's appropriation account for International Information Programs into State's operational account.]

Attachments

CLINTON LIBRARY PHOTOCOPY

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Marsha Scott (CN=Marsha Scott/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-APR-1999 16:18:28:00

SUBJECT: Dr. Bill Bader

TO: Bruce R. Lindsey (CN=Bruce R. Lindsey/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Bob J. Nash (CN=Bob J. Nash/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Dorian V. Weaver (CN=Dorian V. Weaver/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

Charles H. Cole (CN=Charles H. Cole/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

Laura K. Demeo (CN=Laura K. Demeo/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
Dr. Bader was confirmed as the head of the Cultural Affairs Bureau at USIA. Is he the one who will be given the Assistant Secretarial position being created as a result of the reorganization at State? He technically already has the position and, of course, is hopefully assuming that he has the new one as well. He was very concerned about the mention that occurred in Kamen's column last week and wanted to take whatever steps needed to secure the position. Because of his excellent standing with the Senate, the Senate Foreign Relations Committee has agreed to wave a hearing if we send up his papers. I told him I would talk to you and get back to him this afternoon or tomorrow morning. thanks.

CLINTON LIBRARY PHOTOCOPY

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Jonathan Spalter to Craig T. Smith at 12:27:01.00. Subject: Thanks. (2 pages)	08/05/1997	P2
002. email	Jonathan Spalter to Debbie B. Bengtonson and Ron Klain at 12:21:44.00. Subject: Eleine Shocas. (2 pages)	09/02/1997	P2
003. email	Jonathan Spalter to Michael D. McCurry at 10:05:01.00. Subject: Re: Redmond Walsh. (2 pages)	09/12/1997	P2
004. email	Luiz Piacenti to dorothy Drengler at 18:13:51.00. Subject: Re: quanto tempo eu nao escrevo. (partial) (1 page)	05/13/1998	P6/b(6)

COLLECTION:
Clinton Presidential Records
Tape Restoration Project [Email]
WHO ([USIA and merger])
OA/Box Number: 500000

FOLDER TITLE:
[08/05/1997 - 11/19/1998]

Adam Bergfeld
2006-0208-F
ab670

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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CLINTON LIBRARY PHOTOCOPY

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: Jonathan Spalter (CN=Jonathan Spalter/O=OVP [OVP])

CREATION DATE/TIME: 5-AUG-1997 12:27:01.00

SUBJECT: Thanks

TO: Craig T. Smith (CN=Craig T. Smith/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
for the help on this USIA slot (Associate Director for the Information Bureau).

As mentioned, because of reorganization politics, State put the kabosh on the career candidate that Joe Duffey sent over to Nash. I've gotten calls from folks at USIA urging me to put my name in for the job. Lula tells me if Bob learns the V.P.'s office has an alternative candidate in mind, the impasse could be resolved quickly.

I've talked this over with Leon, and he is also on board.

Lula (who has a call into you on this) tells me she is confident I would be acceptable to Duffey (with whom I have a good relationship), and is sure that I would be fine with her people at State. Joe might balk at first, but when he realizes that there is a direct White House interest in this, I am told he will likely come around.

The key she says is that this has to move quickly and quietly.

Can you speak with Bob and tell me what we need to do??

A trillion thanks.... Carrie says hi.

JS

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CLINTON LIBRARY PHOTOCOPY

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: Jonathan Spalter (CN=Jonathan Spalter/O=OVP [OVP])

CREATION DATE/TIME: 2-SEP-1997 12:21:44.00

SUBJECT: Elaine Shocas

TO: Debbie B Bengtson (CN=Debbie B Bengtson/O=OVP @ OVP [OVP])
READ:UNKNOWN

TO: Ron Klain (CN=Ron Klain/O=OVP @ OVP [OVP])
READ:UNKNOWN

Thomas A. Shea (CN=Thomas A. Shea/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
Ron --

Need some help. Elaine has not yet gotten back to Bob Nash and Co. with a green light on moving the decision memo on my nomination to lead USIA's Information Bureau. Though Jamie Rubin and others at State tell me everything is in place now for this to happen, he says Elaine simply needs to prodded to act on this, and to understand that you and the V.P. in fact have a direct interest in getting this done, and getting this done now.

I've talked it over with Tom Shea, and we agree it would be very helpful -- and I would be grateful -- if you could mention this in your meeting later today with Elaine.

FYI -- As you suggested, Leon spoke to her two weeks ago to stress the V.P.'s personal interest in moving this forward. (He also tried two or three times on Friday to reach her to reiterate this message). Tom tells me Bob Nash shares our concern -- particularly following Friday's lead story in the Post about the high number of unfilled positions -- and will be calling her to press the case.
If I may, here are a few key talking points which you might use with her:

CLINTON LIBRARY PHOTOCOPY

1. The V.P. and I are strongly interested in moving this forward. This is a priority. The V.P. has been personally involved in this, and as far as he understands, the decision memo has already gone forward to the President. All that needs to happen now to get this done is for you to close the loop with Nash.

2. Of course, we understand and are sensitive to reorganization concerns. But even if USIA's Information Bureau is restructured -- partly or completely, that will not take place for at least a year and a half to two years from now. In the interim, it is in everybody's interest -- including the V.P.'s -- to fill this position with Spalter now.

3. I would like to be able to inform Bob Nash (today??) that you are OK with moving the decision memo forward, so I can report to the V.P. that this has been taken care of.

Many, many thanks!

-- JS

CLINTON LIBRARY PHOTOCOPY

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: Jonathan Spalter (CN=Jonathan Spalter/O=OVP [OVP])

CREATION DATE/TIME:12-SEP-1997 10:05:01.00

SUBJECT: Re: Redmond Walsh

TO: Michael D. McCurry (CN=Michael D. McCurry/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
thanks, mike.....

I know you and he have spoken, and he thinks the world of you, and told me how much he appreciated your being so straightforward and responsive throughout your conversations....

My note was actually directed to Ann, who I hope will find some time to treat Redmond's interest in working with her with the seriousness it deserves.

I hope you are well.

On a personal issue, I want to you to know that Joe Duffey recently asked me to run USIA's "I" (information) bureau.... I have said yes, and the VP, Leon, and Ron are all enthusiastic about this, and the personnel paperwork is all ready to go... in fact, the VP talked directly to Joe to push this idea. But State has put up a roadblock, asking that my decision memo not go to the President until they can come to a final agreement about reorg issues, including the question of whether "I" would exist after consolidation a couple of years from now, or whether it should be disbanded, and most of its public diplomacy resources put into Jamie's shop. Joe Duffey called me a couple of days ago to say he was very upset to have learned about this, noting that he had (what he thought was) an ironclad deal with Madeleine to keep "I" intact, and reminding me of

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Elaine Kamarck's press briefing with you last April in which she specifically noted that "I" would be preserved at State.

I am sure everybody is working in good faith on this, but I sure hope this works out. I wanted to loop you in. If you hear anything, please let me know...

Cheers.

CLINTON LIBRARY PHOTOCOPY

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	mh-jpn to Dorothy Drenglar at 15:28:00.00. Subject: Re: Dear Marguerite. (3 pages)	11/05/1997	P6/b(6)
002. email	Luiz to Dorothy Drengler at 08:56:00.00. Subject: Re: Tudo Azul por aqui. (partial) (1 page)	01/09/1998	P6/b(6)
003. email	Luiz to Dorothy Drengler at 09:25:00.00. Subject: Re: Tudo Azul por aqui. (partial) (1 page)	01/13/1998	P6/b(6)
004. email	Luiz to Dorothy Drengler at 09:44:00.00. Subject: Re: Voce tem que estar de ferieas ou doente. (partial) (1 page)	01/23/1998	P6/b(6)
005. email	Luiz to Dorothy Drengler at 14:57:00.00. Subject: Re:Que bom ter noticias tuas. (partial) (1 page)	01/28/1998	P6/b(6)
006a. email	G. Timothy Saunders to David E. Kalbaugh, Edwin R. Thomas III, and William W. McCathran at 12:39:00.00. Subject: Update on Foreign Affairs agencies reorganization plan. (partial) (1 page)	12/22/1998	P5
006b. email attachment	Memorandum for the President from Jacob Lew. Subject: Foreign Affairs Agencies Reorganization Plan. (partial) (1 page)	12/22/1998	P5

COLLECTION:
Clinton Presidential Records
Tape Restoration Project [Email]
Default ([USIA and merger])
OA/Box Number: 1100000

FOLDER TITLE:
[11/05/1997 - 02/22/1999]

Adam Bergfeld
2006-0208-F
ab671

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Wilson, Ernest J., to Wiedemann, Kent M., re: Asian Democracy Radio (1 page)	06/18/1993	P1/b(1)
002. email	Rosner, Jeremy D. to Soderberg, Nancy re: Radios -- Update (2 pages)	09/18/1993	P5
003. email	Rosner to Berger, Samuel R., et. Al., re: Radio Free Asia (2 pages)	10/26/1993	P1/b(1), P5
004. email	Gray, Wendy E. to Rosner & Funches, Christina L. re: Clearance Please (3 pages)	12/15/1993	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
A1-Record (Jan 93-Sept 94) ([USIA near reorganiz*...])
OA/Box Number: 570000

FOLDER TITLE:
[06/18/1993 - 12/15/1993]

Eric Holzer
2006-0208-F
eh178

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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NATIONAL SECURITY COUNCIL

18-Sep-1993 14:44 EDT

UNCLASSIFIED

MEMORANDUM FOR: SEE BELOW

FROM: Jeremy D. Rosner
(ROSNER)

SUBJECT: Radios -- Update

You asked about the status of our reorganization of international broadcasting:

The legislation was adopted by the Senate Foreign Relations Committee and is now awaiting floor action. Sen. Biden has a hold on the whole bill (the State Dept. Authorization bill) because he continues to object to one piece of our plan -- ending RFE/RL's status as an independent "grantee" corporation.

At the urging of the Leg. Affairs types at NSC, USIA, State and OMB, Howard Paster talked to Biden last week about this, but didn't get anywhere. He's going to talk with him again this week. So is Donilon, who has close political ties to Biden. If these conversations go nowhere, we will have to decide whether we simply are willing to bring Biden's objections to a vote, which I'm fairly confident we would win. While most of the Leg. Affairs folks are prepared to go this route, Howard, I think, is more worried about antagonizing Biden.

We will know more after this week.

Distribution:

FOR:	Nancy Soderberg	(SODERBERG)
CC:	Records	(RECORDS)
CC:	W. Anthony K. Lake	(LAKE)
CC:	Samuel R. Berger	(BERGER)
CC:	Ernest J. Wilson III	(WILSON)
CC:	James W. Reed	(REED)
CC:	George M. Andricos	(ANDRICOS)
CC:	Donald G. Gross	(GROSS)

Additional Header Information Follows

Date Created: 18-Sep-1993 14:33
Deletable Flag: Y
DOCNUM: 015690
VMS Filename: OA$SHARE10:ZUWFL2D5W.WPL
A1 Folder: SEP93
Message Format:
Message Status: READ
Date Modified: 18-Sep-1993 14:33

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Forward Flag: YES
Read-Receipt Requested: NO
Delivery-Receipt Requested: NO
Message Priority: FIRST_CLASS

CLINTON LIBRARY PHOTOCOPY

NATIONAL SECURITY COUNCIL

15-Dec-1993 20:03 EDT

UNCLASSIFIED

MEMORANDUM FOR:
Jeremy D. Rosner (ROSNER)
Christina L. Funches (FUNCHES)

FROM: Wendy E. Gray
(GRAY)

SUBJECT: Clearance Please

Hi Jeremy!

Nancy would like your concurrence on this memo please. Please give us a call it's packag 9814

MEMORANDUM FOR GEORGE STEPHANOPOULOS

FROM: ANTHONY LAKE

SUBJECT: Your Question about Senator Feingold's Concerns with Radio Free Europe and Radio Free Asia

You asked about the status of the Administration's position on Radio Free Europe and on Radio Free Asia. You mentioned that Senator Feingold was concerned because he heard we are increasing funding for RFE and adding Radio Free Asia (RFA). The context of Feingold's question is complicated; here is where we are on this now.

The question comes up because Senators Feingold and Biden disagree over one part of the President's plan to consolidate Radio Free Europe/Radio Liberty, USIA, and a newly-created Radio Free Asia.

Radio Free Europe and Radio Free Asia
On June 15 the President announced his proposal to reorganize international broadcasting. It proposed to continue RFE/RL and to create a new "Radio Free Asia," but to operate both, along with VOA and the Martis -- under a new federal Broadcasting Board of Governors (BBG). The Board will be within USIA, but will have certain features to ensure the independence of the broadcasting

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services from political interference (e.g., the authority to appoint the Director of the broadcasting bureau). Through such consolidation, and through reductions in broadcasting services that will eliminate duplication and overlap, the plan would save $243 million over four years.

Senator Biden supported the Administration's decision to downsize RFE/RL, but adamantly opposed the decision to end its status as a "grantee" -- a private corporation. In June, prior to the President's announcement of his reorganization plan, Joe Duffy and Dan Mica briefed Senator Biden on the plan, which at that point the agencies envisioned retaining RFE/RL's grantee status. Although Duffy and Mica stated that the proposal's details were preliminary at that point, Biden, a supporter of grantee status, suggested he had been betrayed when he found that the final plan did not preserve RFE/RL's guarantee status. He threatened to filibuster the FY 1994 State Authorization Bill, which contains the reorganization proposal, and his opposition helped block

the bill from proceeding to the Senate floor. (That bill is scheduled to come to the Senate floor on the Senate's first day back, January 25.)

Urged by Howard Paster, who wanted to pursue an amiable resolution to the issue, Duffey and Mica went to see Biden on October 26 in an effort to break the impasse. To move the bill forward and get agreement between Sens. Biden and Feingold, Duffy and Mica proposed to continue grantee status for RFE/RL and create it for Radio Free Asia, but only if both services reported to the same BBG and were subject to stringent budgetary requirements. Senator Feingold (who led the Senate effort against RFE/RL and for budget savings from all the radios) and others insist on these restrictions for RFE/RL. Also, Sen. Feingold rejects grantee status for RFA.

The Asia offices at State and NSC are concerned that making RFA a grantee could be seen by China as confrontational, particularly if this new radio service were to become dominated by strident emigres. We believe it is possible to construct a Radio Free Asia that promotes US interests in the region, does not get captured by political partisans, and conforms to the guidelines of the compromise RFE/RL formula.

While Feingold can accept our position on RFE/RL, he will not accept RFA as a grantee in any form largely because it would create a new bureaucracy outside of an existing agency. This disagreement between Biden and Feingold is likely to be debated and resolved on the floor.

Budget
You also asked about the RFE/RL budget. In FY 1993 it was $220 million, in FY 1994 $210 million. The figures have not been finalized for next year (the legislation is still before the Senate), but if our legislation passes it may require increased funding to pay for RFE termination costs and severance pay, costs we are contractually obligated to pay under German labor laws when we cut back operations and personnel. When those obligations are met, payments to RFE/RL will fall substantially.

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CC: Records (RECORDS)

Additional Header Information Follows

Date Created: 15-Dec-1993 20:03
Deletable Flag: Y
DOCNUM: 023493
VMS Filename: OA$SHARE31:ZUZPSO4J5.WPL
A1 Folder: DEC93
Message Format:
Message Status: READ
Date Modified: 15-Dec-1993 20:03
Forward Flag: YES
Read-Receipt Requested: NO
Delivery-Receipt Requested: NO
Message Priority: FIRST_CLASS

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Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Lennon, John E. to Halperin, Morton H. re: Public Diplomacy-USIA (5 pages)	01/10/1995	P5
002. email	Lennon to Halperin re: NPR Administrative Mtg (2 pages)	01/18/1995	P5
003. email	Halperin to Danvers, William C. re: Legislative Update (2 pages)	01/24/1995	P5
004. email	Lennon to Andreasen, Steven P. et al. re: USIA--First Draft for Comment (6 pages)	01/09/1995	P5
005. email	Beardsley, Tyler S. to Andricos, George M. et al. re: [Restructuring Our Foreign Affairs Agencies] (4 pages)	02/17/1995	P5
006. email	Cooper, Kathleen H. to Bell, Robert G. re: Concurrence Please (4 pages)	02/28/1995	P1/b(1), P5
007. email	Witkowsky, Anne A. to Bell re: NPR Phase II (6 pages)	02/28/1995	P5
008. email	Cooper to Mitchell, Calvin A. et al. re: Helms Guidance (2 pages)	03/13/1995	P5
009. email	Lennon to Danvers re: Draft McCurry Statement (2 pages)	03/14/1995	P5
010. email	Lennon to Danvers et al. re: NPR Statement & TPs (3 pages)	03/14/1995	P5
011. email	Lennon to Danvers et al. re: [Draft Talking Points] (3 pages)	03/15/1995	P5
012. email	Spalter, Johathan H. to Baker, Jane E. et al. re: Revised Points/Statement (4 pages)	03/15/1995	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[01/06/1995 - 05/30/1995]

Eric Holzer
2006-0208-F
ch179

RESTRICTION CODES

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013. email	Lennon to Halperin re: Confidential Call (1 page)	04/12/1995	P5
014. email	Cooper to Clarke, Richard A. & Danvers re: NPR (3 pages)	04/17/1995	P5
015. email	Lennon to Halperin re: Confidential Call (2 pages)	04/28/1995	P5
016. email	Lennon to Halperin re: Confidential Call (1 page)	05/08/1995	P5
017. email	Danvers, to Baker, Jane E. et al. re: HIRC Mark Up Update (6 pages)	05/13/1995	P5
018. email	Davers to Bass, Peter E. et al. re: NPR and Resources (5 pages)	05/13/1995	P1/b(1), P5
019. email	Fried, Daniel to Danvers re: HIRC Mark Up Update (2 pages)	05/15/1995	P1/b(1), P5
020. email	Lennon to Halperin re: IWG-Bdcast (2 pages)	05/15/1995	P5
021. email	Cooper to Bass re: Gillman Bill (3 pages)	05/19/1995	P1/b(1), P5
022. email	Danvers to Woolston, Ann E. re: For Pam (5 pages)	05/25/1995	P5
023. email	Tyler, John T. to Clarke et al. re: Taking Out the Leg. Elements (5 pages)	05/30/1995	P5
024. email	Tyler to Clarke et al. re: Another Try... (5 pages)	05/30/1995	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[01/06/1995 - 05/30/1995]

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2006-0208-F
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MSMail

DATE-TIME	10 January 95 15:06
FROM	Lennon, John E
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Public Diplomacy - USIA [UNCLASSIFIED]
TO	Halperin, Morton H.
CARBON_COPY	Cooper, Kathleen H. Lennon, John E Longoria, Michael A. Malley, Robert
TEXT_BODY	Here's a revised draft on USIA's public diplomacy functions... [[USIA-2.DOC : 3924 in USIA-2.DOC]]
ATTACHMENT FILE DATE	10 January 95 15:3
ATTACHMENT FILE NAME	USIA-2.DOC

PUBLIC DIPLOMACY FUNCTIONS
U.S. INFORMATION AGENCY
January 10, 1994

This paper reviews USIA's functions in light of the proposal to consolidate those functions within the Department of State. Options in this regard are on the following page.

USIA conducts public diplomacy in pursuit of the Administration's strategy to advance democracy and enlarge the community of free-market nations. Three public diplomacy functions (more fully described on pages 3-4) support this strategy:

ù Public Affairs and Information officers are assigned abroad to articulate and defend US policies, administer programs, and seek support for multi-lateral alliances, bilateral policies, and international peace-keeping and development efforts.

ù Exchange programs and cultural information programs are administered by Cultural Affairs officers abroad in consultation with a variety of USIA, other USG, and NGO offices to promote policy interests and advance international understanding through the exchange of people and knowledge.

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ù International radio and television programming is packaged or broadcast to report the news, reflect the values of American society, and explain and discuss American policies.

USIA funding and FTE enacted for FY`95:
ù Overall budget ($ in thousands) $1,414,117
ù USIA S&E (minus broadcasting) 475,645
ù Broadcasting operations & radio construction 588,196
ù Exchange program operations 280,379
ù National Endowment for Democracy 34,000
ù East-West Center 24,500
ù North-South Center 4,000
ù Inspector General S&E & operations 4,300
ù Trusts(Eisenhower, & Israeli-Arab Scholarship) 3,197
ù Employees (FTE)
Overseas
Americans 836
Foreign Nationals 2,750
Domestic 1,548
Office of the Insp. General 52
Non-broadcasting staff 5,186
Broadcasting 2,846
Total 8,032
OPTIONS
There are two principal options regarding USIA's future structure and function.

1. MAINTAIN CURRENT STRUCTURE
USIA would remain intact, and would pursue the two major reorganization efforts it has undertaken during this administration with the approval of Congress, OMB, and NSC.

The first of these resulted in creation of a new Information Bureau at the beginning of FY`95. The Agency's budget documents project savings over FY`94 of more than $15 million and a reduction of 221 FTE. The reorganization pulled together information programs from various parts of the Agency, eliminated low-yield high-cost publications and exhibits, and projects:
ù Usage of upgraded telecommunications systems in applying thematic programs tailored for geographic regions

ù Technological enhancement of consolidated Agency databases
ù Continued operation of Foreign Press Centers in Washington, New York, and Los Angeles, to provide briefings and facilitative assistance for foreign correspondents.
About 400 FTE are allotted for these functions, with S&E and program costs totalling $29.7 million.

The second major functional reorganization within USIA during the

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past two years has resulted in the current framework for international broadcasting described on page four. The new International Broadcasting Bureau falls within USIA, and the USIA Director is a member of the Broadcasting Board of Governors.

2. DISPERSE AGENCY FUNCTIONS
Public Affairs functions would go to State. Given the existing close working relationship at most posts between USIS and State/AID/ACDA/DOD and other agencies, a revised country plan framework could be implemented at embassies and supervised from Washington by a consolidated Area Office/Desk Officer system.

Exchange and cultural program functions would go to State and be administered in the field as at present. Absent Public Affairs a weakened USIA could likely not defend its appropriations.

The broadcasting function would remain discrete, with necessary oversight modifications. Inclusion within State would be at odds with the intent of Congress; no alternative parent agency is easily identified, and separate status should be considered.

This option would require a cross-agency review of database and telecommunication system compatibility. Savings could be effected by elimination of management and administrative overlap, and reduction of leasing costs in Washington and abroad.
PUBLIC AFFAIRS
The mission of overseas posts is to develop and maintain contacts with and between democratic individuals, publics and institutions. USIA's stated purpose is to strengthen democracy; its congressional mandate does not include the purveying of foreign aid as in the case of a donor agency (such as AID), nor does it regard its client contacts as recipients.

USIA staffs and operates 212 U.S. Information Service posts in 148 countries. Organizationally these posts are divided into six geographic regions: East Asia & Pacific; Africa; North Africa, Near East, and South Asia; American Republics; West Europe and Canada; East Europe and New Independent States. These areas are each represented at headquarters in Washington by an Area Director who supervises HQ country or regional desks which, in turn, are responsible for the formulation, content, direction and effectiveness of overseas mission programs.

The USIS post overseas functions as an integral part of a U.S. diplomatic mission in a country. Its purpose is to maintain important contacts to both distribute and gather information within the political, cultural, educational, business, and media communities. Specific programs, depending on the size and nature of the post, include dissemination and promotion of radio-TV products; production and distribution of a wide range of print media;

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operation of American centers, libraries, binational centers and English-teaching programs; and facilitation of travel by official and appropriate non-official American visitors. In addition to media contacts, teleconferences and video interactives, USIS posts facilitate visits by speakers and groups whose appearances are designed to widen local exposure to political, economic, cultural, and social democratic values.

The post is headed by a Public Affairs Officer who reports in-country to the Chief of Diplomatic Mission, and through USIA to the appropriate HQ Area Director. The Public Affairs Officer (PAO) supervises a staff of American and foreign national (FSN) employees. The PAO is assisted, in all but the smallest posts, by one or more Information Officers (IO), and has oversight responsibility for the work of a Cultural Affairs Officer (CAO).

All USIS posts have a functional requirement to report to HQ, in the context of US policy interests, local public opinion, media activity, and socio-cultural trends and events. This information is assimilated and disseminated by the Office of Research which publishes twice-daily Media Reaction summaries and, longer-term, conducts opinion surveys and other research activities.

EXCHANGE PROGRAMS

A variety of exchange programs are designed to facilitate contact between students, teachers, scholars, and specialists from the widest range of human endeavor. USIA's exchange programs are operated by the Bureau of Educational and Cultural Affairs (E), with a projected staffing ceiling of 315 for FY`95. Less than 5% of E employees are overseas; the rest are at USIA headquarters.

Exchange programs include the Fulbright Program, which brings about 3,000 students and scholars from every country to the United States to teach or study every year, and sends more than 2,000 Americans abroad for the same purpose. The Bradley Program operates in a similar manner for similar purposes at the high school level with NIS countries. Promising candidates are nominated by USIS posts and selected by the E Bureau for appointments as Muskie Fellows in public administration, or as Humphrey Fellows studying other public sector disciplines.

USIA provides support for a wide range of exchange programs designed to promote democratic values regarding the rule of law, civil-military relations, free and independent media, social tolerance, and conflict resolution in a democratic society. Among these programs is the International Visitors' Program, which brings about 5,000 people to the U.S. every year, and the Citizens' Exchange Program which provided support for 7,500 private citizens

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brought to the U.S. by NGOs in FY`94.

BROADCASTING

USIA in FY`95 has responsibility for international broadcasting. The mandate for this function is spelled out in Title III of the Foreign Relations Authorization Act, FY-`94-95 (PL 103-236), referred to as the United States International Broadcasting Act, which calls for the continuation, consolidation, and reorganization of U.S. non-military international broadcasting which will be both consistent with U.S. foreign policy objectives and conducted in accordance with the highest standards of professional broadcast journalism.

That law creates an International Broadcasting Bureau within USIA, with oversight by an appointed Broadcasting Board of Governors, to include Voice of America, Radio Free Europe/Radio Liberty, Worldnet, Office of Cuba Broadcasting, and Radio Free Asia. The President has approved a plan designed to govern implementation of the consolidation of these entities, and that work is now in progress. Net savings through consolidation of $400 million during the period 1994-97 are projected, with a combined staff reduction of more than 1,300 -- the greatest reductions coming within RFE/RL as they downsize and move from Munich, Germany, to Prague, Czech Republic.

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MSMail

DATE-TIME	18 January 95 15:09
FROM	Lennon, John E
CLASSIFICATION	UNCLASSIFIED
SUBJECT	NPR Administrative mtg [UNCLASSIFIED]
TO	Halperin, Morton H.
CARBON_COPY	Cooper, Kathleen H.
TEXT_BODY	

The attached is a draft of a memo I felt moved to write after this morning's meeting on the administrative costs of foreign affairs programs. It's also in the g-drive.

[[NPRADMIN.DOC : 3920 in NPRADMIN.DOC]]

ATTACHMENT FILE DATE	18 January 95 13:34
ATTACHMENT FILE NAME	NPRADMIN.DOC

January 18, 1995

MEMORANDUM FOR: Pamela Johnson
National Performance Review

THROUGH: Morton H. Halperin
Special Assistant to the President and Senior Director for Democracy,
National Security Council

FROM: John Lennon, NSC
Office of Democracy

SUBJECT: Foreign Affairs Administrative Costs - State/ACDA/AID/USIA

Regarding this morning's meeting on administration of foreign affairs I would offer the following observations.

1. The value in consolidating or otherwise reorganizing administrative functions at subject agencies lies in two areas other than immediate savings, which would be small. The first is long-term cost-effectiveness resulting from standardization of systems and procedures and a subsequent minimalist approach to staffing, particularly involving American citizens overseas but also at headquarters offices. The second is the visible result of such

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efforts, which will ensure the appearance as well as the reality of attempts to ensure cost-effectiveness.

2. Reduction of substantive programs as a method of saving money should not be considered as an option for this exercise. Program evaluation is essential to good government; efforts at downsizing and reorganization have yielded known results, and are continuing with the expectation that further economies will be achieved. It's clear that Congress will have its say.

3. Of the administrative functions reviewed this morning, a few caught my subjective eye. First, Henry Howard's point is well taken: standardization of telecommunications systems and information software, undertaken over several fiscal years and with appropriate security safeguards built in, would streamline inter-agency business dealings and permit long-term staff and dollar savings. Second, redundant, outdated, or otherwise ineffective security systems -- regarding both people and communication -- serve as a deterrent to timely and efficient action in today's time-compressed foreign affairs environment; a longer-term review is needed. Finally, laws regarding Inspectors General should be reviewed to address and identify overlap.

Thanks for the invitation to participate.

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MSMail

DATE-TIME	24 January 95 10:22
FROM	Halperin, Morton H.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Subject: RE: Legislative Update [UNCLASSIFIED]
TO	Danvers, William C.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

I would like to call Berry and go talk to him about the reorganization issue. Let me know if you get any response from Tony or Sandy or if we can interpret silence as permission to go ahead.

From: Danvers, William C.
To: @NSA - Nat'l Security Advisor; @UP - APNSA Special Assistants
CC: /R, Record at A1; @LEGISLAT-Legaslative Affairs; @NSC - NSC Staff
Subject: Legislative Update [UNCLASSIFIED]
Date: Monday, January 23, 1995 06:34 PM

To Tony, Sandy and Nancy:

We will begin making calls tomorrow morning on the IEEPA EO, along with State, DoJ, Treasury and DoD. Most of the calls will be staff to staff, unless an agency feels a principal should be called. I spoke to George Tenet, and he believes that Specter should be called directly. Since Sandy has him on his Mexico "hit list", maybe he could talk to him about the EO as well. George stressed that terrorism is an important issue for Specter. We will get Sandy cleared points (by you) first thing in the morning.

DoJ-- Jamie Gorelick-- wants to have consultations with the Hill Judiciary Committees on Wed and Thursday on the proposed anti-terrorism bill before it is introduced. This will be difficult to do if we intend to move the bill in the next week-- I understand it is a fairly complicated piece of legislation. We need to come to some closure on this tomorrow in order to be able to advise DoJ as to how to proceed. One other point, it will not only be DoJ that will have to consult its committees but State, Intel, Treasury and DoD as well. This makes meaningful consultations difficult. I believe Steve Simon concurs.

As far as when the bill is to be introduced, we might want to wait until early next week. There is a lot going on on the Hill-- for example, State of the Union, Korea, the Contract and Mexico. We have a better chance of getting Hill interest in what we are doing if we wait. It will likely get lost this week on the Hill -- I would think for press purposes as well.

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On Mexico, per my earlier E-Mail, things are moving, although it is difficult to say how quickly. There was a meeting on the House side with Ds, Rs and Admin. reps. Some progress on language. They want to work it with the Senate-- don't want to have to go to conference. There are three hearings scheduled (so far) this week-- House Banking on Wed., two in SFRC on Thursday. Still looks like House might move first, but situation is still fluid. Calls being made in House and Senate. We are making our calls.

On Bosnia, Crowe is coming to town next week. State is scheduling meetings from the target list-- Cohen, McCain, Berman, Gilman, Berman and Lieberman. Daschle had Nunn establish a D group on Bosnia. They have met on a staff level a couple of times. They will meet again this Wed. Principals have not met yet. The group includes: Lieberman, Feingold, Levin, Biden, Breaux, Dodd, Graham, Exon, Sarbanes, Byrd, Pell, Wellstone and Kerry. (If we can consensus from this group, we are in good shape.)

We are getting talking points on Angola to make a first round of calls on the upcoming vote. We are working this with Don, Susan and State.

I spoke to Steve Berry, SFRC chief counsel, on consolidation issues-- ACDA, AID, USIA, etc. He does not want these agencies to be folded into State. He would like to see a new government corporation formed with the President as CEO, Sec. State, DoD, etc. as the board of directors. We spoke briefly; his scheme sounds complicated (although innovative). This is what he believes Helms will push. I think it might be worth having Mort talk with him. Please let me know what you think.

Perry and Christopher are appearing before SFRC at 10:00 am tomorrow on Korea.

Gephardt's staffer said that he is in favor of having a regular meeting with Tony, Gep., Newt and others. I will follow up with Newt's staffer.

On the Contract, the Christopher hearing is on Thursday, as is the mark up. State is working HIRC. State is also in contact with Intel. There will be an effort to strike their provision from the bill-- intel sharing with the UN--, and if that does not work, they will have some Sense of the Congress language. State is working it, as soon as I get it I will share it with George. Finally, House D leadership is trying to organize their members on this. I told them we would be glad to help in any way that we can.

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MSMail

DATE-TIME	09 January 95 14:40
FROM	Lennon, John E
CLASSIFICATION	UNCLASSIFIED
SUBJECT	USIA -- First draft for comment [UNCLASSIFIED]
TO	Andreasen, Steven P. Andricos, George M. Atkin, Timothy J. Beers, Rand R. Bell, Robert G. Blinken, Antony J. Brown, Dallas Clarke, Richard A. Cooper, Kathleen H. Danvers, William C. Darragh, Sean J. Funches, Christina L. Hahn, Keith D. Halperin, Morton H. Jones, Steven R. Kelly, Sandra L. Lennon, John E Lindsey, Wanda Longoria, Michael A. Malley, Robert Moody, Angelyn D. Norman, Marcia G. Rice, Susan E. Richardson, Craig Roundtree, Beverly J. Schwartz, Eric P. Seaton, James B. Sestak, Joseph A. Simon, Steven N. Witkowsky, Anne A.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	[[USIA.DOC : 3660 in USIA.DOC]]
ATTACHMENT FILE DATE	9 January 95 14:37
ATTACHMENT FILE NAME	USIA.DOC

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UNITED STATES INFORMATION AGENCY
FUNCTIONAL PROFILE
January 9, 1994

OVERVIEW

The U.S. Information Agency is responsible for conducting public diplomacy. In its budget request for FY`95 USIA characterized this task as a vital element in President Clinton's post-Cold War strategy: "...to ensure our security and to build a durable peace (by supporting) the advance of democracy elsewhere." The Administration measures democracy's advance, in part, by success of efforts to enlarge the community of free-market nations. Public diplomacy methods supporting this strategy include:

ù the assignment of foreign service officers abroad to articulate and defend US policies, administer relevant agency programs, and seek government and public support for US-sponsored international projects and policies;

ù maintenance of educational and cultural exchange programs to promote US foreign policy interests and advance international understanding through the exchange of people and knowledge;

ù operation of electronic mass media designed to provide foreign audiences with news and information reflecting the values of American society, the policies of the US government, and significant events of interest to those audiences;

ù support for programs with global or regional interests whose goals are consistent with those of the United States -- including the National Endowment for Democracy, the East-West Center, the North-South Center (zeroed out in FY`95), and trust funds supporting the Eisenhower Exchange Fellowship Program and the Israeli-Arab Scholarship Program.

STATISTICAL PROFILE

ù FY`95 overall budget request ($ in thousands) $1,430,420
ù USIA S&E (minus broadcasting) 496,724
ù Broadcasting operations & radio construction 637,440
ù Exchange program operations 238,279
ù Overseas support (travel, training, etc.) 41,275
ù NED (requested) 45,000
ù East-West Center operations 24,500
ù Inspector General S&E & operations 4,247
ù Employees
Overseas Americans 857
Foreign Nationals 2,887
Domestic 1,477
Office of the Insp. General 51
Non-broadcasting staff 5,272
International broadcasting 3,026
Total 8,298

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OVERSEAS MISSION OPERATIONS

The mission of overseas posts is to develop and maintain contacts with and between democratic individuals, publics and institutions. USIA's stated purpose is to strengthen democracy; its congressional mandate does not include the purveying of foreign aid as in the case of a donor agency (such as AID), nor does it regard its client contacts as recipients.

USIA staffs and operates 212 U.S. Information Service posts in 148 countries. Organizationally these posts are divided into six geographic regions: East Asia & Pacific; Africa; North Africa, Near East, and South Asia; American Republics; West Europe and Canada; East Europe and New Independent States. These areas are each represented at headquarters in Washington by an Area Director who supervises HQ country or regional desks which, in turn, are

responsible for the formulation, content, direction and effectiveness of overseas mission programs.

The USIS post overseas functions as an integral part of a U.S. diplomatic mission in a country. Its purpose is to maintain important contacts to both distribute and gather information within the political, cultural, educational, business, and media communities. Specific programs, depending on the size and nature of the post, include dissemination and promotion of radio-TV products; production and distribution of a wide range of print media; operation of American centers, libraries, binational centers and English-teaching programs; and facilitation of travel by official and appropriate non-official American visitors. In addition to media contacts, teleconferences and video interactives, USIS posts facilitate visits by speakers and groups whose appearances are designed to widen local exposure to political, economic, cultural, and social democratic values.

The post is headed by a Public Affairs Officer who reports in-country to the Chief of Diplomatic Mission, and through USIA to the appropriate HQ Area Director. The Public Affairs Officer (PAO) supervises a staff of American and foreign national (FSN) employees. The PAO is assisted by a Cultural Affairs Officer (CAO) and, in all but the smallest posts, an Information Officer (IO) and an Assistant Information Officer (AIO).

All USIS posts have a functional requirement to report to HQ, in the context of US policy interests, local public opinion, media activity, and socio-cultural trends and events. This information is assimilated and disseminated by the Office of Research which publishes twice-daily Media Reaction summaries and, longer-term, conducts opinion surveys and other research activities.

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EXCHANGE PROGRAMS

A variety of exchange programs are designed to facilitate contact between students, teachers, scholars, and specialists from the widest range of human endeavor.

USIA's exchange programs are operated by the Bureau of Educational and Cultural Affairs (E), with a projected staffing ceiling of 315 for FY`95. Less than 5% of E employees are overseas; the rest are at USIA headquarters.

Exchange programs include the Fulbright Program, which brings about 3,000 students and scholars from every country to the United States to teach or study every year, and sends more than 2,000 Americans abroad for the same purpose. The Bradley Program operates in a similar manner for similar purposes at the high school level with NIS countries. Promising candidates are nominated by USIS posts and selected by the E Bureau for appointments as Muskie Fellows in public administration, or as Humphrey Fellows studying other public sector disciplines.

USIA provides support for a wide range of non-governmental exchange programs, all of which are designed to promote democratic values regarding the rule of law, civil-military relations, free and independent media, social tolerance, and conflict resolution in a democratic society. Foremost among these programs is the International Visitors' Program, which brings about 5,000 people to the United States every year. The Citizens' Exchange Program provided support for an additional 7,500 private citizens who were brought to the U.S. by NGOs in FY`94.

REORGANIZATION

USIA has undertaken two major reorganization efforts during this administration. Both have been conducted within full view of Congress, OMB, and NSC, and carried out in the spirit of the National Performance Review.

USIA created the Information Bureau (I) at the beginning of FY`95. It is the result of reorganization within the existing functional framework, and one which, according to the Agency, resulted in savings over FY`94 of more than $15 million and reduced the employment ceiling by 221 positions. The primary elements of the reorganization include:

ù Elimination of the Bureau of Policy and Programs (P) and consolidation of its functions within I;
ù Downsizing of the Wireless File;
ù Elimination of Agency-generated magazines, exhibits, and several book programs;
ù Creation of a new Policy Planning Office.

The I Bureau is responsible for developing tailored thematic

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programs for geographic regions, applied through improved telecommunications systems. A goal of I is the consolidation and technological enhancement of databases for use by all Agency elements. Foreign Press Centers are operated by the new bureau in Washington, New York, and Los Angeles, to provide briefings and facilitative assistance for foreign correspondents. I employs 412 staff; S&E and program costs total $29.7 million.

The second major reorganization affecting USIA in FY`94 was in the area of broadcasting, as called for in Title III of the Foreign Relations Authorization Act, FY-`94-95 (PL 103-236), referred to as the United States International Broadcasting Act. That act calls for creation of an International Broadcasting Bureau within USIA, with oversight by an appointed Broadcasting Board of Governors, to include Voice of America, Radio Free Europe/Radio Liberty, Worldnet, Office of Cuba Broadcasting, and Radio Free Asia. The President approved a plan designed to govern implementation of the consolidation of these entities, and that work is now in progress. The reorganization effort projects net savings of $400 million during the period 1994-97, with a combined staff reduction of more than 1,300 -- the greatest reductions coming within RFE/RL as they downsize and move from Munich, Germany, to Prague, Czech Republic. Working groups have made varying degrees of progress on different aspects of consolidation, but it is a process that has passed the point of no return. PL 103-236 mandates the continuation, consolidation, and reorganization of U.S. non-military international broadcasting which will be both consistent with U.S. foreign policy objectives and conducted in accordance with the highest standards of professional broadcast journalism.

OPTIONS

Assuming the continued viability and importance of the functions outlined thus far, the following options are suggested for further review.

1. Because of the legislative mandate described on pg. 4, the broadcasting function should remain discrete, tied no more or less closely to an oversight or governing agency than envisioned by the authors of PL 103-236. It was USIA's initial intention to draw the television medium of Worldnet into the I Bureau, but this was discarded following passage of the Broadcasting Act.
2. Overseas mission functions, giving the existing close working relationship at most posts between USIS and State/AID/ACDA/DOD and other agency personnel, could be subsumed within a revised and consolidated country plan framework at embassies and supervised from Washington by a consolidated Area Office/Desk Officer system.
3. I Bureau functions, at least in the technical sense and perhaps in more substantive areas as well, are found in the other

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agencies being reviewed. A comprehensive review of these functions throughout the foreign affairs community of agencies, therefore, should be undertaken to identify areas of duplication, incompatibility of computer and data systems, and the benefits of universal application of database and telecommunications technology.

4. E Bureau functions, thoroughly reviewed within the context of Agency reorganization efforts during the past year, should be retained within a discrete framework. The Agency's identity as a purveyor of ideas and knowledge, as distinct from foreign aid, should remain clear in order to maintain the integrity of its exchange programs.

5. Research programs -- opinion analysis, media analysis, and public surveys -- have proven significant value, and will be of increasing importance to the new IBB and I Bureau. Consolidation of the research function under a larger foreign-affairs umbrella is a worthwhile area for study, but with the premise that there should be continuity of the function.

In a larger context, areas to be studied for cost-effectiveness should include possible overlap in foreign affairs management, administration, personnel, and budget operations; leased facilities in Washington and abroad; leased telecommunications facilities; and functional responsibilities of Foreign Service Officers in the field. With regard to this last item it seems prudent to conduct a review of USIA in the context of an NPR study of the Department of State, as well as other agencies; identification of duplication will otherwise not be possible.

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MSMail

DATE-TIME 17 February 95 17:14

FROM Beardsley, Tyler S.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: [UNCLASSIFIED]

TO Andricos, George M.
Danvers, William C.
Funches, Christina L.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

From: Wise, William M.
To: Beardsley, Tyler S.
CC: /N, NonRecord at A1
Subject: [UNCLASSIFIED]NPR2
Date: Friday, February 17, 1995 05:03 PM

[[NPR2.DOC : 4445 in NPR2.DOC]]

ATTACHMENT FILE DATE 17 February 95 17:3

ATTACHMENT FILE NAME NPR2.DOC

Dear

The issue of restructuring our foreign affairs agencies has sparked considerable interest recently. I am writing to describe our efforts, through the National Performance Review, to make needed reforms in the organization and management of these agencies and in the programs they implement. In particular, I want to ensure that you have my views on the question of whether to consolidate the Agency for International Development, Arms Control and Disarmament Agency, and United States Information Agency into the State Department.

Two years ago President Clinton charged me with undertaking the most thorough review of the federal government in our history. I have been working since that time to "reinvent" our government, to make it work better and cost less. The first phase of this effort resulted in organizational and operational changes in the way

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government departments and agencies, including the foreign affairs agencies, do business.

The President recently asked me to embark on a second phase of the National Performance Review. I am now in the process of reviewing every federal program to determine whether it is needed and, if so, whether it should be a federal, state/local, or private sector responsibility. I intend then to concentrate on making changes in federal programs to reduce costs and increase effectiveness.

One of my first actions in phase two was to examine thoroughly the proposal raised in the Administration to consolidate AID, ACDA, and USIA in the State Department. I concluded that the basic missions of these agencies are important federal functions. The question was: could the missions be pursued more effectively and at less cost by fusing these agencies into a single super-agency or by maintaining them as separate entities under the foreign policy guidance of the Secretary of State.

I determined that this and future presidents ought to have at their disposal distinct agencies that permit a clear conceptual and managerial focus on arms control, developmental assistance, and public diplomacy. These agencies have to be kept lean and efficient, and their activities have to be kept in harmony. However, I found that the idea of absorbing AID, ACDA and USIA into a single, large foreign affairs super-department risked creating a super-bureaucracy. It violated the basic principles of "reinvention": cut red tape and cut back to basics.

I found that consolidation by itself would not produce significant savings. Real savings will result from hard decisions about what we no longer need to do, what can be eliminated, what can be privatized. I found that, by focusing on specific areas, we have the opportunity to realize significant savings without incurring the costs of a large scale reorganization. Therefore, I've ordered that we assess the need for programs, eliminate overlap and duplication, and establish common services wherever that makes sense.

I also weighed the potential disruption that merging these agencies into the State Department would impose on the conduct of foreign affairs and the strains it would place on the State Department's management capacity. I found such a merger would undermine the very substantial "reinvention" activities being undertaken by each of these agencies and recently begun by State. Since the agencies are already preparing to merge those

administrative support functions that are truly common, any further steps toward consolidation would interfere with the achievement of

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cost savings that "reinvention" promises. We need to spur these "reinvention" processes on rather than abandon them to build a new structure. In short, I reached the same conclusion that so many private companies have reached: "moving boxes" is no substitute for real change.

My review of the consolidation proposal is only the beginning of phase two of the "reinvention" process. I want to share with you my game plan for the immediate future.

First, I have asked each of the agencies to go beyond the reforms mandated in the first phase of the National Performance Review: to streamline further their operations, accelerate their own reinvention, and achieve cost savings and more effective performance. As initial steps, the four agencies will:

-- Cut unnecessary layers and duplicative functions in headquarters operations, such as congressional relations, public affairs, and politico-military policy functions in the Department of State; merge the State and USIA Inspectors General; consolidate bureaus; and undertake other changes identified by the Department's Strategic Management Initiative.

-- Close overseas posts where they are no longer needed or not cost-effective. (We will close a total of 27 AID posts, 32 State Department posts, and five USIA posts.)

-- Eliminate unnecessary programs and programs that the private sector can now finance, like USIA's English language radio broadcasting to Western Europe.

-- Establish common administrative services in a number of management areas.

Second, I have asked the President's Management Council to undertake a rapid review of the overseas presence of all US Government agencies, with the goal of streamlining overseas operations, reducing the cost of administrative services for agencies operating overseas, and making better use of information systems and communications technology.

Third, I have directed the National Performance Review to examine immediately programs for arms control, disaster relief and refugees, and public affairs in order to identify and eliminate, where advisable, areas of overlap and duplication.

Fourth, I have also instructed the National Performance Review to complete by Spring 1995 a detailed review of the foreign affairs agencies' personnel management systems and programs for promoting democracy, sustainable development and trade to eliminate overlap

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and duplication.

Building on our experience of two years in reinventing government, I expect these activities to produce both new thinking about old problems and significant efficiencies and savings. As I announced two weeks ago, I anticipate that our management and program reviews of the foreign affairs agencies will produce $5 billion in savings over five years, as indicated in the President's budget. Equally important, this approach -- maintaining the ability to pursue unique missions, while "reinventing" and improving the ways we do it -- will create a foreign affairs structure for the 21st century.

I know that you support the Administration's objective of modernizing the foreign affairs establishment and giving President

Clinton and his successors the tools they need to conduct international relations in a complex, rapidly changing, but still dangerous world. I will be providing you additional details as our management and program reviews proceed. I ask that you give careful consideration to our work in this area. I look forward to working with you to find common ground on these issues.

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M S M a i l

DATE-TIME	28 February 95 22:45
FROM	Witkowsky, Anne A.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	NPR Phase II - [UNCLASSIFIED]
TO	Bell, Robert G.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	I've attached the revised ACDA/State memo. Hope it is what you had in mind. Thought I would e-mail it in case you arrived before me tomorrow a.m. See you then.
	[[ACDAREV.DOC : 5647 in ACDAREV.DOC]]
ATTACHMENT FILE DATE	28 February 95 22:42
ATTACHMENT FILE NAME	ACDAREV.DOC

March 1, 1995

MEMORANDUM FOR MALCOLM LAWRENCE/MARY MARGARET EVANS
National Performance Review

JIM NIX/JEFF ASHFORD
OMB

MARC THOMAS
OVP

MORT HALPERIN
NSC

FROM: ROBERT BELL

SUBJECT: NPR Phase II: State/ACDA Streamlining

Overview. The following outlines the findings of our NPR Phase II

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effort with respect to the issue of eliminating unecessary duplication between State and ACDA. Section 1 describes the basic principles guiding our review. Section 2 outlines reductions that ACDA and State have stated a willingness to accept. Section 3 outlines additional reductions at ACDA that the NPR should recommend, even though ACDA has argued against them in the course of the review. Our bottom line would be recommended reductions of about 26.0 FTE devoted to the arms control and nonproliferation area -- 12.75 FTE at State and 13.0 FTE at ACDA.

Analysis and Conclusions

1. BASIC PRINCIPLES GUIDING THE REVIEW

a. Significant (not token) streamlining must be accomplished if the Administration is to defeat or deflect legislative proposals to merge ACDA (and AID and USIA) into State.

-- That means we must be able to point to a significant number of FTE slots to be eliminated.

b. Streamlining must be reciprocal as between ACDA and State:

-- Consistent with the main lines of responsibility assigned in the 1994 legislation, each agency will rely more on the other in certain functional areas.

-- State is to reduce principally in the area of arms control implementation.

-- ACDA is to reduce principally in areas of defense conversion (Defense lead); SSD (Defense lead); and regional nonproliferation (State lead).

c. ACDA's FTE's cannot increase if we are to be able credibly to argue there has been streamlining:

-- To remain level with FY 1995 in FTE's, ACDA must

reduce its FTE's by eight.

d. However, even if ACDA's FTE's are reduced to the FY95 number or slightly below, we recognize that there is still no option for keeping ACDA's total budget request to 1995 levels. This is because:

-- (1) for FY96, ACDA assumed funding responsibility

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for the Cobra Dane intelligence gathering radar (requested FY96 level= $14 million), a key arms control monitoring asset, formerly funded by Defense and;

-- (2) within the U.S., ACDA is the CWC Office of National Authority, and thus the ACDA budget must include the U.S. assessment for the international CWC implementing body plus associated CWC implementation costs (requested FY96 level = $17 million, which is an increase of $7.5 million from FY95).

2. AREAS WHERE ONE AGENCY IS WILLING TO REDUCE OR WHERE BOTH AGREE ON STREAMLINING MEASURES

a. Nonproliferation Treaty Policy. ACDA will retain the policy lead on this issue with State reducing the FTE it assigns to the function from 2.0 to 1.0 in the Office of Nuclear Energy Policy.

b. CWC PrepCom Backstopping. State will reduce from 1.25 to 1.0 FTE assigned to this implementation/support function in the Office of Chemical, Biological, and Missile Nonproliferation.

c. Wyoming MOU and Bilateral Destruction Agreement. State will reduce the FTE it assigns to this implementation of agreements from 0.75 to 0.50 in the Office of Chemical, Biological, and Missile Nonproliferation.

d. BWC and UN Special Conference on BW. State will also reduce the FTE it assigns to this implementation of agreements from 0.25 to 0.0 in the Office of Chemical, Biological, and Missile Nonproliferation. Responsibility for these issues will shift to other officers in this office responsible for other aspects of our CBW policy.

e. IAEA Safeguards Support and Assistance. This is primarily a technical support function, and the primary safeguards technical knowledge outside of the Department of Energy resides in ACDA. State will reduce the FTE it assigns to this function in the Office of Nuclear Energy Affairs from 1.75 to 0.75. This technical support function will be performed by ACDA at the current 4.75 FTE level of effort.

f. FSC, CFE, Open Skies, and OSCE Backstopping. The Department of State will reduce from 4 to 2 FTE in two separate bureaus it currently devotes to backstopping the implementation of CFE, Open Skies, and obligations already undertaken under the OSCE framework (CSBMs agreements). This reduction leaves

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policy formulation capabilities for the ongoing arms control discussions in the FSC and integration capabilities between the implementation of existing European arms control agreements and future commitments. It should also be noted that some implementation issues, such as the "flank" limits on equipment in CFE, have become highly politicized and are currently linked to a large number of broader political issues in the U.S.-Russia and NATO-Russia relationship. State will retain some capabilities in these areas.

g. Arms Control Compliance Assessment. State will reduce FTE assigned to this function from 1.5 to 1.0. This broad function will be handled by the same office that will be State's policy and treaty implementation and backstopping group.

h. START I, START II, INF Implementation Backstopping. State will reduce from 3.0 FTE to 1.0 FTE. State will reduce its support for the interagency delegation in Geneva, and will focus on providing diplomatic and foreign policy advice to the backstopping group and policy advice to Department principals.

i. ABM Treaty Implementation Backstopping. State will reduce from 1 FTE to 0.5 FTE. The 0.5 remaining FTE devoted to this function will also perform the more general arms control compliance assessment function for State.

j. U.S. Representative to SVC and JCIC. State will eliminate its 1.0 FTE assigned to this function. Since these are arms control implementing bodies, State will decrease its support of the delegation to one part-time action officer (see ABM backstopping above).

k. U.S. Commissioner to the SCC. State's 0.25 FTE currently assigned to assist the U.S. Commissioner will be reduced to 0. State support of the SCC delegation will be covered by one part-time action officer (see ABM Treaty backstopping above).

l. Principal Deputy Director, On-Site Inspection Agency. State's 0.5 FTE assigned to this role will be reduced to 0. The necessity for direct policy oversight in the form of a State Department detailee was thought necessary when this agency was established in the late 1980's. Since then, OSIA evolved as an agency and efficiently operates within policy guidance. Therefore, the implementation guidance provided by ACDA and State in backstopping and routine implementation meetings should suffice.

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m. Conference on Disarmament/CTBT Backstopping. State's current 2.75 FTE, spread over three bureaus, will be consolidated and reduced to 1.50. ACDA will continue its 4.0 FTE for backstopping purposes. State will continue policy formulation roles.

n. Defense Conversion Assistance. ACDA currently devotes 5.0 FTE to this function in the Bureau of Strategic and Eurasian Affairs in the Defense conversion division. Given that the Department of Defense has primary responsibility for the management and implementation of this program, it is proposed that ACDA reduce staff covering this issue to 2.0 FTE. The Department of State will retain 1.0 FTE in the Office of Independent States and Commonwealth Affairs to provide broad foreign policy guidance and monitor implementation of this program.

o. Implementation of Arms Control Verification Measures. State will reduce from 0.5 to 0 FTE in the Bureau of Political-Military Affairs/Office of Arms Control Compliance and Implementation. ACDA will take full charge of this function with the current 6.0 FTE.

3. ADDITIONAL ACDA REDUCTIONS IDENTIFIED PURSUANT TO FURTHER NPR/OMB INQUIRY

a. Medium-Range Missile Ban. ACDA proposes to develop a "major area of activity" in FY 1996 related to "commencing analysis on a Medium-Range Missile Ban." However, there is no interest in other parts of the U.S. government in pursuing such a ban at this time. ACDA should eliminate the 1.5 FTE devoted to this effort in its Strategic and Eurasian Affairs Bureau (1.0 FTE) and in its Nonproliferation and Regional Arms Control Bureau (0.5 FTE).

b. Regional Arms Control. ACDA proposes to develop "regional arms control" as "a major area of activity" in FY 1996 and currently has 9 FTE devoted to this area. ACDA can increase its efficiency, but essentially maintain its level of activity in this area by reducing 0.5 FTE from its Nonproliferation and Regional Arms Control Bureau.

c. ACDA Senior Military Advisor. ACDA's office of the Senior Military Advisor is staffed by a Senior Military Advisor (06-level), his Special Assistant (04-level), and a secretary. The Senior Military Advisor (1) serves as liaison between ACDA and U.S. military commanders, (2) evaluates arms control

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proposals from a military perspective, and (3) commands ACDA's military detailees. These functions would not seem to require a special office within ACDA, since military officers assigned to ACDA's functional bureaus would, as a practical matter, perform these duties as well. Additionally, ACDA's military detailees should no more require their own administrative office within ACDA than any other type of detailee. ACDA should eliminate this office, thereby reducing the two detailees and the 1.0 FTE (secretary).

d. Intelligence Analysis and Support. ACDA's Intelligence, Technology and Analysis Division (IVI/ITA) is not considered part of the U.S. Intelligence Community (IC). Yet, ACDA describes the functions of this division to include: intelligence coordination, arms control and nonproliferation technology R&D coordination, operations analysis, and military burden research. There are 12 FTE in IVI/ITA, three of whom (along with 4 detailees) ACDA states it requires to ensure that: ACDA obtains intelligence data in a timely fashion; ACDA's intelligence needs are conveyed to the IC; and that the ACDA Director is provided an independent view on intelligence questions. Other FTE's are required to "provide continuity in intelligence support and representation." It is not clear what this means since IVI is not part of the IC, or why 12.0 FTE are required to perform liaison, coordination, and independent analytical functions. Other, more streamlined mechanisms could be established to assure that the Director and staff were served in a timely and efficient manner by the intelligence community. IVI/ITA should be reduced by half, to 6.0 FTE. In this way, IVI/ITA would still retain its core coordinating functions (e.g., R&D coordination) and some independent analytical capacity.

e. Denuclearization and Control of FSU Nuclear Warheads. Defense has the lead implementation role in SSD and State has the policy lead on the ST&I issue. Yet ACDA devotes 4 FTEs to these issues. ACDA has not persuasively argued why 2.0 FTE would be inadequate for maintaining an independent arms control voice at the table in these areas. ACDA should reduce its Strategic and Eurasian Affairs Bureau by 2.0 FTE in this area.

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MSMail

DATE-TIME	13 March 95 12:02
FROM	Cooper, Kathleen H.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Helms Guidance[UNCLASSIFIED]
TO	Mitchell, Calvin A. Ross, Thomas B. Spalter, Jonathan H. Wozniak, Natalie S.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

To Jonathan Spalter --

The attached was drafted by Mort regarding the Helms bill. He assumes you will be sending this around for clearance to your counterparts. He also asks if you could get this cleared with the VP's office also.

If you need anything else or have questions or problems, let us know. Thanks. Kathy

[[HELMSTP.DOC : 3139 in HELMSTP.DOC]]

ATTACHMENT FILE DATE	13 March 95 11:59
ATTACHMENT FILE NAME	HELMSTP.DOC

Comment by White House Press Secretary
on Introduction by Senator Helms
of a Bill Reorganizing the
Foreign Affairs Agencies

The Administration is strongly committed to a continuing process of reinvention and reform of the foreign affairs agencies.

Under the direction of the Vice President, the Department of State, USAID, USIA and ACDA are developing new proposals which the Administration will submit to the Congress shortly. We will be seeking congressional support for these proposals.

However, as I said last month, we reject the notion that "consolidation" is good reform. We believe that USIA, AID and ACDA

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should continue to pursue their missions as independent agencies under the foreign policy direction of the Secretary of State.

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MSMail

DATE-TIME	14 March 95 11:43
FROM	Lennon, John E
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Draft McCurry Statement [UNCLASSIFIED]
TO	Danvers, William C.
CARBON_COPY	Cooper, Kathleen H. Halperin, Morton H.
TEXT_BODY	

As requested, here's a compilation of elements from statements by Mort and State.

[[HELMSTP2.DOC : 2837 in HELMSTP2.DOC]]

ATTACHMENT FILE DATE	14 March 95 11:38
ATTACHMENT FILE NAME	HELMSTP2.DOC

PROPOSED STATEMENT FOR THE
WHITE HOUSE PRESS SECRETARY ON
REORGANIZATION OF THE FOREIGN AFFAIRS AGENCIES

The press conference held today by Senator Helms and Congressman Gilman made clear that they favor consolidation of the nation's foreign affairs agencies. The Administration is strongly committed to a continuing process of reinvention and reform of those agencies. However, as I said last month, we reject the notion that "consolidation" is good reform. We believe that USIA, AID and ACDA should continue to pursue their missions as independent agencies under the foreign policy direction of the Secretary of State.

Under the direction of the Vice President, the Department of State, USAID, USIA and ACDA are developing new proposals for reinventing their agencies. The Administration will shortly be submitting, and seeking congressional support for, these proposals.

Any proposal to reorganize agencies that conduct American foreign policy has to to be carefully measured against specific, tough criteria.

ù Will the government have more effective tools to limit

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nuclear proliferation, defend our citizens against terrorism, provide humanitarian aid, promote human rights and democracy, explain our policies at home and abroad, and manage our relations with allies and adversaries?

ù Will our national security be enhanced, providing greater ability to deter conflict -- or to rally our allies and prevail if war breaks out?

ù Will American jobs, domestic prosperity, and economic security be advanced by a better defense of our trading interests, physical investments, and intellectual property abroad?

ù Will any new plan protect the President's constitutional authority asCommander-in-Chief and architect of America's foreign policy -- or will it compromise the President's ability to act to defend America's interests?

These are tough criteria, but any reorganization plan that is submitted has to meet them if America's vital interests are to be protected. The Administration's plan will meet those criteria.

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MSMail

DATE-TIME	14 March 95 18:58
FROM	Lennon, John E
CLASSIFICATION	UNCLASSIFIED
SUBJECT	NPR Statement & TPs [UNCLASSIFIED]
TO	Danvers, William C. Halperin, Morton H. Spalter, Jonathan H.
CARBON_COPY	Cooper, Kathleen H. Lennon, John E
TEXT_BODY	

The statement has been vetted by NPR, NSC Leg & Democracy, and State/AID/ACDA/USIA. The talking points by NPR, & NSC Leg, Democracy, &

Public Affairs; agencies haven't seen.

[[HELMSTP3.BAK : 4627 in HELMSTP3.BAK]][[HELMSTP5.BAK : 4628 in
HELMSTP5.BAK]]

ATTACHMENT FILE DATE	14 March 95 18:54
ATTACHMENT FILE NAME	HELMSTP3.BAK

TALKING POINTS
FOREIGN AFFAIRS AGENCIES REORGANIZATION
March 15, 1995

ù The Administration has been engaged in reinventing Federal agencies and functions for two years.

ù The Vice President decided in January to retain separate status for AID, ACDA and USIA as agencies receiving foreign policy direction from the Secretary of State.

ù The Vice President's National Performance Review team has worked with the Secretary of State and other agency heads since January to pursue significant reform of those agencies and the functions they carry out abroad.

ù The Secretary of State and other agency heads support the need

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for substantial reform of foreign affairs functions, including those that cross agency lines -- such as personnel, international exchanges, arms control, and disaster assistance -- with a view to eliminating duplication.

ù As the Vice President said in January, we are committed to streamlining these agencies, including their programs and functions, to provide better, faster service, with a projected savings of five billion dollars over five years.

ù Foreign affairs reinvention efforts so far have resulted in the closing of nearly forty overseas posts and missions, elimination of hundreds of high-level positions, and millions of dollars in savings.

ù Foreign affairs agencies plan to continue streamlining efforts by sharing administrative and communication systems, eliminating overlapping functions, and closing posts we don't need anymore.

ù We believe that consolidation would only create a bigger bureaucracy and run the risk of increasing, rather than eliminating red tape.

ù Foreign policy must be bipartisan to be successful, and we will work with the House and Senate on legislation designed to achieve the reforms that the Administration will propose.
ù

ATTACHMENT FILE DATE 14 March 95 18:53

ATTACHMENT FILE NAME HELMSTP5.BAK

DRAFT STATEMENT FOR THE
WHITE HOUSE PRESS SECRETARY ON
REORGANIZATION OF THE FOREIGN AFFAIRS AGENCIES
March 15, 1995

The press conference held today by Senator Helms and Congressman Gilman made clear that they favor consolidation of four of the nation's foreign affairs agencies and three of its trade agencies. The Administration is strongly committed to significant change in these and other organizations involved with foreign affairs. Since March, 1993, the Administration has demonstrated that commitment through hard work and real change. Indeed, some of the things that Senator Helms appears to be recommending are things that the Administration is already doing or has recommended. We will need to see actual legislation before we can make a judgement.

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However, as I said last month, we reject the notion that "consolidation" equals reform. We believe that missions of arms control advocacy, public diplomacy, and sustainable development and humanitarian assistance are essential elements in the conduct of foreign policy. We also believe that these missions are best pursued by lean, effective organizations operating under the foreign policy guidance of the Secretary of State, not as part of a mega-bureaucracy.

The Administration is continuing to pursue an agenda of significant reform in these agencies as well as government-wide.

DRAFT

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME	15 March 95 09:10
FROM	Lennon, John E
CLASSIFICATION	UNCLASSIFIED
SUBJECT	[UNCLASSIFIED]
TO	Danvers, William C. Halperin, Morton H. Spalter, Jonathan H. Wise, William M.
CARBON_COPY	Cooper, Kathleen H. Lennon, John E
TEXT_BODY	Here's a redo [[HELMSTP3.DOC : 2370 in HELMSTP3.DOC]][[HELMSTP5.DOC : 2371 in HELMSTP5.DOC]]
ATTACHMENT FILE DATE	15 March 95 9:6
ATTACHMENT FILE NAME	HELMSTP3.DOC

DRAFT

TALKING POINTS
FOREIGN AFFAIRS AGENCIES REORGANIZATION
March 15, 1995

ù The Administration has been engaged in reinventing Federal agencies and functions for two years.

ù The Vice President decided in January to retain separate status for AID, ACDA and USIA as agencies receiving foreign policy direction from the Secretary of State.

ù The Vice President's National Performance Review team has worked with the Secretary of State and other agency heads since January to pursue significant reform of those agencies and the functions they carry out abroad.

ù The Secretary of State and other agency heads support the need

CLINTON LIBRARY PHOTOCOPY

for substantial reform of foreign affairs functions, including those that cross agency lines -- such as personnel, international exchanges, arms control, and disaster assistance -- with a view to eliminating duplication.

ù As the Vice President said in January, we are committed to streamlining these agencies, including their programs and functions, to provide better, faster service, with a projected savings of five billion dollars over five years.

ù Foreign affairs reinvention efforts so far have resulted in the closing of nearly forty overseas posts and missions, elimination of hundreds of high-level positions, and millions of dollars in savings.

ù Foreign affairs agencies plan to continue streamlining efforts by sharing administrative and communication systems, eliminating overlapping functions, and closing posts we don't need anymore.

ù We believe that consolidation would only create a bigger bureaucracy and run the risk of increasing, rather than eliminating red tape.

ù Foreign policy must be bipartisan to be successful, and we will work with the House and Senate on legislation designed to achieve the reforms that the Administration will propose.
ù

ATTACHMENT FILE DATE 15 March 95 9:7

ATTACHMENT FILE NAME HELMSTP5.DOC

DRAFT

STATEMENT FOR THE
WHITE HOUSE PRESS SECRETARY ON
REORGANIZATION OF THE FOREIGN AFFAIRS AGENCIES
March 15, 1995

At a press conference held today, Senator Helms unveiled a proposal to consolidate four of the nation's foreign affairs agencies. Joining him to unveil his proposal were Senator Snow and Representatives Gilman and Smith.

The Administration is strongly committed to significant change in these and other organizations involved with foreign affairs. Since March, 1993, the Administration has demonstrated its commitment to

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significant, continuing change. Indeed, some of the things that the proposal recommends are things that the Administration is already doing as part of Vice President Gore's National Performance Reviuw and the agencies' own reinvention efforts.

However, the Administration rejects the notion that "consolidation" equals reform. We believe that the missions of arms control advocacy, public diplomacy, and sustainable development and humanitarian assistance are essential elements in the conduct of foreign policy. We also believe that these missions are best pursued by lean, effective organizations operating under the foreign policy guidance of the Secretary of State, not as part of a mega-bureaucracy.

The Administration is continuing to pursue an agenda of significant reform in these agencies as well as government-wide.

DRAFT

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MSMail

DATE-TIME 15 March 95 12:01

FROM Spalter, Jonathan H.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: REVISED POINTS/STATEMENT [UNCLASSIFIED]

TO
Baker, Jane E.
Cicio, Kristen K.
Darby, Melanie B.
Dohse, Fred J.
Emery, Mary C.
Gray, Wendy
Hall, Wilma G.
Hawkins, Ardenia R.
Itoh, William H.
Joshi, M. Kay
Millison, Cathy L.
Jim Reed
Sens, Andrew D.
Veit, Katherine M.
Wolin, Neal S.

CARBON_COPY
Mitchell, Calvin A.
Ross, Thomas B.
Spalter, Jonathan H.
Wozniak, Natalie S.

TEXT_BODY

ATTACHED BELOW FOR CLEARANCE ASAP ARE A PRESS RELEASE AND TALKING POINTS TO
REBUT THE HELMS/GILMAN FOREIGN AFFAIRS CONSOLIDATION PRESS CONFERENCE THAT
WAS HELD THIS AM.

DANVERS AND MORT CLEAR, ALL AGENCIES HAVE CLEARED PREVIOUS DRAFTS.

From: Spalter, Jonathan H.
To: @VP - VP Natl Security Affairs; Fuerth, Leon S.; Wise, William M.; Danvers, William C.; Halperin, Morton H.; Lennon, John E.; Ross, Thomas B.
CC: /R, Record at A1; @PRESS - Public Affairs; @DEMOCRACY - Democracy

Affairs; @LEGISLAT-Legislative Affairs; @UP - APNSA Special Assistants; Soderberg, Nancy E.
Subject: REVISED POINTS/STATEMENT
Date: Wednesday, March 15, 1995 11:12 AM

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[[HELMSPR.DOC : 3098 in HELMSPR.DOC]][[HELMSTP.DOC : 3099 in HELMSTP.DOC
]]

Colleagues,

Per instrucitons, and following our discussion at 10:00am, attached are revised points and press statement, incorporating revisions offered by Bill Wise.

Though you may have gone over this ground already, I have taken the liberty to include once again a line on Presidential perogatives (vice "constitutional perogatives") in the talking points. I believe strongly -- from a press, political, and tactical point of view -- that we must include some language on this. Please let me know if you are comfortable with this.

p.s. AID tells me Atwood called McCurry this am to discuss the roll-out.

ATTACHMENT FILE DATE 15 March 95 10:43

ATTACHMENT FILE NAME HELMSPR.DOC

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release March 15, 1995

STATEMENT BY THE PRESS SECRETARY

Two years ago this Administration began a broad effort to "reinvent" the federal government, to make it work better and cost less. That reinvention effort extends across every department and agency of the federal government, including the State department and other foreign affairs agencies.

This process, initiated by President Clinton, continues. Earlier this year, the National Performance Review, headed by Vice President Gore, entered Phase II of its operations: a sweeping review of every program in every agency of the government. We already are well into the review process.

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In recent months, Vice President Gore's National Performance Review team has worked closely with the Secretary of State and other agency heads to support the need for substantial reform of the nation's foreign affairs apparatus. The administration's reinvention efforts are resulting in the closing of nearly forty overseas posts and missions, elimination of hundreds of high level positions, and millions of dollars of savings.

However, the Administration rejects the notion that "consolidation" equals reform. We believe that the missions of arms control, public diplomacy, and sustainable development and humanitarian assistance are essential elements in the conduct of foreign policy. We also believe that these missions are best pursued by lean, effective organizations operating under the foreign policy guidance of the Secretary of State, not as part of a mega-bureaucracy.

We expect that Congress will agree.

###

ATTACHMENT FILE DATE 15 March 95 11:5

ATTACHMENT FILE NAME HELMSTP.DOC

FOREIGN AFFAIRS AGENCIES REORGANIZATION

ù In order to make government work better and cost less, the Administration has been engaged in reinventing Federal agencies and functions for two years. This has involved active reform of the foreign affairs agencies.

ù The Vice President reviewed and rejected consoldiation of AID, ACDA, and USIA into the Department of State as an effective reform strategy.

ù The Vice President's National Performance Review team has worked with the Secretary of State and other agency heads since January to pursue significant reform of those agencies and the functions

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they carry out abroad.

ù The Secretary of State and other agency heads support the need for substantial reform of foreign affairs functions, including those that cross agency lines -- such as personnel, international exchanges, arms control, and disaster assistance -- with a view to eliminating duplication.

ù As the Vice President said in January, we are committed to streamlining these agencies, including their programs and functions, to provide better, faster service, with a projected savings of five billion dollars over five years.

ù Foreign affairs reinvention efforts so far have resulted in the closing of nearly forty overseas posts and missions, elimination of hundreds of high-level positions, and millions of dollars in savings.

ù The Vice President directred the foreign affairs agencies to establish common administrative support services, to elimionate overlap and duplication and to close posts we don't need anymore.

ù We believe that consolidation would only create a bigger bureaucracy and run the risk of increasing, rather than eliminating red tape.

ù Foreign policy is the perogative of the President, and we will protect that prerogative for this and future administrations.
ù
ù Foreign policy must be bipartisan to be successful, and we will work with the House and Senate on legislation designed to achieve the reforms that the Administration will propose.
ù

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M S M a i l

DATE-TIME	12 April 95 17:59
FROM	Lennon, John E
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Subject: Conf. call [UNCLASSIFIED]
TO	Halperin, Morton H.
CARBON_COPY	Cooper, Kathleen H. Lennon, John E

TEXT_BODY

Highlights...
- Discussion of legislative staff talks on reformulating foreign affairs community. Chief bill writer Mark Kirk is parsing the small agencies, cutting ASDs in State, and generally pulling down the temple.
- ACDA and AID likely to be cut by one-third before being dissected
- USIA split with broadcasting going one way and field operations going another.
- We want to cut, and consolidate, and you gotta do this merger.
- Effort to get a Gingrich meeting with Christopher, Shali, Albright and Tony for May 3; some say that's too late.
- Gore will call the principles on Monday; suggestions that he do a conference call to deal with their concerns
- PVOs are expressing concern over rumors that momentous decisions were made outside the White House last weekend on foreign affairs reorganization. VPs office will go find out if this is true, and if so, who is making momentous decisions. (!)
-

CLINTON LIBRARY PHOTOCOPY

M S M a i l

DATE-TIME 17 April 95 11:11

FROM Cooper, Kathleen H.

CLASSIFICATION UNCLASSIFIED

SUBJECT NPR [UNCLASSIFIED]

TO Clarke, Richard A.
Danvers, William C.

CARBON_COPY Funches, Christina L.
Halperin, Morton H.
Lindsey, Wanda

TEXT_BODY

Mort is seeing Tony this afternoon and is planning on using the attached memo as the basis for his discussion. Can you please look over and provide any comments ASAP? Many thanks.

[[NPROTINS.DOC : 2909 in NPROTINS.DOC]]

ATTACHMENT FILE DATE 17 April 95 11:9

ATTACHMENT FILE NAME NPROTINS.DOC

MEMORANDUM

RE: REORGANIZATION OF FOREIGN POLICY AGENCIES

The Administration needs to develop a more detailed position prior to the expected mark-up of the State Department Authorization bill in the SFRC in early May. It remains unclear how much support Helms has for his consolidation proposal and what the precise lay of the land is in the House, but most people think that we cannot win on this issue without putting forward something more than the statement of opposition to consolidation that we have advanced thus far. There is also a persistent impression that the reorganization issue is somehow linked to budget levels and we will need to deal with this at some point.

OPTIONS

1. Status Quo. We would continue to explain our opposition to consolidation and stress the on-going reinvention. The difficulty with this option is that it runs a high risk of losing everything and being confronted with the need to veto the State Department

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Authorization Bill. Many members and staff have told us that they are not persuaded that we are being bold enough in light of the end of the cold war.

2. Status Quo Plus. Under this option we would package the modest reinvention proposals that are coming out of the agencies and present them as an alternative reinvention scheme which was smarter than consolidation. The difficulty with this option is that we are very unlikely to get enough out of the agencies to make this option real.

3. Commission or Study. The staff of the HIRC has told us that they are considering directing that the administration develop a consolidation proposal and present it to the congress within six months. We could try to turn this into a more general request to come up with a far reaching reorganization proposal within six months or we could propose a commission with some members nominated by the Congress to report back with a proposal and options within six months. There is sufficient uncertainty on the Hill, even among Republicans, about whether the Helms bill gets it right that we would have a decent chance to make this work especially if it were raised by the Vice President with Dole and Gingrich and with Helms and Gilman. This would leave us free to fight or seek to make a deal on the budget. The problem is that the administration would lose some control of this issue and be committed to developing a far reaching reorganization scheme.

4. Major REGO Proposal. Under this option the administration would develop and put forward a major reorganization proposal of its own which would be far reaching and a better response to the new situation than the Helms bill. This option would have to be developed by the NPR team and the agencies "persuaded" to go along. The key elements of such a proposal would be the following:

A. Inter-Agency Coordination by NSC and OMB. The NSC would expand its capability to oversee the development of a foreign affairs budget and run, in cooperation with OMB, a new inter-agency process to develop budgets and make choices as budgets are cut or new needs develop. The scope of this effort would extend beyond the foreign affairs agencies and even the 150 account to cover comparable programs in the DOD budget and in other agencies. The Secretary of State would retain a key role in coordinating the 150 aspect of the

exercise. This process would ensure that with declining budgets money was spent consistent with the President's priorities and the national interest.

B. State Reorganization. State would be focused on its core tasks of diplomatic representation and policy coordination. The number of bureaus and under-secretaries would be reduced. The

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Under-Secretary for Global Affairs would run an integrated set of bureaus dealing with new issues including environment and population and provide policy guidance on development and humanitarian issues. The Under-Secretary for Management would get much greater authority. Operational programs such as drugs and refugee assistance would go to other agencies as appropriate.

C. AID Reorganization. USAID would focus on ensuring that development efforts were focused on sustainable development. It would run programs dealing with environment, population, and private sector initiatives and would help countries and lending institutions develop overall country development plans which reflected concerns for environmentally sound programs and integrated our interest in democracy promotion. AID would work in many fewer countries and would drastically reduce its overseas staffs relying more on NGOs and PVOs. There would be separate bureaus for humanitarian assistance and democracy promotion in non-development countries.

D. USIA Reinvention. The Information Activities of USIA would be merged into the Department of State in a combined Public Diplomacy/Public Affairs Bureau perhaps headed by a new under-secretary of State. The remainder of the agency would be renamed the Broadcasting and Cultural Affairs Agency and run the radios and exchange programs. Policy direction for these activities would be provided by the Secretary of State through the new bureau.

E. ACDA. We would hold firm on this and expect an up or down vote on merging ACDA into State.

There are two major problems with this proposal. First there is not a consensus within the White House about the details of such an option. Second there would be very strong opposition from the agencies. If we decide to go this route we would need to refine the details of the proposal, get agreement on them in the White House, get the agencies on board, and then find champions in both parties in the House and Senate.

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MSMail

DATE-TIME	28 April 95 17:57
FROM	Lennon, John E
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Subject: Conf Call [UNCLASSIFIED]
TO	Halperin, Morton H.
CARBON_COPY	Cooper, Kathleen H. Lennon, John E

TEXT_BODY

Highlights...
- Strategy planning for Monday LA meeting with Dems staffs. Need to tell them that we're behind the 8-ball, things are three months late, we're opposed to consolidation and the Helms bill, and we have some ideas for things that will work for minds that are open. We should be firm and confident.
- Pamela is putting general findings together and will share them later this evening. Strong view of the group that opposition to consolidation should be there, along with pros favoring lean, mean, micro-machines that will address the needs of the post-Cold War period. After comments are submitted to Pam she should get the paper out in time for the meetings Monday.
- 10:30/Monday/Senate; 2:30/Monday/House. Discussions will include 150.
- Talbott meets with HIRC Dems Tuesday on pre-summit, reorganization, and 150. 3:00pm.
- Departure for the summit at 1pm Wednesday.

-0-

Notes on the wrapup of the NPR 1:30pm meeting today...
- AID says its plan isn't proposed as an alternative toHelms so much as it is a fallback when Helms bill is defeated.
- USIA said it is waiting for SMI to find out the impact on USIA's overseas components. Penn said the agency has done a lot, and will do more, but doesn't want radical restructuring that will throw it off course.
- ACDA said itwas reinvented in 1993 and isn't sure how it would do it again.
- Leon said teams are fine, but are we going to do teams from now on? Elaine warned that infrastructure for redesigned foreign affairs agencies would have to be proposed, along with teams; otherwise people would find the Administration's plan unbelievable.
- Consensus, following presentation by State, that the leg strategy should be to delay, stall, hold back, demand hearings, amend. Not clear why. Elaine said the Administration needs an offense, one that will stand up under scrutiny by the American people and critical media. Question raised

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as to whether POTUS would veto a consolidation bill, and the response was that it'snot possible to say because no bill is outthere to see.
- House markup May 9-11, Senate the following week, House bill scheduled for the floor May 23-24.
- The committee adjourned to go off in search of a theme.

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MSMail

DATE-TIME	10 May 95 18:00
FROM	Lennon, John E
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Subject: Conf. Call [UNCLASSIFIED]
TO	Halperin, Morton H.
CARBON_COPY	Cooper, Kathleen H. Lennon, John E

TEXT_BODY

Highlights...
- Helms bill prescribes consolidation in great detail. No two agencies have the same components of the bill; State seems to have almost all of it. Agencies leery of testifying tomorrow, but since the hearing will be on reorganization and not the specific bill everybody decided to go ahead. Snowe hearing.
- There are many amendments in Division B of the Gilman bill --- both from those who would demolish USIA, and those who would save it. Demolishers are after broadcasting and the au pair program, zeroing them out.
- Agencies are being asked for datasheet on impact of 10% and 30% cuts, and for pre-Clinton and current counts of FS personnel and budgets.

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MSMail

DATE-TIME 13 May 95 12:39

FROM Danvers, William C.

CLASSIFICATION UNCLASSIFIED

SUBJECT Subject: HIRC mark up update [UNCLASSIFIED]

TO
Baker, Jane E.
Bass, Peter E.
Cicio, Kristen K.
Darby, Melanie B.
Dohse, Fred J.
Emery, Mary C.
Gray, Wendy
Hall, Wilma G.
Harmon, Joyce A.
Hawkins, Ardenia R.
Itoh, William H.
Joshi, M. Kay
Millison, Cathy L.
Reed, James W.
Sens, Andrew D.
Veit, Katherine M.

CARBON_COPY
Andreasen, Steven P.
Andricos, George M.
Aoki, Steven N.
Appel, Edward J.
Argarin, Jocelyn D.
Arnold, Gary W.
Atkin, Timothy J.
Atlas, Edwin L.
Baker, James E.
Bakke, Kyle D.
Baldwin, Kenneth
Battenfield, Pat
Beardsley, Tyler S.
Beers, Rand R.
Behring, Deanna M.
Bellamy, Ralph C.
Bell, Robert G.
Benjamin, Daniel
Beyrle, John R.
Bieda, James M.
Birkland, Andrea L.
Blacker, Coit D.
Blakeman, Earle C.

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Blieberger, Marion H.
Blinken, Antony J.
Bolinski, Charlene C.
Boorstin, Robert O.
Boright, John
Bradley, Amelia J.
Branscum, Larry
Breeland, Jocelyn G
Bresnahan, Gary E.
Broadway, Jamuna
Brown, Dallas
Bruton, Robert G.
Bryan, Lloyd D.
Buzalko, Russell J.
Kevin J. Cadieux
Carter, Michael E.
Chyba, Christopher F.
Clark, Bronya
Clarke, Richard A.
Claussen, Eileen B.
Cleveland, Carolyn E.
Cooper, Kathleen H.
Cressey, Roger W.
Crispell, Thomas G.
Daniel, Patty A.
Danvers, William C.
Darnes, Victoria J.
Myles, David M.
Deshazer, Macarthur X.
Dimel, Marsha L.
Dragone, Karen D.
Dupuy, Shawn L.
Eddy, Randolph P.
Edwards, Joan
Evans, Paul A.
Feinberg, Richard E.
Fetig, James L.
Ficklin, John W.
Flessas, Daniel
Fried, Daniel
Froman, Michael B.
Fuerth, Leon S.
Funches, Christina L.
Gardner, Anthony
Gates, Brian K.
Genton, Regina A.
George, Christopher
Gerstner, Christina L.
Gorsuch, Robert P.
Guekel, Kathi A.

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Hahn, Keith D.
Hale, John E.
Halperin, Morton H.
Hamilton, Roy A.
Hammond, Cathy J.
Hammonds, Lisa W.
Harris, Elisa D.
Hawes, David J.
Herrington, David E.
Heslin, Sheila N.
Hilliard, Brenda I.
Hill, Roseanne M.
Hilty, JoAnne M.
Hofmann, Stephen D.
Houck, Baerbel K.
Hunerwadel, Joan S.
Indyk, Martin S.
Jensen-Moran, Jeri L.
Jones, Steven R.
Kelly, Sandra L.
Kerr, Andrew S.
Kerrick, Donald L.
Kreczko, Alan J.
Kyle, Robert D.
Laipson, Ellen B.
Leary, William H.
Lennon, John E
Lindsey, Wanda
Litwak, Robert C.
Longoria, Michael A.
Lorin, Matthew E.
Lowry, Jay E.
Mack, Kathryn S.
Malley, Robert
Marmol, Madelyn P.
Marshall, Betty A.
Marshall, Dana M.
Martinez, Alejandro
Martin, Roger L.
Mathiowetz, Nancy
Stefan T. Mauzy
Maxfield, Nancy H.
Mazzuchi, Anthony D.
McCormick, Shawn H.
McIntyre, Stuart H.
Merchant, Brian
Miller, Matthew E.
Mislock, Raymond A.
Mitchell, Calvin A.
Mitsler, Elaine M.

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Miyaoka, Lester H.
Moody, Angelyn D.
Moore, Lori A.
Neil, M. Elise
Niemerski, Stephen
Niemerski, Matthew B.
Norman, Marcia G.
O'Loughlin, Katherine
Owen, Elisa J.
Parco, Jim E.
Gwyn M. Parker
Parramore, Carl W.
Parris, Mark R.
Pease, Bruce E.
Peggins, John W.
Pifer, Steven K.
Pitman, James N.
Poneman, Daniel B.
Poppiti, Victoria L.
Porter, Gidell
Quinn, Mary E.
Ramsay, Martha S.
Realuyo, Celina B.
Reed, George
Rice, Susan E.
Richardson, Craig
Rocha, Victor M.
Rose, Gideon G.
Ross, Thomas B.
Roth, Stanley O.
Roundtree, Beverly J.
Salvetti, Lisa M.
Sanborn, Daniel R. K.
Satterfield, David M.
Saunders, John W.
Saunders, Richard M.
Schifter, Richard
Schmidt, John R.
Schmidt, Sandra E.
Schwartz, Eric P.
Sculimbrene, Thomas A.
Seaton, James B.
Seeley, Charlotte P.
Sestak, Joseph A.
Sevigny, Theodore T.
Sheehan, Michael A.
Sherman, David J.
Silger, Ralph
Simon, Steven N.
Simons, James R.

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Spalter, Jonathan H.
Stauffer, Helen L.
Stephens, Kathleen D.
Stern, Jessica E.
Sterns, Crayton L.
Suettinger, Robert L.
Sullivan, Kathryn
Sulser, Jack A.
Tarantino, Frederick A.
Tarullo, Daniel K.
Tenet, George J.
Marcel T. Thomas
Turner, Joe T.
Unrue, Michael M.
Van DeCar, Karen J.
Van Tassel, David S.
Vershbow, Alexander R.
Wadsworth, Valon J.
Wales, Jane
Wallack, Matthew D.
Walsh, Helen C.
Ward, JoAnn X.
Weber, Paul A.
Wilhelm, Richard J.
Wilson, Marilyn E.
Wise, William M.
Witkowsky, Anne A.
Woolston, Ann E.
Wooton, Kevin B.
Wozniak, Natalie S.
Wright, Allison M.
Yorkdale, Glenn H.

TEXT_BODY

Note for Tony, Sandy and Nancy:

Below is a slightly more detailed rundown of what has gone on with HIRC mark up to date. They will finish their mark up on Monday afternoon.

Full committee passed a reorganization plan abolishing ACDA, AID and USIA. The Ct. requires that Administration to submit a plan to the Hill outlining how this would be done.

On the foreign policy side, the Ct. adopted amendments that would cut assistance to any nation selling nuclear or military equipment to terrorist nations (Lantos amendment-- Strobe tried to talk to him); a transfer of $57 million from the NIS account to DFA; and the so-called humanitarian corridor amendment which would bar assistance to any nation blockading humanitarian assistance to another (i.e. Turkey to Armenia) but there is a national security waiver.

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Committee concludes its mark up on Monday afternoon. Could be floor action the week after next.

Likely that Dems will hold together voting against final passage on Monday and hopefully on the floor.

Helms has mark up on Wed and Thurs of next week. His bill will be at least as bad as HIRC. Will have a better idea on Monday after a meeting with Dem staff.

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME 15 May 95 13:25

FROM Lennon, John E

CLASSIFICATION UNCLASSIFIED

SUBJECT IWG-Bdcast [UNCLASSIFIED]

TO Halperin, Morton H.

CARBON_COPY Cooper, Kathleen H.
Lennon, John E
Lorin, Matthew E.

TEXT_BODY

The time will be right a week or so from now to reconvene the IWG on broadcasting. If you agree, and if the agenda attached looks okay, I'll move ahead with Kathy to schedule.

[[AGENDA.DOC : 3350 in AGENDA.DOC]]

There are items not on the agenda, but which should be discussed by a smaller group in the near future -- perhaps when the 96 budget picture clears a bit -- regarding a) language priorities to guide the radios when significant cuts of services are to be made; and, as a result of budget cuts, either b) whether or not the pace of privatization by RFE/RL should be hastened to avoid bankruptcy and termination, or c) if priority RL languages should be consolidated within VOA, and RFE abolished.

ATTACHMENT FILE DATE 15 May 95 13:13

ATTACHMENT FILE NAME AGENDA.DOC

INTERAGENCY WORKING GROUP
BROADCASTING
AGENDA
May XXX, 1995 - Room XXX OEOB

Attendees: USIA: Joe Duffey
Penn Kemble
Doug Wilson
BOB: Joe Bruns
Geoff Cowan
BIB: Richard McBride

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Pat Schlueter
John Linburg
State: Richard Baltimore
Greg Perett
NSC: Mort Halperin
John Lennon
Matt Lorin
OMB: Gordon Adams
Bruce Sasser
Kelley Lehman

ù BUDGET -- Review of legislative action re FY'95 and calendar for FY'96-97 budget cycles

ù REORGANIZATION -- Review of Helms/Gilman prospects and positions to be taken regarding broadcasting; status report on BBG

ù PRAGUE/MUNICH -- Status report on the move: a) deadlines; b) costs; c) programming; d) Prague start-up; e) Munich close-down

ù VOA-RFE/RL CONSOLIDATION -- a) federalization of RFE/RL engineers; b) status report on VOA reduction-in-force; c) programming initiatives
ù

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M S M a i l

DATE-TIME	25 May 95 19:52
FROM	Danvers, William C.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	For Pam [UNCLASSIFIED]
TO	Woolston, Ann E.
CARBON_COPY	Andricos, George M. Danvers, William C. Funches, Christina L.

TEXT_BODY

Pam:

Here it is:

[[HR1561LE.DOC : 4869 in HR1561LE.DOC]]

ATTACHMENT FILE DATE	25 May 95 19:44
ATTACHMENT FILE NAME	HR1561LE.DOC

HR 1561 Hill strategy:

Background

After two full days of consideration, the House leadership pulled HR 1561, the American Overseas Interests Act of 1995. The bill serves both as an authorization bill for the State Department and related agencies and for foreign assistance programs.

There are varying theories as to why the bill was pulled. Today's press suggests that the President's veto threat and a lack of votes are the reasons why the Republicans decided not to proceed.

Another theory suggested by Democratic leadership staff is that there was not enough time for Republicans to have all their amendments considered, and Republican leadership did not want to risk alienating their members-- and potentially losing their votes-- so they had to get more floor time. They were only able to do that by getting a new rule, which provides for six more hours of debate. The thinking is that there will be a manager's amendment when the bill is brought back up when the House goes into session after the Memorial Day recess that will contain a number of Republican amendments, thus allowing the Republican leadership to accommodate

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their members.

The Senate Foreign Relations Committee (SFRC) postponed its mark up yesterday and today. We are told there are problems among Republican members of the Committee. Unclear how true that is.

The Appropriations process is on track. The House Foreign Operations Subcommittee is scheduled to mark up on June 7. The Senate will mark up after that. The Senate will complete action on the budget today.

Next Steps

The issue at hand is whether to negotiate with the House and if so, when. Conversations with House Democrats have one common theme, we need to wait a few days to let the dust settle. Republicans are to a person angry about press accounts about what happened last night. Now is not the time to see if there is room for negotiation. Efforts by Republican leadership last evening to get Democrats to compromise were not taken seriously by Democrats.

It may be that key House Democrats will approach Republican leadership as to whether a deal can be cut. There is a general feeling that among those who care most about foreign policy issues that a bipartisan approach is far preferable to the more rancorous debate that has occurred over the past few days.

Nonetheless, there is real concern on the part of some that the Republicans believe that they can win this vote and will only deal from a position of strength-- i.e. they don't need a deal to pass the bill.

That dynamic could change if Republican leadership believes that they can only win if all the Republicans stick together. They are unlikely to want to pass a "Republican" foreign aid bill, even with cuts and reorganization. They will probably hope that over the next week or so that there will be an effort by AIPAC and others to get Democratic support for the bill.

There is another possibility that could move us toward a bipartisan bill-- if the Speaker decides this is a bad bill and does not want

to be identified with it. The odds against him wanting to compromise at this point are less than even. He may not like the bill, but he and his lieutenants have publicly embraced it and would lose even more face if they were seen to compromise. If a compromise is possible it is more likely to occur in conference, particularly if the Democrats hang together in the House and Senate in a vote on final passage.

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On the other hand, the Speaker is anything but predictable. He may want to make his mark on foreign policy issues in a more positive, bipartisan manner, and thus be willing to compromise.

We will have to focus our attention on the Senate as the SFRC moves forward in consideration of its bill.

Action items

Negotiations

On the issue of whether to negotiate, the options are to wait until the Republicans make a sincere offer to sit down with us (this would mean we would continue to oppose the bill), putting everything on the table, to have the Administration approach the Republicans directly, to have a key House Democrat(s) approach Republican leadership or to work directly with the Appropriators.

1. Waiting until the Republicans approach us:

Pro

ù If such an approach is made, it will likely be because the Republicans feel they have to, making it easier for us to get a good deal.

Con

ù By waiting we could miss an opportunity to get a deal.

2. Approach the Republican leadership on our own and try to cut a deal:

Pro

ù We can control what is in and what is out of such a deal, at least from our side.

Con

ù No guarantee if we approach Republican leadership, they will feel they have to sincerely negotiate, since under these circumstances they will feel they are dealing from a position of strength. In

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addition, by taking the lead we could alienate House Democrats who have carried our water up until now.

3. Have a key Democrat(s) approach the Republican leadership on whether a deal is possible:

Pro

ù Although presumably they would be working with us on whether a compromise is the best course of action, having them approach the Republicans still gives us some distance.

Con

ù If the Democrats approach them first, the Republican leadership could view this as sign of weakness. In addition, House Democrats may be willing to compromise more than we are.

4. Deal directly with the Appropriators:

Pro

ù They are less likely than the authorizers to want to micromanage, and the foreign operations subcommittee is much less unwieldy than the full International Relations Committee.

Con

ù They may try to force us to deal with the authorizers.

Our immediate recommendation would be a combination of options one and four. We should not, however, discourage House Democrats from doing soundings if they are so inclined with the Republican leadership as to whether a real compromise is possible. Finally, whatever option we pursue should done in conjunction with the State Department and other agencies affected byt the bill.

Developing an Administration Compromise

Another action item is to have an interagency process to prepare the components of a compromise should we reach that point. Such a compromise would have deal with reorganization, funding levels and

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foreign policy restrictions. An interagency group would have to include OVP (NPR), NSC, OMB, State, AID, ACDA, USIA, Treasury, Exim, OPIC, TDA and Commerce. This process should begin no later than next week, so that we are prepared to counter the Republicans should a compromise be possible.

We will develop a list with the House Democratic leadership and the agencies about who should be called by whom over the next week so that should the bill come to a vote, we are able to at least hold our Democrats.

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MSMail

DATE-TIME	30 May 95 15:32
FROM	Tyler, John T.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Taking out the Leg. elements[UNCLASSIFIED]
TO	Clarke, Richard A. Danvers, William C. Halperin, Morton H.
CARBON_COPY	Cooper, Kathleen H. Simon, Steven N.
TEXT_BODY	Bill...Sorry, we did not mean to offend; based opn your comments the other day, thought you believed there was no hope, but go ahead anyway. I have expurgated the recommendation and attenuated the body of the memo. To get the process going (especially in light of Mort's memo to TL), is this version more palatable[[4099.DOC : 3865 in 4099.DOC]]?
ATTACHMENT FILE DATE	30 May 95 15:27
ATTACHMENT FILE NAME	4099.DOC

4099

May 25, 1995

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON HALPERIN/RICHARD CLARKE

FROM: JOHN T. TYLER/STEVE SIMON

CLINTON LIBRARY PHOTOCOPY

SUBJECT: Taking the Initiative on the Foreign Aid Problem

If the Republicans are serious about "negotiating" on the foreign aid authorization legislation, then we should be prepared to approach them with a serious counter-proposal. We requested $21.2 billion for FY 1996; the HIRC cut that to $18.5 billion. The Budget Committees have done even more damage ($17.9 B in the Senate and $18.2 B in the House). We should seek at least $20.3 billion as a number that the President would find acceptable.

We need to work the Budget Resolution--if we do not have enough room reserved for foreign aid there, then any attempts to increase the numbers will be subject to a "point of order" objection. The foreign aid number in the Budget Resolution that comes out of conference can be higher than the number passed by either house. We need to explore this procedural opening to protect the President's foreign aid options.

We have prepared another memorandum (4082) that lays out our approach if we are stuck with the current Budget Resolution and the Gilman numbers.

If we raise the topline to $20.3 billion it would be $1.8 billion more than we have in Gilman. We would apply the restorations notionally, as follows, to the HIRC cuts:

(NOTA BENE: This chart does not address the entire request, just those areas where we believe restorations can be justified.)

FY 1996 HIRC MARK Difference Restore

Commerce, State, Justice $5.45 B %5.15 B
$0.310 B $0.200 B*

FY 1996 HIRC MARK Difference Restore

Foreign Ops:(PARTIAL)
Subtotal MDBs $2.304 B $1.364 B $0.950 B $0.700 B

Voluntary IO Contri. $0.425 B $0.309 B
$0.156 B $0.075 B
Subtotal DA** $2.102 B $1.487 B $0.615 B $0.500 B
Asst to Russia et al. $0.788 B $0.643 B
$0.145 B $0.075 B

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Assist to CEE $0.480 B $0.325 B $0.156 B $0.075 B
Operating Exp-AID*** $0.529 B $0.466 B
$0.063 B $0.050 B
Economic Support Fund $2.494 B $2.358 B
$0.138 B $0.050 B
VOL. PKO $0.100 B $0.068 B $0.032 B $0.050 B

Agriculture
PL-480 Title III $0.050 B $0.000 B $0.050 B $0.025 B

TOTALS $14.722 B $12.170 B $2.615 B $1.800 B

* Includes restoration of $45 million for CIPA to bring funding up to the request level.
** Includes Development fund for Africa.
*** This is tied to the reorganization issue.

Restoring $200 million to CSJ, would give us the opportunity to partially restore cuts made to BIB, USIA, Contributions to International Organizations and Contributions for International Peacekeeping and to ACDA salaries and expenses.

The restorations made to the selected sub-accounts under the Foreign Operations Sub-committee jurisdiction should be advocated to send a set of simple and clear signals:

ù We want to maintain a strong contribution and influence within the multilateral development bank system and do not want to lose the leverage represented by our contributions;
ù Voluntary International Organizations are of continuing importance to us--UNICEF is important, and while we may not like the way it is run, so is the UNDP;
ù Development Assistance is a critical component of our national security strategy and we simply can not accept an almost 30% cut. A cut of that magnitude is simply too disruptive to our international programs;
ù Aid to Russia, other republics of the former Soviet Union, and to the countries of Central and Eastern Europe is as important for the political signal it sends as for the results on the ground--we must use every tool we have to work toward a stability and the conditions necessary for progress toward free market economies and democratic governance. Dramatic aid cuts by the Congress send a destabilizing political signal;
ù Slashing AID operating expenses as the House did would cause a very untidy disruption of our overseas operations and foreclose on the President's options to organize his foreign assistance agencies as he thinks best;
ù The funding for ESF was barely touched, but most of it goes to Israel and Egypt--so the restoration of even $50 million represents a real increase in discretionary funding flexibility for the President;

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ù Voluntary Peace Keeping Operations need as close to full funding as possible--if for no other reason than to avoid a later hit on the Defense Operations and Maintenance Sub-account to pay for things when events crash in. This a protect DoD readiness restoration.
ù Some level of PL-480 Title III restoration is necessary at least initially.

We did not seek to restore minor cuts like Peace Corps Operating Expenses (which are fully funded by the Helms bill). The cut to Foreign Military Financing was only $64 million out of $3.352 billion, and we cannot now justify restorations to "other programs." How to apportion

the ultimate cuts to the set of sub-accounts in the CSJ arena will require further work, since there will still be $110 million in cuts there.

Alternative sets of restorations (for $550 million; $800 million and $1.2 billion) are found at Tab A.

The numbers are not the only place where we need to take a strong hand into any negotiations over what would make an acceptable bill. We also need to protect the President's prerogatives and out flexibility as an Administration to execute foreign--and national security--policy.

We must advocate the establishment of a Bipartisan Commission to examine the streamlining of the foreign affairs agencies--having it report by November. We must take the so-called "consolidation of the foreign affairs agencies" off the table and put it in an NPR-context so that we can better control the issue. Mind you, this means that we are going to have to be serious about revamping State, AID, USIA and ACDA. We cannot permit Administration participation in the Commission to devolve into a turf protection society. Furthermore, we will have to make some sort of pledge to do something--or we simply will not be credible.

We should agree that there needs to be major restructuring and that the commission should look at consolidation of one or more agencies. We may have to agree to a compromise position that would roll ACDA into State, for example. The commission should also explore an option that looks at strengthening the role of the Secretary of State, while having quasi independent agencies run programs--moving in the direction of slightly more centralized control but retaining decentralized program execution. Possible legislation to set up the Commission is at Tab B.

There are also a set of limitations on the prerogatives of the President that we should address as we work the problems of the numbers (See Tab C).

Bridging the Gap Between Rhetoric and Reality. It is easier to advocate an active role than it is to make it pay off;

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partic-ularly, when the budget resolution numbers in both houses are on the negative. To be successful, we will need to win the case that:

ù We cannot and should not try to balance the budget on the back of the foreign aid bill;

ù We can afford to do our "fair share" as the leading industrial-ized nation rather than ceding the development field to Japan and the West Europeans;

ù A reasonable foreign aid bill is a national security issue and a dollar properly spent on foreign aid is as valuable to national security as a dollar spent on defense. Secretary Perry just wrote to the Speaker that, " Underfunding the International Affairs budget, in my opinion, runs the risk that the United States will be unable to protect its interests except with military force." Extensive use of military force is more expensive than a small plus-up of foreign aid--whether you pay for the use of force in a supplemental or out of the DoD's O&M account.

Concurrence by: Bill Danvers

RECOMMENDATION

We need to go through a very closely held interagency process to begin to explore our options. To move the process forward after talking to the

Secretary of State, you should schedule a principles meeting at the end of the week. Invitees should include OVP, State, Treasury, OMB, NEC and USAID.

Approve_____ Disapprove _____

Attachments
Tab A Alternatives to restoring $1.2 billion.
Tab B Bipartisan Commission
Tab C Presidential prerogatives and other difficulties with the HIRC bill (HR 156 1).

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MSMail

DATE-TIME	30 May 95 16:29
FROM	Tyler, John T.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Another try...[UNCLASSIFIED]
TO	Clarke, Richard A. Danvers, William C. Halperin, Morton H.
CARBON_COPY	Cooper, Kathleen H. Simon, Steven N.
TEXT_BODY	After talking to Mort, we think the following would be a useful substitute to the earlier drafts. Bill:...?[[4099Z.DOC : 4105 in 4099Z.DOC]]
ATTACHMENT FILE DATE	30 May 95 16:26
ATTACHMENT FILE NAME	4099Z.DOC

4099

May 25, 1995

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON HALPERIN/RICHARD CLARKE

FROM: JOHN T. TYLER/STEVE SIMON

SUBJECT: Taking the Initiative on the Foreign Aid Problem

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If we decide to approach the Republicans to describe a foreign aid bill the President would sign, then we will need to make decisions on three sensitive issues:

- Funding levels--do we want to seek to raise the topline to provide the President the funds he needs to ensure United State's leadership abroad? Lack of funding was mentioned in the Rosegarden statement.

- Unacceptable HIRC bill language (HR 1561)--do we want to have available what we would find acceptable? There are strong attacks on Presidential prerogatives in the HIRC bill.

- The Reorganization issue--do we want to have an approach ready as an alternative to congressional reorganization of the foreign affairs agencies?

We have prepared another memorandum (4082) that lays out our approach if we are stuck with the current Budget Resolution and the Gilman numbers.

If we seek to raise the topline to $20.3 billion it would be $1.8 billion more than we have in HIRC bill. We would apply the restorations notionally, as follows, to the HIRC cuts:

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cannot now justify restorations to "other programs." How to apportion the ultimate cuts to the set of sub-accounts in the CSJ arena will require further work, since there will still be $110 million in cuts there.

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We must advocate the establishment of a Bipartisan Commission to examine the streamlining of the foreign affairs agencies--having it report by November. We must take the so-called "consolidation of the foreign affairs agencies" off the table and put it in an NPR-context so that we can better control the issue. Mind you, this means that we are going to have to be serious about revamping State, AID, USIA and ACDA. We cannot permit Administration participation in the Commission to devolve into a turf protection society. Furthermore, we will have to make some sort of pledge to do something--or we simply will not be credible.

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that:

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ù We can afford to do our "fair share" as the leading industrial-ized nation rather than ceding the development field to Japan and the West Europeans;

ù A reasonable foreign aid bill is a national security issue and a dollar properly spent on foreign aid is as valuable to national security as a dollar spent on defense. Secretary Perry just wrote to the Speaker that, " Underfunding the International Affairs budget, in my opinion, runs the risk that the United States will be unable to protect its interests except with military force." Extensive use of military force is more expensive than a small plus-up of foreign aid--whether you pay for the use of force in a supplemental or out of the DoD's O&M account.

Concurrence by: Bill Danvers

RECOMMENDATION

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to explore our options. To move the process forward after talking to the Secretary of State, you should schedule a principles meeting at the end of the week. Invitees should include OVP, State, Treasury, OMB, NEC and USAID.

Approve_____ Disapprove _____

Attachments
Tab A Alternatives to restoring $1.2 billion.
Tab B Bipartisan Commission
Tab C Presidential prerogatives and other difficulties with the HIRC bill (HR 156 1).

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Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Danvers, William C. to Aoki, Steven N. et al. re: Talking Points for POTUS Hill Meeting (12 pages)	06/26/1995	P5
002. email	Aoki to Danvers re: Comments on Talking Points (8 pages)	06/26/1995	P5
003. email	Roth, Stanley O. to Danvers re: Talking Points for POTUS Hill Meeting (11 pages)	06/26/1995	P5
004. email	Danvers to Baker, Jane E. re: Package for Tony (10 pages)	06/26/1995	P5
005. email	Danvers to Andricos, George M. et al. re: Package for President Hill Meeting (35 pages)	06/27/1995	P5
006. email	Harris, Elisa D. to Andricos et al. re: Talking Points for POTUS Hill Meeting (11 pages)	06/30/1995	P1/b(1), P5
007. email	Cicio, Kristen K. to Danvers re: Hill Talking Points (6 pages)	07/07/1995	P5
008. email	Tyler, John T. to Wise, William M. re: Real Fact Sheet for S.908 (3 pages)	07/07/1995	P5
009. email	Halperin, Morton H. to Cooper, Kathleen H. re: Letter from Senator Feinstein to POTUS on Consolidation (6 pages)	07/17/1995	P5
010. email	Danvers to Andricos et al. re: Feinstein Letter (2 pages)	07/19/1995	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[06/26/1995 - 07/19/1995]

Eric Holzer
2006-0208-F
eh180

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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MSMail

DATE-TIME 26 June 95 17:09

FROM Danvers, William C.

CLASSIFICATION UNCLASSIFIED

SUBJECT Talking points for POTUS Hill meeting [UNCLASSIFIED]

TO

Aoki, Steven N.
Armstrong, Fulton T.
Atkin, Timothy J.
Bassett, Leslie A.
Beers, Rand R.
Behring, Deanna M.
Blacker, Coit D.
Blakeman, Earle C.
Boright, John
Broadway, Jamuna
Brown, Dallas
Clarke, Richard A.
Debortoli, Michelle A.
Drew, Samuel N.
Dymersky, Debra L.
Eddy, Randolph P.
Edwards, Joan
Feinberg, Richard E.
Gardner, Anthony
Harris, Elisa D.
Heslin, Sheila N.
Hill, Roseanne M.
Jensen-Moran, Jeri L.
Lindsey, Wanda
Litwak, Robert C.
Marshall, Betty A.
Maxfield, Nancy H.
Mazzuchi, Anthony D.
Norman, Marcia G.
Pascual, Carlos E.
Pifer, Steven K.
Poneman, Daniel B.
Quinn, Mary E.
Rice, Susan E.
Rocha, Victor M.
Roth, Stanley O.
Roundtree, Beverly J.
Schmidt, John R.
Schwartz, Eric P.

CLINTON LIBRARY PHOTOCOPY

Sheehan, Michael A.
Simon, Steven N.
Stauffer, Helen L.
Stephens, Kathleen D.
Stern, Jessica E.
Suettinger, Robert L.
Vershbow, Alexander R.

CARBON_COPY

Andricos, George M.
Danvers, William C.
Funches, Christina L.
Halperin, Morton H.

TEXT_BODY

Nelson, Randy, Richard, Stanley, Chip/Steve and Dan:

Attached is a package that Sandy and Nancy want to send to Tony tonight of talking points for a meeting the President is to have on Wed with key Hill foreign policy leaders. The points are essentially taken from points your directorates prepared last week for various Hill-related meetings.

PLEASE GET BACK TO ME RIGHT AWAY, AS I NEED TO GET THIS TO SANDY AND NANCY
BY 6 PM. THANKS IN ADVANCE.

[[PRESMEET.DOC : 4358 in PRESMEET.DOC]][[PRESMET2.DOC : 4359 in
PRESMET2.DOC]][[PRESMET3.DOC : 4360 in PRESMET3.DOC]]

ATTACHMENT FILE DATE

26 June 95 16:11

ATTACHMENT FILE NAME

PRESMEET.DOC

4906

June 26, 1995

ACTION

MEMORANDUM FOR TONY LAKE

FROM: BILL DANVERS

SUBJECT: Presidential meeting with key Hill

CLINTON LIBRARY PHOTOCOPY

leaders

The President is scheduled to meet with a small group of key Hill leaders on Wednesday, June 28 from 5 PM to 7 PM to talk about foreign policy concerns. While it is expected that most of the conversation will be on Bosnia, there are a number of other issues that the President may want to raise, most particularly resources and Russia.

We have prepared talking points for the meeting (Tab A). In addition to the President, we recommend that Secretaries Christopher, Perry, General Shali, Ambassador Albright, you and Sandy Berger all participate and that Secretaries Christopher and Perry be asked to comment after the President makes his opening remarks.

The meeting will be divided into two parts: from 5:00 PM to 5:45 PM with Senators Dole and Daschle, Speaker Gingrich and Rep. Gephardt to be followed by a larger meeting which will run until 7:00 PM. In addition to the four leaders, invitees to the larger meeting include: Senators Dodd, Hatfield, Byrd, Gramm, Hollings, Leahy, McConnell, Pell, Helms, Lugar, Biden, Thurmond, Nunn, Warner, Levin, Inouye, Stevens, Specter, Kerrey and Representatives Livingston, Obey, Rogers, Mollohan, Callahan, Wilson, Hamilton, Gilman, Spence, Dellums, Young, Murtha, Combest, Dicks and Hyde.

Concurrence by: Feinberg, Drew, Beers, Blacker, Poneman

RECOMMENDATION

That you forward the attached memo to the President

Attachment
Tab I Memo to the President
Tab A Talking points for the President

ATTACHMENT FILE DATE 26 June 95 17:7

ATTACHMENT FILE NAME PRESMET2.DOC

TALKING POINTS

CLINTON LIBRARY PHOTOCOPY

ù Thank you for coming this afternoon. While I anticipate that much of our time will be spent talking about Bosnia, I want to take a moment at the outset to touch a few other issues of importance to us all.

ù I won't talk but a few minutes to give us plenty of time for a discussion on these issues.

ù First of all, I want to stress the importance of resources as a critical element of our national security strategy. I realize how constrained money is as we all move toward balancing the budget.

ù But it is a lot less costly-- in terms so money and human lives-- to support foreign aid than it is to send in U.S. troops.

ù The United States spends less of its gross domestic product on aid than any other major industrial country-- a little over 1%. We need to do whatever we can to make sure that we don't lose sight of what an important investment this is for protecting our national security.

ù The issue of reorganization of the foreign affairs agencies is part of the debate on how to best spend scarce foreign assistance funds.

ù We are doing a good job of reinventing government, including the foreign policy agencies. State, AID, ACDA and USIA have all made real efforts to become more efficient and cost effective.

ù We do not believe that creating a mega-bureaucracy at the State Department is the way to make our foreign affairs process more effective.

ù What will make that process work better is smart investments in places like the New Independent States (NIS). It will also make a difference to our future.

ù Aid to Russia, Ukraine and the other NIS remains a critical tool for promoting economic, democratic reform and the reduction of the nuclear threat, all of which are in our national interest.

ù We are pressing the Russian government hard on Chechnya and the potential Iran reactor sale. The Vice President is meeting with Russian Prime Minister Chernomyrdin this week in Moscow to discuss a number of important issues.

ù The Gore-Chernomyrdin Commission is a good example of our ability to successfully engage the Russians on a number of issues of

CLINTON LIBRARY PHOTOCOPY

mutual interest and concern.

ù I know there will be a number of opportunities to further cut aid to Russia and the NIS in the coming weeks. I ask that you resist those efforts, since we believe our assistance programs are crucial to helping us to do good and do well with these nations.

ù I want to raise a few more issues very briefly before discussing Bosnia at greater length. First of all, I believe that this past weekend's elections in Haiti represent a milestone in the joint efforts of the Haitian people, the United States and the international community to restore democracy in Haiti.

ù Approximately 3.4 million Haitians registered to vote out of a total population of roughly 4 million. Over 10,000 candidates belonging to more than 60 parties ran for 2200 public offices.

ù What the Haitians have achieved is a remarkable success. They deserve a great deal of credit. We should all welcome Haiti into the expanding global community of democratic nations.

ù Another issue on which we have made some progress is ending the North Korean nuclear threat.

ù Recently in Kuala Lumpur, the North Koreans acknowledged that it is up to the Koran Peninsula Energy Development Organization (KEDO), to select the type of reactors provided under last year's Agreed Framework. The reactors will be a South Korean type, and a South Korean firm will be the prime contractor for the reactor project.

ù This paves the way for implementation of the Agreed Framework. South Korea strongly supports the Kuala Lumpur agreement.

ù Another key issue that directly relates to Bosnia is peacekeeping and UN reform.

ù Since we announced our new peacekeeping policy last year, we have made considerable progress: we have closed two peacekeeping missions in El Salvador and Mozambique; new mandates are carefully considered to assure they are achievable; and new peacekeeping mandates are carefully considered to assure they are achievable.

ù We have started two operations in the last year, in Angola and Haiti, both with extensive consultations, well designed mandates with built-in sunset clauses.

ù On reform, we continue to press our reform agenda at the UN. In that context, we are working hard to get the Inspector General's office strengthened.

CLINTON LIBRARY PHOTOCOPY

ù We want to work more closely with Congress on peacekeeping issues and UN reform.

ù This leads me to Bosnia. I want to take a moment to put our Bosnia policy in context.

ù Our interests are engaged in Bosnia at several levels:

-- Preventing the spread of the conflict;

-- Precluding the direct involvement of outside powers in support of regional clients;

-- Limiting the humanitarian disaster; and

-- In the longer term, developing and sustaining collective mechanisms for dealing with post-Cold War disputes to reduce additional and more costly requirements for the United States to intervene unilaterally.

ù Current policy reflects a coherent multi-pronged approach:

-- Achieve negotiated end to conflict that preserves Bosnia's political independence and territorial integrity, providing a reasonable division of territory among ethnic groups;

-- Sustain and strengthen UNPROFOR to help prevent a resumption of all-out war that would increase casualties and

humanitarian suffering, risk the spread of the conflict, and effectively end the prospect for a negotiated settlement.

-- Strengthen and adapt the abilities of existing, proven, organizations such as N ATO to deter a repetition of the tragedy of the former Yugoslavia.

ù Haven't solved problems, but have achieved substantial results:

-- Civilian casualties declined dramatically (130,000 in 1992, down to 2500 in 1994);
-- U.S. airlift has delivered more than 50,000 tons of humanitarian supplies in the longest airborne relief operation ever -- thousands have received food and medical supplies;
-- 2.8 million Bosnians supported by humanitarian aide through UNHCR missions;
-- NATO's Operation Deny Flight has flown more than 60,000 sorties, keeping the war out of the air over Bosnia for two and a half years;
-- shelling of Sarajevo has been reduced;
-- negotiating efforts have been key to implementing

CLINTON LIBRARY PHOTOCOPY

Federation agreement between Bosnia's Muslims and Croats; and
-- war hasn't spread to other areas of Balkans.

-- All accomplished without introduction of American combat forces on the ground in Bosnia.

ù Alternatives are far more costly in lives as well as financing: UNPROFOR withdrawal puts U.S. forces on the ground; unilateral lift Americanizes the war.

-- UNPROFOR withdrawal:

-- will put American forces on the ground to assist our Allies' withdrawal;

-- lead to a resumption of all-out war that would increase casualties and humanitarian suffering;

-- risk the spread of the conflict; and

-- effectively end the prospect for a negotiated settlement.

-- Unilateral lift:

-- Opposed by our European allies, who recognize that this action would force the end of UNPROFOR at a time when they have rededicated themselves to making it work.

-- Ask yourselves: if the U.S. destroyed the UN mission by a unilateral lift of the arms embargo, and then the lift did not produce the military results on the ground that the Bosnian government hopes for, and instead they lost territory and more ethnic cleansing took place...what would we do then?

-- Do not delude yourselves: if the arms embargo is lifted, arms will flow in to both sides, with a greater chance of widening the conflict and establishing client state relationships with outside powers..

-- The risks that we would be drawn in would be far greater, because the situation would be a worse mess that we had created by ourselves with our European Allies pleading with us not to do it.

-- In short, lifting the arms embargo and forcing

UNPROFOR to withdraw means that all of the U.S. interests engaged in Bosnia -- keeping the conflict from spreading,

CLINTON LIBRARY PHOTOCOPY

supporting our NATO allies, minimizing the humanitarian suffering -- would be undermined!

-- We cannot in good conscience support lift of the arms embargo and undermining UNPROFOR when the British, French, Dutch, and now even Germans are willing to say "we'll send more troops there, stiffen our capacity to keep the peace, and work toward a lasting negotiated settlement."

-- (Assuming meeting w/ BBG went as planned) I have spoken with BBG, and conveyed this identical message to him: those within the UN or elsewhere who would imply that the mission is over, that UNPROFOR must abandon hope of ever fulfilling its mandate, are undermining the last real chance to work toward a solution that does not depend on the outcome of a long and bloody war to resolve the fate of Bosnia.

ù Our best chance to obtain an outcome that is in keeping with basic U.S. interests is to support efforts to deploy and sustain the Rapid Reaction Force.

-- Let me make it clear that I strongly support the RRF. It will give muscle, support, and security to the United Nations troops on the ground in Bosnia, helping them fulfill their mission and making that mission more effective.

-- The rapid reaction force is intended to provide the UNPROFOR commander with well-armed and mobile forces with which to respond promptly to threats to United Nations personnel.

-- Based on discussions at the UN and responses to questions we have posed directly to the British, French and Dutch, we know that its missions would include:

-- emergency actions/responses to assist isolated or threatened UN units;

-- help redeployment of elements of UNPROFOR;

-- facilitate freedom of movement where necessary.

-- This force will be used to perform tasks that have previously been impossible for UNPROFOR.

-- Too much has been made of the artificial distinction between protecting UNPROFOR and enabling it to more effectively perform its mandated missions: by providing the UN with the means to defend itself if attacked while fulfilling its mandate, the RRF force will enhance UNPROFOR's overall credibility and effectiveness.

CLINTON LIBRARY PHOTOCOPY

ù I have therefore determined that it is both in our interest, and consistent with our leadership role, for the U.S. to support the creation and deployment of the UNPROFOR RRF.

-- As I have publicly stated, I believe that the United States should pay for a sha re of this.

-- At the same time, I agree with the sentiments you have expressed that financing the RRF should not be done on a business as usual basis.

-- Therefore, our vote in passing UNSC Resolution 998 on June 16, 1995, establishing the RRF and increasing the authorized troop level for UNPROFOR by 12,500. was cast with the

clear understanding that financing for the operation would be determined later.

-- Since the UNSC vote, the administration has been in close contact with both Congressional staff and our allies as we search for a way for the U.S. to support our allies while not incurring obligations the Congress will be unwilling to support.

-- I want to share with you now our plan for how the U.S. can best support the RRF.

-- Under our proposal, voluntary contributions should be the principal means of supporting the force. We will be working at the UN and with our friends and allies to create and fund a voluntary account to help defray the cost of the RRF.

-- It is unrealistic, however, to expect that this fund will cover the entire costs. We recognize that those providing troops on the ground will continue to bear the preponderance of costs and risks.

-- We are planning on making our contribution in the areas of close air support, strategic lift, intelligence and equipment.

-- Our principal contribution will be provided by drawing down defense goods and services under Foreign Assistance Act authorities. The total requirement for these drawdowns is currently estimated to be within a $50 million ceiling. These drawdowns would be accomplished in a manner that does not compromise U.S. readiness in any manner.

CLINTON LIBRARY PHOTOCOPY

-- The U.S. is also considering other in-kind contributions of up to about $10 million worth of CAS and intelligence support.

-- We do not intend to pay UN assessed funding for any RRF forces above the previously agreed UNPROFOR ceiling of 44,870 troops.

-- Those providing troops to the RRF now tell us that up to 4,500 of those forces can come from troops under

that previously authorized ceiling. I believe we have an obligation to honor that commitment.

-- The remainder of the approximately 15,000 troops in the RRF -- those authorized by the increase of the UNPROFOR ceiling to 55,370 -- would be covered under the voluntary mechanism. All of our contributions to that fund will be in the form of in-kind contributions of equipment and services.

-- We will be seeking no new funding authority to support the RRF.

ù With this approach, I am confident that we should be able to move forward together in support of the one policy option available to us that truly protects U.S. national security interests in the Bosnian conflict.

ATTACHMENT FILE DATE 26 June 95 16:31

ATTACHMENT FILE NAME PRESMET3.DOC

4906

cc: Vice President

Chief of Staff

CLINTON LIBRARY PHOTOCOPY

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Meeting with Hill leaders on Bosnia and other foreign policy issues.

You are scheduled to meet with a small group of key Hill leaders on Wednesday, June 28 from 5 PM to 7 PM to talk about foreign policy concerns. While it is expected that most of the conversation will be on Bosnia, there are a number of other issues that you may want to raise, most particularly resources and Russia.

We have prepared talking points for the meeting (Tab A). In addition to the President, we recommend that Secretaries Christopher, Perry, General Shali, Ambassador Albright, you and Sandy Berger all participate and that Secretaries Christopher and Perry be asked to comment after the President makes his opening remarks.

The meeting will be divided into two parts: from 5:00 PM to 5:45 PM with Senators Dole and Daschle, Speaker Gingrich and Rep. Gephardt to be followed by a larger meeting which will run until 7:00 PM. In addition to the four leaders, invitees to the larger meeting include: Senators Dodd, Hatfield, Byrd, Gramm, Hollings, Leahy, McConnell, Pell, Helms, Lugar, Biden, Thurmond, Nunn, Warner, Levin, Inouye, Stevens, Specter, Kerrey and Representatives Livingston, Obey, Rogers, Mollohan, Callahan, Wilson, Hamilton, Gilman, Spence, Dellums, Young, Murtha, Combest, Dicks and Hyde.

The House is considering the FY 96 Foreign Operations Appropriations bill this week. The Senate will likely consider the State Department Authorization bill and Foreign Assistance Act the week after the Independence recess, as well as a resolution introduced by Sen. Dole to unilaterally lift the arms embargo. In addition, the Senate Armed Services Committee is marking up its FY 96 authorization bill. The House completed action on the bill two weeks ago. Finally, the House Commerce, Justice State Appropriations Subcommittee will mark up its FY 96 bill this week, which contains peacekeeping funding.

Attachment

CLINTON LIBRARY PHOTOCOPY

Tab [A] [Enter brief description of attachment]

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME	26 June 95 17:18
FROM	Aoki, Steven N.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Comments on talking points [UNCLASSIFIED]
TO	Danvers, William C.
CARBON_COPY	Hill, Roseanne M. Roth, Stanley O. Suettinger, Robert L.

TEXT_BODY

[[PRESMET2.DOC : 4416 in PRESMET2.DOC]]

Bill:

I've made one fix to the North Korea point to target it at likely Congressional concerns.

If you want, we could make a resource point here too:

-- U.S. support for KEDO is essential to success in the effort we're making with our South Korean and Japanese allies to eliminate dangerous North Korean nuclear capabilities.

ATTACHMENT FILE DATE	26 June 95 17:14
ATTACHMENT FILE NAME	PRESMET2.DOC

TALKING POINTS

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ù I won't talk but a few minutes to give us plenty of time for a discussion on these issues.

ù First of all, I want to stress the importance of resources as a critical element of our national security strategy. I realize how constrained money is as we all move toward balancing the budget.

CLINTON LIBRARY PHOTOCOPY

ù But it is a lot less costly-- in terms so money and human lives-- to support foreign aid than it is to send in U.S. troops.

ù The United States spends less of its gross domestic product on aid than any other major industrial country-- a little over 1%. We need to do whatever we can to make sure that we don't lose sight of what an important investment this is for protecting our national security.

ù The issue of reorganization of the foreign affairs agencies is part of the debate on how to best spend scarce foreign assistance funds.

ù We are doing a good job of reinventing government, including the foreign policy agencies. State, AID, ACDA and USIA have all made real efforts to become more efficient and cost effective.

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ù What will make that process work better is smart investments in places like the New Independent States (NIS). It will also make a difference to our future.

ù Aid to Russia, Ukraine and the other NIS remains a critical tool for promoting economic, democratic reform and the reduction of the nuclear threat, all of which are in our national interest.

ù We are pressing the Russian government hard on Chechnya and the potential Iran reactor sale. The Vice President is meeting with Russian Prime Minister Chernomyrdin this week in Moscow to discuss a number of important issues.

ù The Gore-Chernomyrdin Commission is a good example of our ability to successfully engage the Russians on a number of issues of mutual interest and concern.

ù I know there will be a number of opportunities to further cut aid to Russia and the NIS in the coming weeks. I ask that you resist those efforts, since we believe our assistance programs are crucial to helping us to do good and do well with these nations.

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CLINTON LIBRARY PHOTOCOPY

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ù This keeps in place the freeze on North Korea's nuclear program -- a key benefit of the
Agreed Framework. South Korea strongly supports the Kuala Lumpur agreement.

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ù Since we announced our new peacekeeping policy last year, we have made considerable progress: we have closed two peacekeeping missions in El Salvador and Mozambique; new mandates are carefully considered to assure they are achievable; and new peacekeeping mandates are carefully considered to assure they are achievable.

ù We have started two operations in the last year, in Angola and Haiti, both with extensive consultations, well designed mandates with built-in sunset clauses.
ù On reform, we continue to press our reform agenda at the UN. In that context, we are working hard to get the Inspector General's office strengthened.

ù We want to work more closely with Congress on peacekeeping issues and UN reform.

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ù Our interests are engaged in Bosnia at several levels:

-- Preventing the spread of the conflict;

-- Precluding the direct involvement of outside powers in support of regional clients;

CLINTON LIBRARY PHOTOCOPY

-- Limiting the humanitarian disaster; and

-- In the longer term, developing and sustaining collective mechanisms for dealing with post-Cold War disputes to reduce additional and more costly requirements for the United States to intervene unilaterally.

ù Current policy reflects a coherent multi-pronged approach:

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-- UNPROFOR withdrawal:

CLINTON LIBRARY PHOTOCOPY

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-- In short, lifting the arms embargo and forcing UNPROFOR to withdraw means that all of the U.S. interests engaged in Bosnia -- keeping the conflict from spreading, supporting our NATO allies, minimizing the humanitarian suffering -- would be undermined!

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CLINTON LIBRARY PHOTOCOPY

mission is over, that UNPROFOR must abandon hope of ever fulfilling its mandate, are undermining the last real chance to work toward a solution that does not depend on the outcome of a long and bloody war to resolve the fate of Bosnia.

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ù I have therefore determined that it is both in our interest, and consistent with our leadership role, for the U.S. to support the creation and deployment of the UNPROFOR RRF.

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CLINTON LIBRARY PHOTOCOPY

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June 16, 1995, establishing the RRF and increasing the authorized troop level for UNPROFOR by 12,500. was cast with the clear understanding that financing for the operation would be determined later.

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CLINTON LIBRARY PHOTOCOPY

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CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME	26 June 95 17:24
FROM	Roth, Stanley O.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Talking points for POTUS Hill meeting [UNCLASSIFIED]
TO	Danvers, William C.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

I have no changes/problems.
Stanley

From: Suettinger, Robert L.
To: Roth, Stanley O.
CC: /N, NonRecord at A1
Subject: FW: Talking points for POTUS Hill meeting [UNCLASSIFIED]
Date: Monday, June 26, 1995 05:19 PM

[[PRESMEET.DOC : 4401 in PRESMEET.DOC]][[PRESMET2.DOC : 4402 in
PRESMET2.DOC]][[PRESMET3.DOC : 4403 in PRESMET3.DOC]]

From: Danvers, William C.
To: @EUROPE - European Affairs; @GLOBAL - Global Affairs; @INTERAM -
Inter-American; @NONPRO - Export Controls; @ASIA - Asian Affairs; @RUSSIA -
Russia/Ukraine
CC: /R, Record at A1; Halperin, Morton H.; @LEGISLAT-Legislative Affairs
Subject: Talking points for POTUS Hill meeting [UNCLASSIFIED]
Date: Monday, June 26, 1995 05:09 PM

Nelson, Randy, Richard, Stanley, Chip/Steve and Dan:

Attached is a package that Sandy and Nancy want to send to Tony tonight of talking points for a meeting the President is to have on Wed with key Hill foreign policy leaders. The points are essentially taken from points your directorates prepared last week for various Hill-related meetings.

PLEASE GET BACK TO ME RIGHT AWAY, AS I NEED TO GET THIS TO

CLINTON LIBRARY PHOTOCOPY

SANDY AND NANCY
BY 6 PM. THANKS IN ADVANCE.

ATTACHMENT FILE DATE 26 June 95 16:11

ATTACHMENT FILE NAME PRESMEET.DOC

4906

June 26, 1995

ACTION

MEMORANDUM FOR TONY LAKE

FROM: BILL DANVERS

SUBJECT: Presidential meeting with key Hill leaders

The President is scheduled to meet with a small group of key Hill leaders on Wednesday, June 28 from 5 PM to 7 PM to talk about foreign policy concerns. While it is expected that most of the conversation will be on Bosnia, there are a number of other issues that the President may want to raise, most particularly resources and Russia.

We have prepared talking points for the meeting (Tab A). In addition to the President, we recommend that Secretaries Christopher, Perry, General Shali, Ambassador Albright, you and Sandy Berger all participate and that Secretaries Christopher and Perry be asked to comment after the President makes his opening remarks.

The meeting will be divided into two parts: from 5:00 PM to 5:45 PM with Senators Dole and Daschle, Speaker Gingrich and Rep. Gephardt to be followed by a larger meeting which will run until 7:00 PM. In addition to the four leaders, invitees to the larger meeting include: Senators Dodd, Hatfield, Byrd, Gramm, Hollings, Leahy, McConnell, Pell, Helms, Lugar, Biden, Thurmond, Nunn, Warner, Levin, Inouye, Stevens, Specter, Kerrey and Representatives Livingston,

CLINTON LIBRARY PHOTOCOPY

Obey, Rogers, Mollohan, Callahan, Wilson, Hamilton, Gilman, Spence, Dellums, Young, Murtha, Combest, Dicks and Hyde.

Concurrence by: Feinberg, Drew, Beers, Blacker, Poneman

RECOMMENDATION

That you forward the attached memo to the President

Attachment
Tab I Memo to the President
Tab A Talking points for the President

ATTACHMENT FILE DATE 26 June 95 17:7

ATTACHMENT FILE NAME PRESMET2.DOC

TALKING POINTS

ù Thank you for coming this afternoon. While I anticipate that much of our time will be spent talking about Bosnia, I want to take a moment at the outset to touch a few other issues of importance to us all.

ù I won't talk but a few minutes to give us plenty of time for a discussion on these issues.

ù First of all, I want to stress the importance of resources as a critical element of our national security strategy. I realize how constrained money is as we all move toward balancing the budget.

ù But it is a lot less costly-- in terms so money and human lives-- to support foreign aid than it is to send in U.S. troops.

ù The United States spends less of its gross domestic product on aid than any other major industrial country-- a little over 1%. We need to do whatever we can to make sure that we don't lose sight of what an important investment this is for protecting our national security.

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ù The issue of reorganization of the foreign affairs agencies is part of the debate on how to best spend scarce foreign assistance funds.

ù We are doing a good job of reinventing government, including the foreign policy agencies. State, AID, ACDA and USIA have all made real efforts to become more efficient and cost effective.

ù We do not believe that creating a mega-bureaucracy at the State Department is the way to make our foreign affairs process more effective.

ù What will make that process work better is smart investments in places like the New Independent States (NIS). It will also make a difference to our future.

ù Aid to Russia, Ukraine and the other NIS remains a critical tool for promoting economic, democratic reform and the reduction of the nuclear threat, all of which are in our national interest.

ù We are pressing the Russian government hard on Chechnya and the potential Iran reactor sale. The Vice President is meeting with Russian Prime Minister Chernomyrdin this week in Moscow to discuss a number of important issues.

ù The Gore-Chernomyrdin Commission is a good example of our ability to successfully engage the Russians on a number of issues of mutual interest and concern.

ù I know there will be a number of opportunities to further cut aid to Russia and the NIS in the coming weeks. I ask that you resist those efforts, since we believe our assistance programs are crucial to helping us to do good and do well with these nations.

ù I want to raise a few more issues very briefly before discussing Bosnia at greater length. First of all, I believe that this past weekend's elections in Haiti represent a milestone in the joint efforts of the Haitian people, the United States and the international community to restore democracy in Haiti.

ù Approximately 3.4 million Haitians registered to vote out of a total population of roughly 4 million. Over 10,000 candidates belonging to more than 60 parties ran for 2200 public offices.

ù What the Haitians have achieved is a remarkable success. They deserve a great deal of credit. We should all welcome Haiti into the expanding global community of democratic nations.

ù Another issue on which we have made some progress is ending the North Korean nuclear threat.

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ù Recently in Kuala Lumpur, the North Koreans acknowledged that it is up to the Koran Peninsula Energy Development Organization (KEDO), to select the type of reactors provided under last year's Agreed Framework. The reactors will be a South Korean type, and a South Korean firm will be the prime contractor for the reactor project.

ù This paves the way for implementation of the Agreed Framework. South Korea strongly supports the Kuala Lumpur agreement.

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ù Since we announced our new peacekeeping policy last year, we have made considerable progress: we have closed two peacekeeping missions in El Salvador and Mozambique; new mandates are carefully considered to assure they are achievable; and new peacekeeping mandates are carefully considered to assure they are achievable.

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ù We want to work more closely with Congress on peacekeeping issues and UN reform.

ù This leads me to Bosnia. I want to take a moment to put our Bosnia policy in context.

ù Our interests are engaged in Bosnia at several levels:

-- Preventing the spread of the conflict;

-- Precluding the direct involvement of outside powers in support of regional clients;

-- Limiting the humanitarian disaster; and

-- In the longer term, developing and sustaining collective mechanisms for dealing with post-Cold War disputes to reduce additional and more costly requirements for the United States to intervene unilaterally.

ù Current policy reflects a coherent multi-pronged approach:

-- Achieve negotiated end to conflict that preserves

CLINTON LIBRARY PHOTOCOPY

Bosnia's political independence and territorial integrity, providing a reasonable division of territory among ethnic groups;

-- Sustain and strengthen UNPROFOR to help prevent a resumption of all-out war that would increase casualties and

humanitarian suffering, risk the spread of the conflict, and effectively end the prospect for a negotiated settlement.

-- Strengthen and adapt the abilities of existing, proven, organizations such as N ATO to deter a repetition of the tragedy of the former Yugoslavia.

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-- Civilian casualties declined dramatically (130,000 in 1992, down to 2500 in 1994);
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-- All accomplished without introduction of American combat forces on the ground in Bosnia.

ù Alternatives are far more costly in lives as well as financing: UNPROFOR withdrawal puts U.S. forces on the ground; unilateral lift Americanizes the war.

-- UNPROFOR withdrawal:

-- will put American forces on the ground to assist our Allies' withdrawal;

-- lead to a resumption of all-out war that would increase casualties and humanitarian suffering;

-- risk the spread of the conflict; and

-- effectively end the prospect for a negotiated settlement.

CLINTON LIBRARY PHOTOCOPY

-- Unilateral lift:

-- Opposed by our European allies, who recognize that this action would force the end of UNPROFOR at a time when they have rededicated themselves to making it work.

-- Ask yourselves: if the U.S. destroyed the UN mission by a unilateral lift of the arms embargo, and then the lift did not produce the military results on the ground that the Bosnian government hopes for, and instead they lost territory and more ethnic cleansing took place...what would we do then?

-- Do not delude yourselves: if the arms embargo is lifted, arms will flow in to both sides, with a greater chance of widening the conflict and establishing client state relationships with outside powers..

-- The risks that we would be drawn in would be far greater, because the situation would be a worse mess that we had created by ourselves with our European Allies pleading with us not to do it.

-- In short, lifting the arms embargo and forcing

UNPROFOR to withdraw means that all of the U.S. interests engaged in Bosnia -- keeping the conflict from spreading, supporting our NATO allies, minimizing the humanitarian suffering -- would be undermined!

-- We cannot in good conscience support lift of the arms embargo and undermining UNPROFOR when the British, French, Dutch, and now even Germans are willing to say "we'll send more troops there, stiffen our capacity to keep the peace, and work toward a lasting negotiated settlement."

-- (Assuming meeting w/ BBG went as planned) I have spoken with BBG, and conveyed this identical message to him: those within the UN or elsewhere who would imply that the mission is over, that UNPROFOR must abandon hope of ever fulfilling its mandate, are undermining the last real chance to work toward a solution that does not depend on the outcome of a long and bloody war to resolve the fate of Bosnia.

ù Our best chance to obtain an outcome that is in keeping with basic U.S. interests is to support efforts to deploy and sustain the Rapid Reaction Force.

-- Let me make it clear that I strongly support the RRF. It will give muscle, support, and security to the United

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Nations troops on the ground in Bosnia, helping them fulfill their mission and making that mission more effective.

-- The rapid reaction force is intended to provide the UNPROFOR commander with well-armed and mobile forces with which to respond promptly to threats to United Nations personnel.

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-- emergency actions/responses to assist isolated or threatened UN units;

-- help redeployment of elements of UNPROFOR;

-- facilitate freedom of movement where necessary.

-- This force will be used to perform tasks that have previously been impossible for UNPROFOR.

-- Too much has been made of the artificial distinction between protecting UNPROFOR and enabling it to more effectively perform its mandated missions: by providing the UN with the means to defend itself if attacked while fulfilling its mandate, the RRF force will enhance UNPROFOR's overall credibility and effectiveness.

ù I have therefore determined that it is both in our interest, and consistent with our leadership role, for the U.S. to support the creation and deployment of the UNPROFOR RRF.

-- As I have publicly stated, I believe that the United States should pay for a sha re of this.

-- At the same time, I agree with the sentiments you have expressed that financing the RRF should not be done on a business as usual basis.

-- Therefore, our vote in passing UNSC Resolution 998 on June 16, 1995, establishing the RRF and increasing the authorized troop level for UNPROFOR by 12,500. was cast with the

clear understanding that financing for the operation would be determined later.

-- Since the UNSC vote, the administration has been in close contact with both Congressional staff and our allies as we search for a way for the U.S. to support our allies while not incurring obligations the Congress will be unwilling to

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support.

-- I want to share with you now our plan for how the U.S. can best support the RRF.

-- Under our proposal, voluntary contributions should be the principal means of supporting the force. We will be working at the UN and with our friends and allies to create and fund a voluntary account to help defray the cost of the RRF.

-- It is unrealistic, however, to expect that this fund will cover the entire costs. We recognize that those providing troops on the ground will continue to bear the preponderance of costs and risks.

-- We are planning on making our contribution in the areas of close air support, strategic lift, intelligence and equipment.

-- Our principal contribution will be provided by drawing down defense goods and services under Foreign Assistance Act authorities. The total requirement for these drawdowns is currently estimated to be within a $50 million ceiling. These drawdowns would be accomplished in a manner that does not compromise U.S. readiness in any manner.

-- The U.S. is also considering other in-kind contributions of up to about $10 million worth of CAS and intelligence support.

-- We do not intend to pay UN assessed funding for any RRF forces above the previously agreed UNPROFOR ceiling of 44,870 troops.

-- Those providing troops to the RRF now tell us that up to 4,500 of those forces can come from troops under

that previously authorized ceiling. I believe we have an obligation to honor that commitment.

-- The remainder of the approximately 15,000 troops in the RRF -- those authorized by the increase of the UNPROFOR ceiling to 55,370 -- would be covered under the voluntary mechanism. All of our contributions to that fund will be in the form of in-kind contributions of equipment and services.

-- We will be seeking no new funding authority to

CLINTON LIBRARY PHOTOCOPY

support the RRF.

ù With this approach, I am confident that we should be able to move forward together in support of the one policy option available to us that truly protects U.S. national security interests in the Bosnian conflict.

ATTACHMENT FILE DATE 26 June 95 16:31

ATTACHMENT FILE NAME PRESMET3.DOC

4906

cc: Vice President

Chief of Staff

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Meeting with Hill leaders on Bosnia and other foreign policy issues.

You are scheduled to meet with a small group of key Hill leaders on Wednesday, June 28 from 5 PM to 7 PM to talk about foreign policy concerns. While it is expected that most of the conversation will be on Bosnia, there are a number of other issues that you may want to raise, most particularly resources and Russia.

We have prepared talking points for the meeting (Tab A). In addition to the President, we recommend that Secretaries Christopher,

CLINTON LIBRARY PHOTOCOPY

Perry, General Shali, Ambassador Albright, you and Sandy Berger all participate and that Secretaries Christopher and Perry be asked to comment after the President makes his opening remarks.

The meeting will be divided into two parts: from 5:00 PM to 5:45 PM with Senators Dole and Daschle, Speaker Gingrich and Rep. Gephardt to be followed by a larger meeting which will run until 7:00 PM. In addition to the four leaders, invitees to the larger meeting include: Senators Dodd, Hatfield, Byrd, Gramm, Hollings, Leahy, McConnell, Pell, Helms, Lugar, Biden, Thurmond, Nunn, Warner, Levin, Inouye, Stevens, Specter, Kerrey and Representatives Livingston, Obey, Rogers, Mollohan, Callahan, Wilson, Hamilton, Gilman, Spence, Dellums, Young, Murtha, Combest, Dicks and Hyde.

The House is considering the FY 96 Foreign Operations Appropriations bill this week. The Senate will likely consider the State Department Authorization bill and Foreign Assistance Act the week after the Independence recess, as well as a resolution introduced by Sen. Dole to unilaterally lift the arms embargo. In addition, the Senate Armed Services Committee is marking up its FY 96 authorization bill. The House completed action on the bill two weeks ago. Finally, the House Commerce, Justice State Appropriations Subcommittee will mark up its FY 96 bill this week, which contains peacekeeping funding.

Attachment
Tab [A] [Enter brief description of attachment]

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME 26 June 95 18:01

FROM Danvers, William C.

CLASSIFICATION UNCLASSIFIED

SUBJECT Package for Tony [UNCLASSIFIED]

TO
Baker, Jane E.
Bass, Peter E.
Cicio, Kristen K.
Darby, Melanie B.
Dohse, Fred J.
Emery, Mary C.
Gray, Wendy
Hall, Wilma G.
Harmon, Joyce A.
Hawkins, Ardenia R.
Joshi, M. Kay
Millison, Cathy L.
Sens, Andrew D.
Veit, Katherine M.

CARBON_COPY
Andricos, George M.
Danvers, William C.
Funches, Christina L.

TEXT_BODY

Note for Sandy and Nancy:

Attached is the DRAFT pacakge for Tony to look at for the President's meeting on Wednesday with Hill leaders. We still don't know who will attend, and, therefore, the size of the briefing. That said, I have tried to put together a couple of pages of points for the meeting, accompanied by some Bosnia-specific points that Nelson prepared.

[[PRESMEET.DOC : 4696 in PRESMEET.DOC]][[PRESMET2.DOC : 4697 in
PRESMET2.DOC]][[PRESMET3.DOC : 4698 in PRESMET3.DOC]]

ATTACHMENT FILE DATE 26 June 95 17:55

ATTACHMENT FILE NAME PRESMEET.DOC

4906

CLINTON LIBRARY PHOTOCOPY

June 26, 1995

ACTION

MEMORANDUM FOR TONY LAKE

FROM: BILL DANVERS

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CLINTON LIBRARY PHOTOCOPY

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CLINTON LIBRARY PHOTOCOPY

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CLINTON LIBRARY PHOTOCOPY

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ATTACHMENT FILE DATE 26 June 95 17:54

ATTACHMENT FILE NAME PRESMET3.DOC

4906

cc: Vice President

CLINTON LIBRARY PHOTOCOPY

Chief of Staff

INFORMATION

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PAT GRIFFIN

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Attachment
Tab [A] [Enter brief description of attachment]

CLINTON LIBRARY PHOTOCOPY

M S M a i l

DATE-TIME 27 June 95 08:06

FROM Danvers, William C.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Package for President Hill meeting [UNCLASSIFIED]

TO Andricos, George M.
Danvers, William C.
Funches, Christina L.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Chris-- packages for the President's Hill meeting tomorrow. We still need to fill in some of the details, but this is a pretty good start.

_____
From: Danvers, William C.
To: @UP - APNSA Special Assistants; @NSA - Nat'l Security Advisor
CC: /R, Record at A1; @LEGISLAT-Legislative Affairs; @CROSS - Cross Hatches
Subject: Package for President Hill meeting [UNCLASSIFIED]
Date: Monday, June 26, 1995 10:13 PM

[[PRESMEET.DOC : 2092 in PRESMEET.DOC]][[PRESMET2.DOC : 2093 in
PRESMET2.DOC]][[PRESMET3.DOC : 2094 in PRESMET3.DOC]]
[[PRESMT4.DOC :
2095 in PRESMT4.DOC]]

Note for Sandy and Nancy:

Attached is the components of a package for the President's meeting with Hill leaders on Wednesday. The various pieces are: cover memo for Tony, memo for the President, talking points for the President, background points for the President.

This is all in draft form, particularly the memos since it is unclear who will be coming to the meeting on Wed.

ATTACHMENT FILE DATE 26 June 95 22:8

ATTACHMENT FILE NAME PRESMEET.DOC

4906

CLINTON LIBRARY PHOTOCOPY

June 26, 1995

ACTION

MEMORANDUM FOR TONY LAKE

FROM: BILL DANVERS

SUBJECT: Presidential meeting with key Hill leaders

The President is scheduled to meet with a small group of key Hill leaders(group still being determined) on Wednesday, June 28 from 5 PM to 7 PM to talk about foreign policy concerns. While it is expected that most of the conversation will be on Bosnia, there are a number of other issues that the President may want to raise, most particularly resources and Russia.

We have prepared talking points for the meeting (Tab A)and additional points for background (Tabs B through J). In addition to the President, we recommend that Secretaries Christopher, Perry, General Shali, Ambassador Albright, you and Sandy Berger all participate and that Secretaries Christopher and Perry be asked to comment after the President makes his opening remarks.

Concurrence by: Feinberg, Drew, Beers, Blacker, Poneman

RECOMMENDATION

That you forward the attached memo and points to the President

Attachments
Tab I Memo to the President
Tab A General Talking points for the President
Tab B Bosnia
Tab C Viet Nam
Tab D Nuclear Testing

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Tab E Russia
Tab F Japan Autos
Tab G Military Accountability
Tab H Base Closure
Tab I Taiwan
Tab J Middle East

ATTACHMENT FILE DATE 26 June 95 21:48

ATTACHMENT FILE NAME PRESMET2.DOC

TALKING POINTS

ù Thank you for coming this afternoon. More often than not when we talk, we discuss pressing domestic concerns. Too often, foreign policy issues are not at the forefront of the agenda unless there is a crisis.

ù Yet, I think you would agree events overseas are inextricably linked to the overall well being of our nation.

ù We are faced with a world that has been turned upside down, adjusting to new points of reference that are much more similar to the world between WWI and WWII than anything we came to know in the post-WWII era.

ù If we are to successfully navigate in this changed world, we must do it together. We must take a bipartisan approach to the tough issues confronting our nation overseas, just as we often did during the cold war.

ù This means we must engage the world as Americans, not as Democrats or Republicans. When we do, as we did with GATT, NAFTA and even aid to Russia and the New Independent States, we have succeeded and the country has benefited from our collaboration.

ù We need a bipartisan foreign policy. We face challenges that cannot be adequately met unless we work together.

Resources

ù A key to meeting those challenges is to ensure that we have sufficient resources.

ù It is a lot less costly-- in terms so money and human lives-- to support foreign aid now than it is to send in U.S. troops later.

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ù The United States spends less of its gross domestic product on aid than any other major industrial country-- a little over 1%. We can't afford to cut back any further than we already have and not lose our ability to protect and promote America's interests abroad. In short, we can't lead on the cheap.

ù Neither can we lead by just throwing money at problems, either domestically or internationally. Our efforts to reinvent government is just as important for our foreign affairs agencies as it is for our domestic agencies. We are committed to continue the downsizing that has already begun at AID, USIA and the other foreign affairs agencies.

ù But we believe that we cannot simply reorganize for its own sake. It took a number of years to build up the present bureaucracies at State, AID, USIA and ACDA. It will take some time to reinvent them in a responsible and effective way so that no matter who is President, he or she will have these agencies as useful tools for preserving American interests abroad.

Russia and the New Indpendent States (NIS)

ù One of the most successful initiatives this Administration and the one before it have undertaken to protect the American people is to make the world safer from the threat of nuclear weapons.

ù We have been able to do this by engaging the Russians and the

other New Independent States proactively.

ù By helping these nations build democracy and a free market, we have been able to do good and do well.

ù We have helped the NIS, particularly Russia and Ukraine, do such things as build a free press, privatize much of their economy because we have in a bipartisan manner been willing to invest the resources.

ù Our effort to help, like their effort to build has at times been uneven, but it has never been wrong.

ù There are those who believe because the process has not been smooth that we ought to cut aid to Russia. They feel the investment is not worth it.

ù I could not disagree more. Our aid to Russia and the other NIS is an investment in our future as well as their's.

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ù We are working with the Russians on a number of tough issues of mutual interest and concern from Chechnya to the potential Iran reactor sale. This very week, the Vice President is meeting with Russian Prime Minister Chernomyrdin this week in Moscow to discuss a number of important issues.

ù The Gore-Chernomyrdin Commission is a good example of our ability to successfully engage the Russians on a broad raning front.

Haiti

ù There are other areas in which we have been able to achieve some success aborad. Haiti is such an example.

ù This past weekend's elections in Haiti represent a milestone in the joint efforts of the Haitian people, the United States and the international community to restore democracy in Haiti.

ù Approximately 3.4 million Haitians registered to vote out of a total population of roughly 4 million. Over 10,000 candidates belonging to more than 60 parties ran for 2200 public offices.

ù What the Haitians have achieved is remarkable success, and it demonstrates that American leadership can make a difference in the world.

ù
The people of Haiti deserve a great deal of credit. We should all welcome Haiti into the expanding global community of democratic nations.

ù We put American resources and leadership to good work in Haiti. We have brought a measure of stability to a nation that was spinning out of control and in the process sending thousands of refugees to our shores. Our efforts there have been able to stop that flow.

Korea

ù We have also been willing to take on difficult foreign policy issues that have been building for years. There is no better example of that than our efforts to end the North Korean nuclear threat.

ù The Agreed Framework has enabled us to get a handle on this most complicated and threatening problem.

ù We made significant progress just recently with our discussions in Kuala Lumpur. As a result of our discussions there, North

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Korea acknowledges that it is up to the Korean Peninsula Energy Development Organization (KEDO) to select the type of reactors provided under the Agreed Framework.

ù Resolving this issue maintains the freeze on North Korea's nuclear program and paves the way for implementation of the Agreed Framework.

ù We believe a successful implementation of the Agreed Framework is in our national interest, and we ask for your support of our efforts.

Peackeeping and UN Reform

ù I just came back from San Francisco where we celebrated the 50th anniversary of the founding of the UN.

ù I know that the UN has come under a great deal of criticism over the past few years, some of it deserved and some of exagerated. But I agree with Lee Hamilton and Nancy Kassebaum, the key is to make the UN run better not to eliminate it.

ù One area were the UN has come under a great deal of criticism is peacekeeping. And while not all peacekeeping missions in which we have been involved have been UN missions, many have. We have made a real effort to make reform part of our agenda here as well.

ù Since we announced our new peacekeeping policy last year, we have made considerable progress: we have closed two peacekeeping missions in El Salvador and Mozambique; new mandates are carefully considered to assure they are achievable; and new peacekeeping mandates are carefully considered to assure they are achievable.

ù We have started two operations in the last year, in Angola and Haiti, both with extensive consultations, well designed mandates with built-in sunset clauses.

ù We are also committed to making the UN work better overall. We continue to press our reform agenda at the UN. In that context, we are working hard to get the Inspector General's office strengthened.

ù We want to work more closely with Congress on peacekeeping issues and UN reform.

Bosnia

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ù I want to make three basic points this afternoon in answer to questions about where we are headed in our Bosnia policy

-- Why we must take the opportunity to make UNPROFOR work now;

-- Why the Rapid Reaction Force is essential to this effort; and

-- Why it is in our interest to contribute to the RRF.

ù First, let me put this in a broader context: As I see it, we have certain limited but nevertheless critical national security interests at stake in Bosnia:

--Preventing the spread of the conflict;

-- Precluding the direct involvement of outside powers in support of regional clients;

-- Limiting the humanitarian disaster; and

-- In the longer term, developing collective, Allied, approaches to post-Cold War disputes, in order to reduce future, more costly, requirements for the United States to intervene alone.

ù There are basically three approaches that we might take in pursuit of these interests:

-- We could, as some have urged, commit NATO forces, with a major U.S. component, to the ground war in Bosnia and seek a resolution on the battlefield.

-- This would be a prescription for disaster.

-- For one thing, I do not believe that the problems that underpin this conflict can be resolved on the battlefield.

-- More importantly, I -- and the vast majority of the American people -- reject committing American ground forces to fight and die in a protracted ground war in Bosnia. Our interests do not warrant it -- and I will not cross that line.

-- Secondly, as several of you in this room have suggested, we could simply lift the arms embargo -- unilaterally if our

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Allies continue to resist a multilateral effort -- and let the Bosnians fight the war to its logical -- and bloody -- conclusion.

-- I think that this course would also be a big mistake.

-- Bear in mind that when the Bosnian government calls for lifting the embargo, their desire is based on assumptions that, at a minimum, include: U.S. air strikes; continued delivery of humanitarian aid; and no intervention by Serbia.

-- The first will be ineffective without American ground liaison; the second will be a practical impossibility in the ensuing fighting; and the third defies history.

-- Lift is also opposed by our European allies. They recognize that this action would force the end of UNPROFOR, at a time when they have rededicated themselves to making it work.

-- Ask yourselves: What if the U.S. destroyed the UN mission by a unilateral lift of the arms embargo, and then the lift did not produce the military results on the ground that the Bosnian government hopes for? Suppose instead they lost territory and more ethnic cleansing took place...what would we do then?

-- Do not delude yourselves: if the arms embargo is

lifted, arms will flow in to both sides, with a greater chance of widening the conflict and establishing client state relationships with outside powers..

-- The risks that we would be drawn in would be far greater, because the situation would be a mess that we had created by ourselves, with our European Allies pleading with us not to do it.

-- In short, lifting the arms embargo and forcing UNPROFOR to withdraw means that all of the U.S. interests engaged in Bosnia -- keeping the conflict from spreading, supporting our NATO allies, minimizing the humanitarian suffering -- would be undermined!

-- If UNPROFOR is given a chance to restore its credibility, but fails and must withdraw, then I, and most of our Allies, would support lift.

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-- But I cannot in good conscience lift the arms embargo and undermine UNPROFOR when the British, French, Dutch, and now even Germans are willing to say "we'll send more troops there, stiffen our capacity to keep the peace, and work toward a lasting negotiated settlement."

-- That is why I have determined that we must take the third course, and give our Allies whose forces are most at risk the chance to make UNPROFOR work.

ù For all of its flaws, UNPROFOR has still achieved substantial results:

-- Civilian casualties declined dramatically (130,000 in

1992, down to 2500 in 1994);
-- 2.8 million Bosnians supported by humanitarian aide through UNHCR missions, supported in part by delivery of more than 50,000 tons of humanitarian supplies in the longest airborne relief operation ever;
-- NATO's Operation Deny Flight has flown more than 60,000 sorties, keeping the war out of the air over Bosnia for two and a half years;
-- shelling of Sarajevo has been reduced;
-- implementing the Federation agreement between Bosnia's Muslims and Croats is bringing relative peace to most of central Bosnia;
-- war hasn't spread to other areas of Balkans; and

-- all this has been accomplished without introduction of American combat forces on the ground in Bosnia.

ù But, frankly, this is not enough. UNPROFOR must be made effective now, and this is the mission of the RRF.

-- I know that what Akashi and others have been quoted as saying points toward a continued weak UNPROFOR, but let me assure you that this is not the message we are hearing from the French, Dutch and British.

-- I, for one, have no doubts about how serious the European Allies are about the RRF.

-- Chirac has every reason not to want his first foreign policy venture to be a failure;

-- The Germans would not want to have their first commitment of combat forces since W.W.II seen as a sham;

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-- The Dutch have strong government and public support for a more robust posture; and

-- you have heard MOD Rifkind describe a robust mission for the RRF in his remarks here in Washington.

-- I have spoken with BBG, and in strong terms conveyed that those who imply that UNPROFOR must trade away hope of ever fulfilling its mandate are undermining the last real chance for a solution that does not depend on a long and bloody war to resolve the fate of Bosnia.

ù I strongly believe that the best chance to obtain an outcome in keeping with U.S. interests lies with the Rapid Reaction Force.

-- It will give muscle, support, and security to the United Nations troops on the ground in Bosnia, helping them fulfill their mission and making that mission more effective.

-- Its missions, as described by the soldiers and leaders who will be there, include:

-- emergency actions/responses to assist isolated or threatened UN units;

-- help in redeployment of elements of UNPROFOR; and

-- facilitate freedom of movement where necessary.

-- Too much has been made of the artificial distinction between "protecting UNPROFOR" and making it more effective: by providing the UN with the means to defend itself while

fulfilling its mandate, the RRF force will enhance UNPROFOR's overall credibility and effectiveness.

ù I have therefore determined that it is both in our interest, and consistent with our leadership role, for the U.S. to support the creation and deployment of the UNPROFOR RRF.

-- As I have publicly stated, I believe that the United States should pay for a share of this.

-- Our Allies will be putting in the forces, bearing most of the burden, and taking most of the risks. We owe them our support, both politically and materially.

-- At the same time, I agree with you that financing the RRF should not be done on a business as usual basis. I know that you have problems in particular with funding the increased

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forces for the RRF through the UN assessment process.

ù So, let me tell you how I propose we proceed.

-- First, voluntary contributions will be the principal means of supporting the force. We will work at the UN to create a voluntary account to help defray the cost of the RRF.

-- It is unrealistic to expect that this fund will cover the entire costs. We recognize that those providing troops on the ground will continue to bear the preponderance of costs and risks.

-- Our principal contribution will be provided by drawing down defense goods and services within a $50 million ceiling under Foreign Assistance Act authorities. These drawdowns will enable us to provide lift, CAS, intelligence support and equipment to our Allies, and would not compromise U.S. readiness in any manner.

-- We also are considering other in-kind contributions of up to about $10 million worth of CAS and intelligence support. These would remain U.S. national programs.

-- We do not intend to pay any UN assessed funding for RRF forces above the previously agreed UNPROFOR ceiling of 44,870 troops.

-- However, those providing the troops tell us that up to 4,500 of those RRF forces can be provided under that previously authorized ceiling. We had already agreed to that ceiling, and I believe we have an obligation to honor that commitment.

-- The remainder of the approximately 15,000 troops in the RRF -- those authorized by the increase of the UNPROFOR ceiling to 55,370 -- would be covered entirely under the voluntary mechanism. All of our contributions to that fund will be in the form of in-kind contributions of equipment and services.

-- We will be seeking no new funding authority to

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support the RRF.

ù With this approach, we should be able to move forward together in support of the one available policy option that truly protects U.S. national security interests in the Bosnian conflict.

ATTACHMENT FILE DATE 26 June 95 22:8

ATTACHMENT FILE NAME PRESMET3.DOC

4906

cc: Vice President

Chief of Staff

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Meeting with Hill leaders on Bosnia and other foreign policy issues.

You are scheduled to meet with a small group of key Hill leaders on Wednesday, June 28 from 5 PM to 7 PM to talk about foreign policy concerns. While it is expected that most of the conversation will be on Bosnia, there are a number of other issues that you may want to raise, most particularly resources and Russia.

We have prepared talking points for the meeting (Tab A) and additional background points (Tabs B through J). In addition to the President, we recommend that Secretaries Christopher, Perry, General Shali, Ambassador Albright, you and Sandy Berger all participate and that Secretaries Christopher and Perry be asked to comment after the President makes his opening remarks.

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The House is considering the FY 96 Foreign Operations Appropriations bill on he floor this week. The Senate will likely consider the State Department Authorization bill and Foreign Assistance Act the week after the Independence recess, as well as a resolution introduced by Sen. Dole to unilaterally lift the arms embargo. In addition, the Senate Armed Services Committee is marking up its FY 96 authorization bill. The House completed action on the bill two weeks ago. Finally, the House Commerce, Justice State Appropriations Subcommittee will mark up its FY 96 bill this week, which contains peacekeeping funding.

Attachments
Tab A General Talking points for the President
Tab B Bosnia
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Tab J Middle East

ATTACHMENT FILE DATE 26 June 95 22:0

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BOSNIA

Q & A: Hot Issues

Q: Is there a deal cut to abandon use of force by UNPROFOR in order to get the last
hostages released?

-- Our demands were steadfast throughout the period in which the UN personnel were d
etained:
unconditional release of all personnel.

-- UN authorities have assured us there was no deal. However, UNPROFOR must

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be able
to
withstand the possible consequences. We believe the RRF, once in place, should help
in this regard.

-- All of the options that were available prior to the events of the past several we eks remain
available, with the additional factor of the RRF.

Q: Has the NATO ultimatum pledging to use airstrikes to enforce the weapons exclusi
on zones been rendered null
and void?

-- NATO continues to stand ready to implement its decisions in cooperation with the
UN
commanders, should they determine that such action is warranted by the military and
political situation.

Q: How will you make good on your pledge to help finance the RRF when there does no
t seem to be any
Congressional support?

-- I am committed to providing U.S. support to our Allies who are contributing troop
s to the RRF.

-- When we joined in passing the UNSC resolution establishing a rapid reaction force
to provide
military reinforcements for UNPROFOR, that resolution did not require the U.S. to di
rectly incur any
financial obligations.

-- I have just completed my review of possible options for providing support to the
RRF.

-- We will be working with our Allies and the Congress in the days ahead to find

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a
mutually acceptable approach that permits us to support our Allies' efforts to prote
ct the
troops they have placed in harms way in an effort to help stabilize the situation in Bosnia.

-- The troop contributing nations have indicated that they see establishment of the

RRF as critical
to their ability to maintain UNPROFOR in a manner that enables it to implement its m
andate. We have an
obligation to support them in this effort, short of providing ground forces ourselve
s.

-- The RRF will be used to reduce the vulnerability of UNPROFOR personnel and to enh
ance its
capacity to carry out its existing mandate.

-- We believe that, by providing the UN with the means to defend itself if attacked
while fulfilling
its mandate -- as a French UNPROFOR convoy was earlier today (Monday) -- the RRF fo
rce should
enhance UNPROFOR's overall credibility and effectiveness, not merely return to the p
revious status quo.

-- In this regard, I think that the warning laid down by the UN commanders today tha
t, should
there be any further attacks on the UNPROFOR convoy, they would be met with "gradual
response,"
including the possible use of live mortars, is a step in the right direction.

Q: What is your reaction to the decision by the German government to provide forces
to support the UN effort in
Bosnia?

-- I understand that Germany's Cabinet today has approved (Monday) the deployment of

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German
Tornado jet fighters to Bosnia, to join NATO and UN forces already there, pending le
gislative approval.

-- This is a momentous decision for the German government, and I join with the membe
rs of the
UN and our NATO allies in welcoming it.

Q: What about the renewed fighting around Sarajevo?

-- I deplore the continued shelling of innocent civilians. I understand that five c
hildren were
among those who died in the renewed round of fighting in Sarajevo.

-- It is tragedies like this that continue to highlight the fact that this conflict cannot be resolved on
the battlefield.

-- This is why we continue to call for an end to the fighting, and for the Bosnian S
erbs to join the
other parties who have already accepted the Contact Group plan as the basis for a ne
gotiated settlement,
rather than a continued and futile resort to violence.

Q: What Is Your Reaction To Akashi's Letter To Bosnian Serbs:

-- UN Special Representative Akashi's letter to Karadjic draws on the discussions co
ncerning the
RRF that have taken place in New York.

-- It is our understanding that Akashi's intent was to correct any misinformation th
at might have
caused the Bosnian Serbs to react violently in an effort to block the deployment of
the RRF to Bosnia.

-- Akashi stresses that the RRF will not take sides with any party to the conflict, and that the
addition of the RRF does not change the mission of UNPROFOR.

-- This corresponds with our understanding: the RRF is designed to protect UNPROFOR

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in the
conduct of its existing mandate, not change the mandate. We hope it will do so as e
ffectively as possible.

Q: If the mission of the RRF is merely to protect UNPROFOR, and not enforce existin
g UN mandates, what good
is it? Don't Akashi's assurances to the Bosnian Serbs about the RRF indicate that it
will be just as ineffective as
previous efforts by UNPROFOR?

-- The rapid reaction force is intended to provide the UNPROFOR commander with well-
armed
and mobile forces with which to respond promptly to threats to United Nations person
nel.

-- Based on discussions at the UN, its missions would include:

-- emergency actions/responses to assist isolated or threatened UN units;

-- help redeployment of elements of UNPROFOR;

-- facilitate freedom of movement where necessary.

-- This force will be used to perform tasks that have previously been impossible for
UNPROFOR.

-- It is our understanding that the French and British will seek maximum authority f
or the
commanders on the ground.

-- By providing the UN with the means to defend itself if attacked while fulfilling

its mandate, the
RRF force should enhance UNPROFOR's overall credibility and effectiveness.

Q: What is basic our position regarding the UN Rapid Reaction Force?

We are supporting creation of a UN Rapid Reaction Force (RRF), short of providing U.
S. ground forces.

-- I am committed to providing U.S. support to our Allies who are contributing

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troop
s to the RRF.

-- The U.S. joined in passing the UNSC resolution establishing a rapid reaction forc
e to provide
military reinforcements for UNPROFOR.

-- The resolution does not require the U.S. to directly incur any financial obligati ons. As
Ambassador Albright noted at the time, our vote was cast on the clear understanding
that
determination of financial obligations would occur later.

-- We will be working with the Congress in the days ahead to find a mutually accepta
ble
approach that permits us to support our Allies' efforts to protect the troops they h ave placed in
harms way in an effort to help stabilize the situation in Bosnia.

-- The RRF will be used to reduce the vulnerability of UNPROFOR personnel and to enh
ance its
capacity to carry out its existing mandate.

-- The troop contributing nations have indicated that they see establishment of the

RRF as critical
to their ability to maintain UNPROFOR in a manner that enables it to implement its m
andate.

-- We believe that, by providing the UN with the means to defend itself if attacked
while fulfilling
its mandate, the RRF force should enhance UNPROFOR's overall credibility and effecti
veness, not
merely return to the previous status quo.

Q: What support are we prepared to give the RRF?

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-- We have indicated to our allies that if asked, and in consultation with Congress,
we would be
prepared to:

-- provide close air support through NATO;

-- assist in establishment of an intelligence coordination cell and provide timely i ntelligence
data;

-- provide equipment such as helicopters, radar, communications gear and night-visio
n
equipment (but not with U.S. personnel);

-- and provide strategic lift to help bring allies' heavy equipment to the theater.

-- These commitments are intended to strengthen Allies' resolve to maintain UNPROFOR
, whose
presence is essential to reduce violence, deliver humanitarian aid, and preserve con
ditions for political
settlement.

Q: How do you respond to the Bosnian claims that the latest round of No Fly Zone vi
olations indicates that the UN
has capitulated on enforcement through Deny Flight?

-- We will continue to support Deny Flight in its mission of keeping the war out of
the air over
Bosnia.

-- Last week, NATO radar detected two planes violating the no-fly zone near Banja Lu
ka airfield.

-- Deny Flight F-18s were vectored to intercept, but the Bosnian Serb aircraft rever
sed course and
returned to their base.

-- The NATO F-18s would have been authorized to engage the violators without resort
to a dual
key had the aircraft not terminated their violation.

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-- (If asked: we have no evidence to support claims that Bosnian Serb planes attack
ed Bosnian
positions around Visoko.)

Q: What about Bosnian government forces detaining UNPROFOR units?

-- In the course of their current military campaign around Sarajevo, Bosnian forces
have restricted
the movement of UNPROFOR units in the vicinity of areas of combat. Their explanatio
n is that these
restrictions are to keep UNPROFOR units from becoming involved in the fighting.

-- While some of the mines deployed in the vicinity of the Canadian unit at Visoko a
re being
removed, Bosnian government forces have not yet completely unblocked the base. They
have assured
UN representatives that they are in the process of completing restoration of access
to the base, and that
they will allow convoys to enter and depart.

-- We have called repeatedly on all parties not to hinder the UN forces in carrying

out their

mandate, and have reiterated these views to the Bosnian government.

Q&A: Recurring Questions

Q: How can we continue to support UNPROFOR when it won't even man the weapons colle
ction points around
Sarajevo?

-- Original Weapons Exclusion Zone concept to withdraw all weapons from the zone. Co
llection
points were a fallback since neither side could withdraw weapons prior to the deadli
ne.

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-- UNPROFOR was never manned, equipped or mandated to successfully defend the collec
tion
points from attack if the parties made a determined effort to take back their weapon
s.

-- Part of reconfiguring UNPROFOR to enable it to accomplish its primary humanitaria
n mandate
involves prioritizing its missions.

-- In light of repeated abuse of the weapons collection points and the vulnerability of UN personnel
assigned to them, the UN has determined it will no longer place its monitors at risk
for a mission they
cannot accomplish.

-- This does not mean that UNPROFOR will abandon the Safe Areas, or that other UNPRO
FOR
efforts to end the fighting around the safe areas and allow passage of humanitarian
aid convoys should
end.

Q: What is our policy regarding provision of U.S. ground forces?

We have avoided, and will continue to avoid, committing U.S. ground forces to the co
nflict or to join UNPROFOR
in Bosnia.

But we believe Allies should know that, in the event UNPROFOR has to withdraw or if
units need to be extracted
in emergency situations, U.S. prepared to help through NATO.

There are three contingencies in which we might use U.S. troops in discrete, tempora
ry operations:
1. We would be prepared, after consulting with Congress and if asked by the parties,
to use U.S. troops as
part of a NATO force to help implement a settlement that the parties were carrying o
ut in good faith.

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2. If UNPROFOR decided to withdraw, after consultation with Congress and review of m
ilitary plans, we
would participate in NATO operation to assist in withdrawal.
3. As a last resort, if needed -- and that is an open question because allies in UNP
ROFOR have formidable
capabilities themselves -- we should be prepared to assist NATO in an emergency extr
action of units
whose positions had become untenable, to points of safety in Bosnia.

Q: Why not go along with the Bosnian's requests to lift the arms embargo?

-- Lifting arms embargo would lead to immediate decision by UNPROFOR to withdraw.
UNPROFOR withdrawal would lead to increased humanitarian suffering and wider war, re
duce chances
for political settlement.

-- Even if arms embargo were lifted, would take time for Bosnian Government to acqui
re arms
and training needed to use them. Great vulnerability in interim, particularly if Be
lgrade resumes all-out
support for Bosnian Serbs.

-- If UNPROFOR has to leave, we will support multilateral lift, but believe it is be
tter to work to
strengthen UNPROFOR and redouble efforts to achieve negotiated settlement.

-- Will continue to oppose unilateral lift.

Q: Why do you continue to support the UNPROFOR effort when it has repeatedly demons
trated that it is totally
ineffective in either ensuring the delivery of aid , protecting the citizens in the Safe Areas from attack, or ending
the fighting?

-- Withdrawal of UNPROFOR unquestionably would increase the humanitarian suffering.

-- Much of the relief effort depends on UNPROFOR: UNHCR and other relief

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organizatio
ns are
feeding and otherwise caring for about 2.8 million refugees, displaced persons, and
others affected by
the war.

-- Despite UNPROFOR's current problems, tens of thousands of lives have been saved a
nd
violence has been reduced.

-- Shouldn't forget UNPROFOR's success in implementing the Bosnian-Croat Federation,
which
has restored peace to central Bosnia and demonstrated that multi-ethnic cooperation
is still possible.

-- Strengthening UNPROFOR so that it can do its job is clearly better than the alter
natives:

-- quitting and withdrawing UNPROFOR, with the humanitarian disaster that would
surely follow; (lifting the arms embargo unilaterally, as part of this strategy, Ame
ricanizes war
and increases bloodshed);

-- continuing with status quo, which is unsustainable; or

-- sending Americans to fight in a Balkan ground war, which the administration and
American people reject.

-- Our ultimate objectives--negotiated peace and stability in Balkans--more likely i
f the international
presence remains.

VIETNAM

Background: The Vietnamese have announced that their president will visit the United
States.

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Q: What is the reason?

-- President Le Duc Anh, like many other foreign heads of state, has indicated that
he will attend
the 50th anniversary celebration of the United Nations in New York in October. The
invitation was
extended by UN Secretary General Boutros Ghali.

-- He has not requested any meetings with Administration officials, nor are any plan
ned.

-- He has no plans to visit Washington during this trip.

The press reported Tuesday, June 13, quoting Senator McCain, that Secretary Christop
her had sent a
recommendation to you urging you to normalize relations with Vietnam. There were al
so reports that he is
planning to travel to Vietnam in August; Christopher has no plans for a trip to Viet
nam.

Points

-- When I announced the lifting of the trade embargo against Vietnam in February 199
4, I said that
any further steps in our bilateral relationship with Vietnam would be dependent on m
ore progress on
POW-MIA issues. My goal was the fullest possible accounting.

-- Last month, I sent a delegation to Vietnam, headed by Deputy Secretary of Veteran
s Affairs
Hershel Gober, Assistant Secretary of State Winston Lord and Deputy Assistant Secret
ary of Defense
Jim Wold to push for additional progress on POW-MIA accounting.

-- The evaluation of the results of that delegation is still ongoing.

-- Once that evaluation is complete I will decide on possible further steps in our r
elationship with
Vietnam based on whether they will help achieve further progress on POW/MIA

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accounti
ng.

NUCLEAR TESTING

FRENCH DECISION

Background: In his first press conference as President, Chirac announced that Franc
e intended to resume nuclear
testing in the South Pacific in the fall and complete its testing no later than May 1996. Chirac indicated his
commitment to sign a Comprehensive Test Ban treaty no later than the fall of 1996.

Points

-- The United States regrets France's decision to resume nuclear testing at this tim
e.

-- We continue to urge all of the nuclear powers, including France, to join in a glo
bal moratorium
as we work to complete a Comprehensive Test Ban (CTB) Treaty at the earliest possibl
e time.

-- In this regard, we take note of President Chirac's strong commitment to end Frenc
h testing no
later than May 1996 and to sign a CTB Treaty no later than the fall of 1996.

-- We will continue to work with France and all other states participating in the CT
B negotiations
to ensure that a Treaty is ready for signature as early as possible.

-- The United States has not changed its policy; we will not resume testing.

NUCLEAR TESTING AND CTB

Background: The press has reported that the White House has squelched a review of o
ur nuclear testing policy in
a defeat for the Pentagon.

Points:

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-- First, the Administration is not considering a resumption of nuclear testing.

-- The U.S. has been observing a moratorium on nuclear testing since September 1992
and the
President recently extended that moratorium through September 1996, assuming complet
ion of a CTB by
that time.

-- Second, the U.S. continues to examine a number of issues related to the CTB negot
iations,
including the question of what kinds of experiments or activities will be permitted
under the CTB
Treaty.

-- This question remains under review. All relevant agencies, including Defense, ar
e participating
in that review and will have an opportunity to express their views before any decisi
ons are made.

-- The U.S. position with regard to these kinds of activities was articulated by the National
Security Adviser on January 30, 1995, in a speech at the Carnegie Endowment for Inte
rnational Peace:

-- The CTB Treaty must be comprehensive and promote our vital national interest in c
urbing the
further proliferation of nuclear weapons;

-- The CTB must not prohibit activities required to maintain the safety and reliabil
ity of our nuclear
stockpile; and

-- The CTB must be signed by all declared nuclear states and as many other nations a
s possible.

Q: [If asked] Is it true that the Pentagon is considering a 500 ton testing option?

-- At the working level, the Administration is considering a number of issues and

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op
tions for
bringing the CTB negotiations to closure.

-- No decisions have been made.

RUSSIA

Vote of No Confidence in Chernomyrdin

[Background: The Duma voted no confidence in Prime Minister Chernomyrdin on Wednesd
ay. Yeltsin and
Chernomyrdin called for a motion of confidence in the government on Thursday and the
Duma set the vote for
July 1. If the motion fails, Yeltsin must dismiss the government or dissolve the Du
ma.]

-- This is a question for Russians to decide in a manner consistent with Russian law
and the
constitution.

U.S. Stake in Relationship

-- U.S. has vital stake in engaging Russia and supporting political, economic reform
there.

-- Long-term strategy. We understand transformation underway will be complex and pr
otracted.

-- Struggle going on between those who support reform and those who oppose or fear c
hange.
Will be setbacks, like Chechnya. Have to work to make progress on these.

-- But engagement also producing important successes: reducing nuclear threat, over
50% of
Russian GDP now from private sector, no Russian troops in Central Europe or

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Baltics.

Chechnya

-- Chechnya part of Russia, but Russia must act there in accord with international s
tandards.

-- Have made clear to Yeltsin my strong view that Russia should end military operati
ons, pursue
durable cease-fire and seek negotiated political settlement.

-- OSCE mission on ground in Chechnya, can help.

Russia, European Security and NATO

-- Russia a key player in building stable, undivided Europe. Want to work actively
with Russia
toward this end.

-- Welcome Russia's agreement to join Partnership for Peace and begin working with u
s to
develop NATO-Russia relationship.

-- Understand Russia has concerns about NATO enlargement. We intend to manage enlar
gement
process in manner that undercuts no country's security.

-- As have told Yeltsin, process will be deliberate, gradual, transparent. No surpr
ises.

Iran Reactor Sale

-- Remain firmly opposed to sale, given Iran seeks nuclear weapons capability. Have
shared
information with Russians on Iranian plans.

-- As agreed in Moscow, Vice President and Chernomyrdin will discuss this further wh
en they
meet June 29-30.

Impact of Chechnya/Iran Reactors on Bilateral Aid

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-- Our assistance aims to advance U.S. interests, by helping reformers succeed in bu
ilding
democracy and market economy and by helping to reduce nuclear threat to U.S.

-- Have differences with Russians on important areas. But address those through fra
nk talks, like
I have with Yeltsin, not by cutting off assistance that is in our interest.

CFE

-- CFE a cornerstone of European security. Important Russia comply with all Treaty
provisions

this year.

-- Russians concerned about long-term impact of flank zone limits. We are prepared
to work
actively with Moscow to resolve those concerns at 1996 CFE Review Conference so Trea
ty regime is
preserved.

-- Russian implementation of all Treaty provisions key to our ability to help solve

their long-term
concerns.

START II

-- Expect Senate to complete ratification of START II soon. Yeltsin confirmed his c
ommitment
to START II ratification.

-- START II reductions important to -- and in interests of --both countries. Once r
atified, can
consider further steps.

Nuclear Materials Security

-- Have discussed with Yeltsin. Have common interest in ensuring tightest possible
security over
nuclear materials. Want to expand cooperation in this area.

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Russian Missile Technology Sales to Brazil

-- U.S. and Russia signed MOU in 1993 committing Russia to abide by Missile Technolo
gy
Control Regime guidelines regarding its exports of missiles and missile technology.

-- Consult regularly with Russians; have not found Russia to act inconsistently with
commitments
it assumed in 1993. Continue to monitor Russian performance on MOU.

JAPAN AUTOS

-- At Halifax, Prime Minister Murayama and I instructed our negotiators to meet in G
eneva to try
to reach a negotiated solution. I encourage the negotiators to redouble their effor ts to reach a meaningful
agreement before the June 28 deadline.

-- This must be an agreement that genuinely opens Japan's markets for autos and auto
parts.

-- I remain hopeful that this can be achieved. But I have also made it equally cle ar that if a good
agreement cannot be reached, the United States will proceed to sanctions.

MILITARY ACCOUNTABILITY

Background:

There have been increased press attention on military incidents which have involved
loss of life and equipment, and
the accountability of those involved. These cases include the "friendly fire" shoot down of the two helicopters over
Iraq; the allegations that Air Force commanders falsified files to avoid embarrassme
nt and disciplinary action in
aircraft mishaps; the Army Ranger deaths during training; and the helicopter DMZ vi

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olation and shootdown in
Korea.

There may be a growing public/media perception that senior officials responsible for
oversight are not being held
accountable when such incidents occur, while their juniors are receiving the blame.

Finally, the recent allegations about "cover-ups" by commanders involving Air Force
plane mishaps have raised
further questions about the reliability and veracity of senior level investigations into incidents involving loss of
life.

Points:

-- No one is more concerned about the safety of US troops, the reliability of their equipment, and
accountability for incidents when loss of life or equipment occurs, than I am as Com
mander-in-Chief.

-- Military operations and training are inherently dangerous; despite our best effo rts, accidents
occasionally occur. However, we use -- and will continue to do so -- every accident
for review in order
to increase the safety of our troops, and to determine accountability.

-- In every incident -- from the loss of life over Iraq to the straying of the US he licopter over the
DMZ -- extensive investigations were conducted. The actions of officer and enlisted
alike were reviewed
very carefully, and when appropriate, disciplinary action taken.

-- The seriousness with which we take the recent allegations about falsification of

Air Force
aircraft mishaps is seen in the immediate establishment of an independent review of
these allegations by
a Blue Ribbon panel. The Air Force will act upon the recommendations of the panel r
egarding these
allegations, and take disciplinary actions, as necessary.

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MILITARY BASE CLOSURE

[Background: On June 22 the Base Closure Commission began its final deliberations o
n DoD's recommendations
for military base closures and realignments. Early on, the Commission made controve
rsial 6-2 votes (counter to
DoD and Air Force recommendations) to close two of five Air Logistics Centers at McC
lellan AFB (near
Sacramento) and Kelly AFB (near San Antonio). Up to 12,000 jobs would be affected
at McClellan and 13,000
at Kelly (some of these jobs would move to the remaining three ALCs in Utah, Georgia
and Oklahoma). The
Commission made many other changes in the Department's recommendation, mainly opting
to keep open bases the
Department recommended be closed.

The Commission concluded its business last Friday night. By Wednesday, June 28, DoD
will complete its analysis
of BRAC Commission actions and will brief senior White House staff on June 30. The
Commission will submit its
report to the President for action on July 1. The President then has until July 15 to return the entire list to the
Commission with specific rationale for the changes or forward it in its entirety to Congress. If the President
returns the list to the Commission, it has 30 days to reconsider. It may then chang
e or resubmit the original list.
The President then has 15 days to accept or reject the entire list. Unless both ho
uses of Congress approve a joint
resolution defeating the list as a whole within 45 legislative days and the Presiden
t signs it, it becomes law.]

Points:

-- I am of course concerned with the votes taken by the Base Closure Commission to m
ake major
changes in the detailed plan for base closure prepared by the Department of Defense.
That plan involved a
tremendous amount of preparation over an 18 month period and reflects the detailed i

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nput and
endorsement by our senior military leaders.

-- For example, the Department of Defense proposed a different way of reducing its l
ogistics
capacity, one that would have restructured and downsized all five of the Air Force a
ir logistics centers at
lower costs in lost jobs and defense dollars. That is why it did not recommend clos
ing McClellan Air
Force Base and Kelly Air Force Base.

-- By law, I must consider the entire package of Commission recommendations. I will
not receive
the Commission's entire report until July 1, so it is too early to comment on what m
y response will be.
Our concern is not only with individual proposals, but with their effect on our over
all military capabilities,
readiness and long-term base structure and overall effects on communities.

-- I can assure you that I will review the Commission's actions carefully. Before d eciding, I will
consult with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff.
We must be sure
that any base closure package is one that the Defense Department can execute without
unnecessary
disruption to its ongoing military operations. I will judge the Commission's recomm
endations on their
impact upon our military capability, affordability and cumulative economic impact.

TAIWAN -- Bid to Enter United Nations

Q: Can you comment on reports that Taiwan has offered $1 billion to a UN developing
country fund in exchange
for membership in the UN General Assembly?

-- Taiwan authorities have made clear their desire to enter the United Nations on nu
merous

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occasions and in numerous ways. China has made equally clear its determination to o
ppose UN
membership.

-- The United States has, since 1972, recognized only one China, the People's Republ
ic of China,
and every administration since that time has acknowledged China's position that Taiw
an is a part of China.

-- We maintain only unofficial economic and cultural relations with Taiwan and do no
t recognize it
as an independent state, either under the name Taiwan or "Republic of China."

-- For that reason, we do not support UN membership for Taiwan.

MIDDLE EAST

Violence in Gaza

-- Israel and the Palestinians are working intensively to resolve remaining issues i
n an effort to
reach agreement on the next phase of implementing their Declaration of principles.

-- We have known from the beginning that extremists and those committed to sabotagin
g the
peace process would make every effort to do so. They must not and will not be allow
ed to succeed.

-- We urge the parties to remain focused and realistic as they continue their negoti
ations and we
encourage them to move as quickly as possible to an agreement.

Israeli West Bank Settler Set-up of Illegal "Settlements"

-- Israel and the Palestinians have agreed that settlements are a final status issue
, to be addressed
in final status negotiations.

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-- Our position has been that settlement activity is a complicating factor in these negotiations.

(If pressed on whether specific settlement actions are "illegal")

-- I am not going to comment beyond this.

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M S M a i l

DATE-TIME	07 July 95 09:56
FROM	Cicio, Kristen K.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Hill Talking Points [UNCLASSIFIED]
TO	Danvers, William C.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

Bill,

Again, as we discussed.

Kris

_____

From: Blinken, Antony J.
To: Berger, Samuel
CC: /N, NonRecord at A1
Subject: Hill Talking Points
Date: Thursday, July 06, 1995 12:05 PM

[[POTUSTP.DOC : 2333 in POTUSTP.DOC]]

Sandy -- I've shortened and re-worked the attached talking points for the POTUS meeting with Hill leaders. Blinken.

ATTACHMENT FILE DATE	6 July 95 12:2
ATTACHMENT FILE NAME	POTUSTP.DOC

TALKING POINTS

ù Thank you for coming this afternoon. I'm glad that our shared interest in looking
ahead on
foreign policy has brought us together for this discussion.

ù This is a defining moment for America's foreign policy. The decisions we make in
the months
ahead will chart our policy course into the next century. So I think its important to step back
and look at the big picture.

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ù Some people believe that with the Cold War won, we can retreat from the world and
find
shelter from its problems behind a Fortress America. I think all of us would agree

that the
new challenges we face -- the proliferation of weapons of mass destruction; terroris
m and
organized crime; ethnic and religious conflicts; environmental degradation and mass

migrations; and a world economy that pushes nations closer together -- have no respe
ct
for borders. We must rise to these challenges today, or pay for our neglect tomorro
w.

ù Others see in every injustice in the world a just cause for American intervention.
But especially
in this era of finite resources, we have an obligation to match clear cut interests to our
idealism.

ù My administration has navigated between the extremes of indiscriminate interventio
n and
irresponsible isolationism. That means not making each and every one of the world's

problems our own. But it also means recognizing that, to meet the obligations and se
ize the
opportunities of our era, America must continue to lead -- just as we did after Worl
d War II
and during the Cold War.

ù In turn, American leadership requires the resources to lead, and a spirit of bi-pa rtisanship for
that leadership to be effective. When we've had the resources to get the job done a
nd a
sense of shared purpose, we've increased the security and prosperity of every Americ
an.
You can see that in our assistance to Russia and the other NIS states; in our

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passin
g GATT
and NAFTA; in our work to give the people of Haiti a second chance at democracy; and
in
many other efforts.

ù I am concerned that some of the legislation now before Congress would jeopardize t
hose
achievements and harm our ability to continue to make the American people more safe
and
secure. It would deny us the resources we need to lead. And it would turn the on-g
oing
discussion we must have about our foreign policy into a counter-productive partisan

shouting match -- a contest that will benefit none us, and will harm the interests o f our
people.

ù Let me touch on some specific concerns about the legislation:

Resources & the President's Prerogative to Conduct Foreign Policy

ù I am especially concerned by proposals that would deny us the resources we need to
lead and
cripple the President's authority to conduct foreign policy.

ù The proposed resource cuts are shortsighted and dangerous. As it is, we spend les
s of our
GDP on aid than any other major industrial country -- just over 1 percent. And we
all know

that it is a lot less costly -- in terms of money spent and lives lost -- to rely on foreign aid and
diplomacy now than it is to send in our troops later. Yes, there is a price to be pa id for
leadership. But the return on our investment -- in terms of increased security and

greater prosperity for the American people -- more than makes up for the cost. Wha
t we
can't afford to do is cut back further.

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ù The attack on the President's constitutional prerogative to conduct foreign policy
is also
unacceptable. No President -- Democrat or Republican -- could accept these restrict
ions
because they threaten the President's ability to protect and promote American intere
sts. The
legislation would tell the President which countries he may or may not deal with. I
f it had
been in effect last year, it would have prevented us from concluding the deal with N
orth
Korea to dismantle its nuclear program. The legislation would limit the President's
arsenal
of foreign policy tools by handcuffing our ability to take part in and lead U.N. ope
rations --
forcing a choice in the face of a crisis between acting alone...or not at all. In short, the
legislation puts Congress in the business of micro-managing foreign policy. And tha
t's a
business it should not be in.

ù The legislation would also unilaterally reorganize the foreign affairs agencies by
abolishing
ACDA, AID and USIA. I agree wholeheartedly that leadership does not mean throwing m
oney
at problems. Our effort to reinvent government is just as important for the foreign affairs
agencies as it is for domestic programs. We are committed to continuing the downsiz
ing
we have already begun seriously and successfully at ACDA, AID, and USIA. But

reorganization for its own sake -- without any purpose other than to gut government,

and without any plan for how this work of these agencies will be done once they are
abolished
-- doesn't make sense. Our approach is responsible and effective. It's the one we should
follow.

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ù So let me be clear: I will veto the legislation now before Congress if it comes t o my desk in its current form. I ask you to do everything in your power to give me a bill I can sign -- a bill that maintains our resources, protects the President's authority to conduct foreign polic y, and reflects a bipartisan spirit that serves America's interests.

Russia and the other New Independent States (NIS)

ù I am also deeply concerned by efforts in Congress to undermine our aid to Russia a nd the other NIS.

ù Nothing is more important to the long term security of our country than the succe ssful transformation of Russia and the other former Soviet republics into democracies that

respect the rule of law and the rights of their people. A resurgent, revanchist Rus sia could put at risk much of what we won during the Cold War. A democratic and free Russia c an become a responsible partner on issues and in regions where we have important nation al interests.

ù Look at what we've already achieved. For the first time since the dawn of the nuc lear age, no Russian missiles are pointed at our people and the Russians are joining us in disman tling thousands of weapons. Belarus, Kazakhstan and Ukraine have agreed to give up the weapons left on their land when the Soviet Union fell apart. We're working with all these countries and more to safeguard nuclear materials and keep them away from organized

criminals and terrorists. And remarkably, more than half of Russia's economy is now

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in
private hands.

ù We have a lot of tough issues to work through with Russia such as Chechnya and the
potential
Iran reactor sale. Last week, the Vice President met with Prime Minister Chernomyrd
in in
Moscow and made progress of these and other concerns.

ù But if we are to continue to take advantage of the historic opportunity to bring t he NIS fully
into the democratic fold and to work out peacefully the issues that divide us, we mu
st
continue to support the forces of reform in the NIS and we must stay engaged.

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MSMail

DATE-TIME	07 July 95 16:35
FROM	Tyler, John T.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Real Fact Sheet for S. 908[UNCLASSIFIED]
TO	Wise, William M.
CARBON_COPY	Halperin, Morton H.
TEXT_BODY	[[S908A.DOC : 4137 in S908A.DOC]] This one is a little more in keeping with the spirit of earlier fact sheets, where I drafted the originals. The "agencies" became upset because I did not feature the reorganization issue as the main issue...
ATTACHMENT FILE DATE	6 July 95 17:44
ATTACHMENT FILE NAME	S908A.DOC

THE WHITE HOUSE

Office of the Press Secretary

FACT SHEET

The Foreign Relations Revitalization Act (S. 908)

ù S. 908 is a frontal assault on the President's ability to exercise American leadership abroad and to conduct foreign policy. The bill is a remarkable recipe for incoherence in the development of both policy and programs. The President has said that this bill and the American Overseas Interests Act passed by the House of Representatives, "are the most isolationist proposals to come before the United States Congress in the last 50 years."

ù The approach to foreign policy and America's position in the world taken by this bill, and its companion from the House of Representatives, would force us into the isolationism borne of unilateralism and deprive us of the foreign policy tools most

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likely to prevent the need for future military intervention.

ù S. 908 would abolish the independent foreign policy agencies and create a mammoth, inefficient, multi-layered, overly bureaucratized State Department, which would cost the United States taxpayer money and save nothing. The elimination of ACDA, USIA, and AID and the consolidation of their programs and responsibilities in the State Department will seriously impair the conduct of U.S. foreign policy and distract the State Department from its foreign policy focus.

ù Because of the attacks on Presidential prerogatives; the indecent cuts in foreign assistance funding, and the elimination of three foreign policy agencies, if S. 908 were presented to the President in its present form, the Presidents key foreign policy advisors would all recommend its veto.

SPECIFICALLY:

ù S. 908 would impede U.S. efforts to stop North Korea's nuclear program by effectively precluding any diplomatic activity in North Korea.

ù S. 908 would compel a change in U.S. refugee policy that could pose a serious threat to U.S. borders, limiting the President's ability to respond to boat migration and possibly exacerbating the illegal smuggling of aliens into the United States.

ù S. 908 would prohibit U.S. contributions to UN peacekeeping efforts in Bosnia pending numerous and arbitrary certifications. This will undercut our influence with our allies and undermine U.S. efforts to impose embargoes on terrorist states like Iran, Iraq and Libya.

ù S. 908 contains provisions that interfere with both diplomatic and trade relations with China and could lead to the complete disruption of $40 billion worth of trade. Furthermore, it usurps Presidential prerogatives by directing the establish-ment of

relations with the Dalai Lama and, in essence, declares Tibet a sovereign nation.

ù S. 908 mandates unrealistic Presidential certifications for significant portions of our United Nations contributions; this diminishes U.S. influence within the organization and blunts U.S. led reform efforts.

ù S. 908 attacks both bilateral and multilateral aid by underfunding U.S. support for international financial institutions and development assistance; furthermore, it splinters

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responsibilities for program development and implementation across its new, unwieldy mega-bureaucracy. Responsible policy and program integration will be impossible under the S. 908 approach.

ù The funding limitations contained in S. 908 would undermine the United State's ability to protect its security, economic and other interests around the world. It takes no measure of the set of connections between our own national security and defense interests with our ability to maintain steady and active engagement in world affairs.

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M S M a i l

DATE-TIME	17 July 95 16:37
FROM	Halperin, Morton H.
CLASSIFICATION	******** CLASSIFICATION NOT FOUND ********
SUBJECT	FW: LETTER FROM SENATOR FEINSTEIN TO POTUS ON CONSOLIDATION
TO	Cooper, Kathleen H.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

Insert into memo. Ask Bill Wise for a clearance. I asked Danvers by e-mail to provide text of a letter he would recommend.

From: Danvers, William C.
To: Halperin, Morton H.
CC: /R, Record at A1; @LEGISLAT-Legislative Affairs
Subject: RE: LETTER FROM SENATOR FEINSTEIN TO POTUS ON CONSOLIDATION
[UNCLASSIFIED]
Date: Monday, July 17, 1995 04:26 PM

[[MORTFEN2.DOC : 4186 in MORTFEN2.DOC]]

Mort-- here are my comments:

Bill

From: Halperin, Morton H.
To: Danvers, William C.
CC: /R, Record at A1
Subject: LETTER FROM SENATOR FEINSTEIN TO POTUS ON CONSOLIDATION
[UNCLASSIFIED]
Date: Friday, July 14, 1995 06:39 PM

<<Attached File: 5267.DOC>>
<<Attached File: 5267A.DOC>>
<<Attached File: 5267B.DOC>>
<<Attached File: 5267D.DOC>>
<<Attached File: 5267E.DOC>>

I have been given a letter from Senator Feinstein on consolidation for

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action. I have prepared a package for Tony which keeps him to options for the memo to the President and the letter to the Senator. My cover memo suggests a change in approach on this issue. I recognize that you will feel that the issues I raise are within your jurisdiction, but there was no way I could forward a recommendation to Tony about the letter without raising them. Attached is my draft. As you will see I have left space for your views.

ATTACHMENT FILE DATE 17 July 95 16:24

ATTACHMENT FILE NAME MORTFEN2.DOC

5267

July 14, 1995

ACTION

MEMORANDUM FOR ANTHONY LAKE

FROM: MORTON H. HALPERIN

SUBJECT: Response to Senator Feinstein Re:
Credible Alternative to Helms Bill on Foreign Affairs Agencies

Senator Feinstein has written to the President expressing her concern about the failure of the Administration to present a credible alternative to Senator Helms' proposal to consolidate the foreign affairs agencies.

In her letter, Senator Feinstein indicates that she shares many of the Administration's reservations about the Helms' plan but notes that as things now stand it will pass easily. She urges that we develop an alternative "consolidation" plan which would give the President significant flexibility and expresses the view that negotiations between the Administration and Senator Helms would produce a bill acceptable to the Administration.

As you know, our current posture is to decline to negotiate with

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Helms on the grounds that he is not really interested in any deal and because we believe that both the agencies and the Democratic Senators would strongly object. My impression is that we are also not trying to work Republican Senators for fear that this would draw us into a negotiation and that we are likely to lose this by a wide margin (gaining few if any Republicans and losing a significant number of Democrats).

The assumption of the inter-agency is that the bill will pass both houses and the President will then veto it. The veto will be sustained and no effort will be made to attach the reorganization to the appropriations bill. NPR is now pressing the agencies for a more robust reorganization scheme that might be announced in August.

If we hold firm to this position you should send the President the letter at Tab A.

Recognizing that others have the primary responsibility for dealing with the Congress, I feel obliged to express my agreement with Senator Feinstein and to suggest that the issue might be one for discussion in the new SRG committee or some other inter-agency forum. Here are my concerns about the current approach:

ù We are strongly in favor of a bi-partisan foreign policy. Yet, we seem content to have a confrontation on the main foreign policy authorization bill without seriously trying to reach agreement either with Helms and Dole or with a group of moderate Republican Senators. This serves only to reinforce the view that we are not serious about wanting a bipartisan foreign policy but

rather are seeking to attack the Republicans.

ù The Helms bill as reported is certainly unacceptable to us, but it is not as clearly isolationist as we allege and it could be made acceptable with relatively few changes. As we know, many serious internationalists believe that the time has come for consolidation. The numbers in the bill are too low but it is likely that the President will end up signing appropriations bills with numbers in that range. The restrictions are not qualitatively different from those that other Congresses has imposed. Thus, some agreement to put off a final decision on reorganization by a commission or some other means as suggested by Feinstein, some increase in the numbers, and a clear Presidential waiver of the restrictions, would make the bill acceptable. I believe this is how it is seen by many foreign policy observers in the press and at think tanks. Feinstein's letter indicates that at least some
Democratic Senators share this view.

ù Even if the President's veto is sustained, I think there is a

CLINTON LIBRARY PHOTOCOPY

fair chance that the consolidation will be put on the appropriations bill or some other bill that the President ends up deciding that he must sign. Thus, we could end up having this consolidation forced on us.

For these reasons, I think that we should consider a more active stance on the bill. I would begin, after talking to the Democrats on SFRC, by talking to some moderate Democrats and Republicans who care about foreign policy, about possible compromises. These conversations should be one on one with Senators. Based on what they say I would try to beat Helms or negotiate with him. If we were to go this route we would send the memo at Tab II to the President recommending that he sign the letter at Tab B.

Comments from Bill Danvers

Mort has given me an opportunity to respond to his suggestions on how to handle the Hill on the Helms' bill. Since I think he has gotten some of his facts wrong, as well as the premise of why we ought to change the course, I will take him up on his offer.

First, the facts. From the beginning, there has been a concerted effort among agencies to talk to both Republicans and Democrats on the SFRC, seeking common ground. A few examples include initial efforts to work with Sen. Snowe, who subsequently supported Helms publicly at his press conference; with Sen. Kassebaum on the U.N. provisions in the bill; and even with Sen. Brown in the context of the Helms' foreign assistance bill on Pakistan. We have attempted to find common ground where we could, and in some cases-- most notably with Sen. Kassebaum-- we have succeeded. Those discussions have since broadened now that the bill is out of committee.

With regard to the veto threat and the possibility of putting consolidation on an appropriations bill, Mort makes a valid point. But again I think he only sees part of the situation. The President has already stated publicly that he will veto the Gilman bill if it reaches his desk without changes, and the assumption is that he will do the same with Helms' bill. In fact, I believe Tony Blinken has already drafted a veto statement. For the President to now back off the threat of a veto of the Helms' bill after there was such a

public and private outcry against the Gilman bill, would be inconsistent and confusing to our supporters.

CLINTON LIBRARY PHOTOCOPY

The second part of his argument that reorganization will be attached to an appropriations bill, fortunately, has not happened. So far, neither the House Foreign Ops bill or the subcommittee passed CJS bill has contained any reorganization language. From conversations with Republicans and Democrats on both subcommittees, there seems to be no appetite for it, which means we are in a better position in conference even if the Senate decides to put reorganization on their bills. You should know, however, that it does not look as if McConnell will do so, although this could change. Gramm, new chair of CJS, is a wildcard. (As you know, CJS funds USIA and ACDA.) My hunch is there will be an effort to force the issue through cuts to operating expenses. As I understand it, this is motivating at least some of the agencies to rethink reinvention.

On the issue of whether there has been an effort to seek accommodation with Sen. Helms, Mort is right, there has not been. The reasons vary from distrust to a belief that he has a bottom line-- consolidation of the agencies-- that he will not change. Mort's premise, that we will not negotiate with Sen. Helms, is, as I understand it, based on the belief that we are willing to give a little on that point. If we are, then this is a brand new policy, and we can, therefore, begin serious discussions with the Hill on how to reach some accommodation. I don't, however, believe we have changed the position that we are against consolidation. Until we do, or until we have a radical reorganization plan of our own that we can share with our allies, then we can't go up to the Hill and negotiate.

As you may recall, at the beginning of the year when I made a simple call to a Helms' staffer about having further discussions, you were called by Strobe and Brian, as was Pat Griffin, accusing me of negotiating with the enemy. So much for trying to reach some understanding with Helms.

The bottom line is that until we have something with which to negotiate, we aren't going to be able to strike a blow for a bipartisan foreign policy on the issue of reorganization. That does not mean that we won't be able to work with Republicans. We can and do; China MFN is a current example of that. Russia is another-- Lugar and Gingrich have been very helpful in getting funds for the NIS.

The Helms' bill does have problems beyond consolidation. He does cut foreign aid, and he does micromanage. As to whether or not this is a reason to threaten a veto is a decision that was made when the President made a strong public statement against the Gilman bill. The real problem is that our Democratic friends are concerned that we will sell them out after they have gone to bat for us in trying to derail the Helms' bill. Remember the bill was reported out of

CLINTON LIBRARY PHOTOCOPY

committee on a straight party line vote-- not bad for us in a very tough year on the Hill.

As for Mort's replies to Sen. Feinstein, I think that neither work. We need to let her know that we hear her concerns, that much work has already been done at AID and the other agencies on reorganization and that more will be done. The other points to make are that we are reinventing these agencies in a responsible way and that the organization of the executive branch has always been and should always be the prerogative of the President.

Leon Fuerth [to come]

Concurrence by: [Enter names of concurring NSC staff, initialed off]

RECOMMENDATION

That [Enter recommendation text here]

Approve _____ Disapprove _____[Optional]

Attachment
Tab [I or A] [Enter brief description of attachment]

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME 19 July 95 16:59

FROM Danvers, William C.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Feinstein letter [UNCLASSIFIED]

TO Andricos, George M.
Burrell, Christina L.
Cooper, Kathleen H.
Danvers, William C.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Kathy, here it is. I guess it will add to the confusion.

[[FEINST.DOC : 4105 in FEINST.DOC]]

From: Cooper, Kathleen H.
To: @LEGISLAT-Legislative Affairs
CC: /R, Record at A1
Subject: Feinstein letter [UNCLASSIFIED]
Date: Wednesday, July 19, 1995 09:38 AM

Bill -- Mort is away but we still want to move the Feinstein letter package. Can you let me know when you might get to drafting a letter to put in the package? Many thanks. I realize this is not your only issue.

Kathy

ATTACHMENT FILE DATE 19 July 95 16:57

ATTACHMENT FILE NAME FEINST.DOC

Dear Diane:

Thank you for your letter on S. 908, the State Department Authorization bill, which contains language that would consolidate and reorganize the foreign affairs agencies-- the State Department, the Agency for International Development (AID), the United States Information Agency (USIA) and the Arms Control and Disarmament Agency (ACDA).

I share your reservations about S. 908. I too believe it infringes on Presidential prerogatives. The most obvious infringement is in

CLINTON LIBRARY PHOTOCOPY

the area of how to organize the government to perform its functions. That is and always has been the prerogative of the Executive branch.

I disagree with the assessment of the need for consolidation of the foreign affairs agencies. We are vigorously pursuing our alternative to the one put forward in S. 908, which is to take a more responsible and thorough look at the role of all of these agencies and to make changes that make sense. Creating a megabureaucracy at the State Department is not the way to reinvent our foreign policy apparatus.

The National Performance Review has in close coordination with these agencies has already realized substantial efficiencies in its reinvention efforts. For example, a consolidation of international broadcasting activities, which we have already implemented will result in over $400 million in savings. AID has closed 17 overseas posts and 22 missions. The State Department has abolished 30% of its senior positions; AID has eliminated 25% of its senior management positions; and USIA has cut 439 positions. There is also an ongoing effort to identify and streamline or eliminate areas of administrative overlap between the foreign affairs agencies.

This process is continuing to produce impressive results. Today's foreign policy concerns are varied and fast-moving, requiring special skills and abilities. Consolidation moves in the opposite direction by creating a foreign policy monolith which would inhibit the special talents and independent initiative necessary to address U.S. national interests abroad. I am happy to discuss our reinvention efforts, but I remain convinced that consolidation is not now a viable option.

Thank you again for sharing your thoughts with me on this most important issue.

CLINTON LIBRARY PHOTOCOPY

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Cooper, Kathleen H. to Fuerth, Leon S. and Wise, William M. re: Urgent Actions (12 pages)	07/24/1995	P3/b(3), P5
002. email	Danvers, William C. to Andricos, George M., re: Helms Bill Fact Sheet (6 pages)	07/25/1995	P1/b(1), P5
003. email	Andricos, George M. to Baker, James E. et al. re: Need Clearance ASAP (7 pages)	07/25/1995	P5
004. email	Halperin, Morton H. to Danvers, re: S.908 (2 pages)	08/15/95	P1/b(1), P5
005. email	Halperin to Clarke, Richard A., re: S.908 (2 pages)	08/16/95	P1/b(1), P5
006. email	Hall, Wilma G. to Danvers, William C. re: Legislative Update (2 pages)	08/18/1995	P5
007. email	Tyler, John T. to Halperin, Morton H. re: Reply to Helms (5 pages)	09/20/1995	P5
008. email	Cooper to Tyler re: Urgent Action (8 pages)	09/26/1995	P5
009. email	Danvers to Bell, Robert G. et al. re: Halperin Package (6 pages)	09/27/1995	P5
010. email	Halperin to Tyler re: Halperin Package (6 pages)	09/27/1995	P5
011. email	Halperin to Tyler re: Response to Helms on Consolidation (6 pages)	09/27/1995	P5
012. email	Simon, Steven N. to Andricos et al. re: Urgent! TL Memo re Budget (3 pages)	10/05/1995	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[07/24/1995 - 11/09/1995]

Eric Holzer
2006-0208-F
eh181

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

CLINTON LIBRARY PHOTOCOPY

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013. email	Simon to Cooper re: Urgent--Lake-Moose Mtg (3 pages)	10/06/1995	P5
014. email	Simon to Bass, Peter E. et al. re: Background for TL-Moose Mtg (3 pages)	10/06/1995	P5
015. email	Andricos to Baker, Jane E. et al. re: Legislative Update (2 pages)	10/06/1995	P5
016. email	Halperin to Danvers re: Halperin Package (6 pages)	11/09/1995	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[07/24/1995 - 11/09/1995]

Eric Holzer
2006-0208-F
eh181

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P2 Relating to the 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]
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CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME 24 July 95 14:24

FROM Cooper, Kathleen H.

CLASSIFICATION UNCLASSIFIED

SUBJECT Urgent Actions [UNCLASSIFIED]

TO Fuerth, Leon S.
Wise, William M.

CARBON_COPY Woolston, Ann E.

TEXT_BODY

We sent last week by e-mail and hard copy an action which is a response to Sen. Feinstein on the consolidation of foreign affairs agencies. This is now way overdue but we don't want to send this forward without concurrence from your office. I am attaching the relevant documents again but would appreciate your comments/concurrence by tomorrow. Mort has raised a new approach (which I think he has spoken to Leon about) and Bill Danvers has added his own response. Thank you for your assistance. Bill Wise has the latest hard copy as delivered by Tim Tyler last week.

[[5267.DOC : 3587 in 5267.DOC]][[5267A.DOC : 3588 in 5267A.DOC]][[5267B.DOC : 3589 in 5267B.DOC]][[5267D.DOC : 3590 in 5267D.DOC]][[5267E.DOC : 3591 in 5267E.DOC]][[5267F.DOC : 3592 in 5267F.DOC]] -- also

we have been waiting for a concurrence on a schedule proposal for the President to receive a briefing on the CIA State Failure Task Force. This is action 5287. Since this was originally done for the VP we again didn't want to move it forward without your okay. I will attach the relevant documents again.

[[5287.DOC : 3593 in 5287.DOC]][[5287A.DOC : 3594 in 5287A.DOC]]

ATTACHMENT FILE DATE 24 July 95 13:54

ATTACHMENT FILE NAME 5267.DOC

5267

CLINTON LIBRARY PHOTOCOPY

July 14, 1995

ACTION

MEMORANDUM FOR ANTHONY LAKE

FROM: MORTON H. HALPERIN

SUBJECT: Response to Senator Feinstein Re:
Credible Alternative to Helms Bill on Foreign Affairs
Agencies

Senator Feinstein has written to the President expressing her concern about the failure of the Administration to present a credible alternative to Senator Helms' proposal to consolidate the foreign affairs agencies.

In her letter, Senator Feinstein indicates that she shares many of the Administration's reservations about the Helms' plan but notes that as things now stand it will pass easily. She urges that we develop an alternative "consolidation" plan which would give the President significant flexibility and expresses the view that negotiations between the Administration and Senator Helms would produce a bill acceptable to the Administration.

As you know, our current posture is to decline to negotiate with Helms on the grounds that he is not really interested in any deal and because we believe that both the agencies and the Democratic Senators would strongly object. My impression is that we are also not trying to work Republican Senators for fear that this would draw us into a negotiation and that we are likely to lose this by a wide margin (gaining few if any Republicans and losing a significant number of Democrats).

The assumption of the inter-agency is that the bill will pass both houses and the President will then veto it. The veto will be sustained and no effort will be made to attach the reorganization to the appropriations bill. NPR is now pressing the agencies for a more robust reorganization scheme that might be announced in August.

If we hold firm to this position you should send the President the letter at Tab A.

Recognizing that others have the primary responsibility for dealing with the Congress, I feel obliged to express my agreement with Senator Feinstein and to suggest that the issue might be one for discussion in the new SRG committee or some other inter-agency forum. Here are my concerns about the current approach:

CLINTON LIBRARY PHOTOCOPY

ù We are strongly in favor of a bi-partisan foreign policy. Yet, we seem content to have a confrontation on the main foreign policy authorization bill without seriously trying to reach agreement either with Helms and Dole or with a group of moderate Republican Senators. This serves only to reinforce the view that we are not serious about wanting a bipartisan foreign policy but

rather are seeking to attack the Republicans.

ù The Helms bill as reported is certainly unacceptable to us, but it is not as clearly isolationist as we allege and it could be made acceptable with relatively few changes. As we know, many serious internationalists believe that the time has come for consolidation. The numbers in the bill are too low but it is likely that the President will end up signing appropriations bills with numbers in that range. The restrictions are not qualitatively different from those that other Congresses has imposed. Thus, some agreement to put off a final decision on reorganization by a commission or some other means as suggested by Feinstein, some increase in the numbers, and a clear Presidential waiver of the restrictions, would make the bill acceptable. I believe this is how it is seen by many foreign policy observers in the press and at think tanks. Feinstein's letter indicates that at least some
Democratic Senators share this view.

ù Even if the President's veto is sustained, I think there is a fair chance that the consolidation will be put on the appropriations bill or some other bill that the President ends up deciding that he must sign. Thus, we could end up having this consolidation forced on us.

For these reasons, I think that we should consider a more active stance on the bill. I would begin, after talking to the Democrats on SFRC, by talking to some moderate Democrats and Republicans who care about foreign policy, about possible compromises. These conversations should be one on one with Senators. Based on what they say I would try to beat Helms or negotiate with him. If we were to go this route we would send the memo at Tab II to the President recommending that he sign the letter at Tab B.

Bill Danvers [to come]

Leon Fuerth [to come]

Concurrence by: [Enter names of concurring NSC staff, initialed off]

RECOMMENDATION

CLINTON LIBRARY PHOTOCOPY

That [Enter recommendation text here]

Approve _____ Disapprove _____[Optional]

Attachment
Tab [I or A] [Enter brief description of attachment]

ATTACHMENT FILE DATE 20 July 95 9:2

ATTACHMENT FILE NAME 5267A.DOC

5267

cc: Vice President

Chief of Staff

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PATRICK GRIFFIN

SUBJECT: Response to Letter for Senator Feinstein on Foreign Affairs Agency Consolidation

Purpose

To recommend a response to a letter to you from Senator Feinstein on the Helms bill mandating consolidation of the foreign affairs agencies into the State Department.

Background

Senator Feinstein has written to the President expressing her concern about the failure of the Administration to present a credible alternative to Senator Helms' proposal to consolidate the foreign affairs agencies.

In her letter, Senator Feinstein indicates that she shares many of the Administration's reservations about the Helms' plan but notes

CLINTON LIBRARY PHOTOCOPY

that as things now stand it will pass easily. She urges that we develop an alternative "consolidation" plan which would give the President significant flexibility and expresses the view that negotiations between the Administration and Senator Helms would produce a bill acceptable to the Administration.

We do not share Senator Feinstein's view that it would be possible to negotiate a satisfactory text with Senator Helms. Everything we have seen suggests that he is determined to force the consolidation on us. Moreover, the bill has a number of unacceptable restrictions on your prerogatives and does not authorize enough money.

The proposed letter to Senator Feinstein explains why we do not think that an effort to negotiate with Senator Helms will be successful and asks for her support in opposing the bill.

RECOMMENDATION

That you sign the letter to Senator Feinstein at Tab A.

Attachment
Tab A Letter to Senator Feinstein

ATTACHMENT FILE DATE 20 July 95 9:3

ATTACHMENT FILE NAME 5267B.DOC

5267

cc: Vice President

Chief of Staff

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE

CLINTON LIBRARY PHOTOCOPY

PATRICK GRIFFIN

SUBJECT: Response to Letter for Senator Feinstein
on Foreign Affairs Agency Consolidation

Purpose

To recommend a response to a letter to you from Senator Feinstein on the Helms bill mandating consolidation of the foreign affairs agencies into the State Department.

Background

Senator Feinstein has written to the President expressing her concern about the failure of the Administration to present a credible alternative to Senator Helms' proposal to consolidate the foreign affairs agencies.

In her letter, Senator Feinstein indicates that she shares many of the Administration's reservations about the Helms' plan but notes that as things now stand it will pass easily. She urges that we develop an alternative "consolidation" plan which would give the President significant flexibility and expresses the view that negotiations between the Administration and Senator Helms would produce a bill acceptable to the Administration.

We have been skeptical of Senator Helms' willingness to compromise on the bill and still have real doubts about whether it will be possible to reach agreement. Nonetheless, in light of her warning, we think it would be sensible to consult with her and with other key moderates to see if we can build support for an acceptable bill which might prevail even if we cannot reach closure with Senator Helms.

RECOMMENDATION

That you sign the letter to Senator Feinstein at Tab B.

Attachment
Tab B Letter to Senator Feinstein

ATTACHMENT FILE DATE 20 July 95 9:8

ATTACHMENT FILE NAME 5267D.DOC

CLINTON LIBRARY PHOTOCOPY

Dear Senator Feinstein:

Thank you for your thoughtful letter dealing with Senator's Helms' proposal to consolidate the foreign affairs agencies.

I wish I could share your optimism that it would be possible to reach agreement with Senator Helms on this question. Moreover, his bill has unacceptable restrictions on presidential prerogatives and unacceptably low authorization numbers which would force me to veto it even if the consolidation issue were resolved.

Thus, we see no choice but to oppose the bill and hope to have your continuing support.

Sincerely,

[Name/Title in Initial Caps]
[Title/Senate/House in Initial Caps]
[Organization/Position - Initial Caps]
[Address - Initial Caps]

ATTACHMENT FILE DATE 20 July 95 9:3

ATTACHMENT FILE NAME 5267E.DOC

Dear Senator Feinstein:

CLINTON LIBRARY PHOTOCOPY

Thank you for your thoughtful letter regarding Senator Helms' plan for consolidation of the foreign affairs agencies.

Our judgment has been that Senator Helms had no interest in reaching an accommodation and that we had no choice but to fight the bill. In light of your letter, I have asked my staff to meet with you and other key Senators to see if you can develop a proposal that would command broad support in the Senate.

Thank you for writing.

Sincerely,

[Name/Title in Initial Caps]
[Title/Senate/House in Initial Caps]
[Organization/Position - Initial Caps]
[Address - Initial Caps]

ATTACHMENT FILE DATE 20 July 95 9:0

ATTACHMENT FILE NAME 5267F.DOC

Dear Diane:

Thank you for your letter on S. 908, the State Department Authorization bill, which contains language that would consolidate and reorganize the foreign affairs agencies-- the State Department, the Agency for International Development (AID), the United States Information Agency (USIA) and the Arms Control and Disarmament Agency (ACDA).

I share your reservations about S. 908. I too believe it infringes on Presidential prerogatives. The most obvious infringement is in the area of how to organize the government to perform its functions. That is and always has been the prerogative of the Executive branch.

I disagree with the assessment of the need for consolidation of the foreign affairs agencies. We are vigorously pursuing our alternative to the one put forward in S. 908, which is to take a more responsible and thorough look at the role of all of these agencies

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and to make changes that make sense. Creating a megabureaucracy at the State Department is not the way to reinvent our foreign policy apparatus.

The National Performance Review has in close coordination with these agencies has already realized substantial efficiencies in its reinvention efforts. For example, a consolidation of international broadcasting activities, which we have already implemented will result in over $400 million in savings. AID has closed 17 overseas posts and 22 missions. The State Department has abolished 30% of its senior positions; AID has eliminated 25% of its senior management positions; and USIA has cut 439 positions. There is also an ongoing effort to identify and streamline or eliminate areas of administrative overlap between the foreign affairs agencies.

This process is continuing to produce impressive results. Today's foreign policy concerns are varied and fast-moving, requiring special skills and abilities. Consolidation moves in the opposite direction by creating a foreign policy monolith which would inhibit the special talents and independent initiative necessary to address U.S. national interests abroad. I am happy to discuss our reinvention efforts, but I remain convinced that consolidation is not now a viable option.

Thank you again for sharing your thoughts with me on this most important issue.

ATTACHMENT FILE DATE 20 July 95 9:10

ATTACHMENT FILE NAME 5287.DOC

5287

July 11, 1995

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: MATTHEW LORIN

CLINTON LIBRARY PHOTOCOPY

SUBJECT: POTUS Schedule Proposal re: CIA State Failure Task Force Briefing

Attached at Tab I is a POTUS Schedule Proposal for a briefing by the CIA State Failure Task Force concerning the findings of a new model for predicting state failure.

The Vice President asked the Task Force to look at cases of substantial domestic crisis, analyze data patterns, and anticipate future crises in order to support policymaking on "preventative diplomacy." POTUS saw a reference to this study in the PDB and requested a briefing.

The briefing will take approxiamtely 15 - 20 minutes with an additional 10 minutes for questions.

John Deutch has also expressed interest in attending.

Concurrence by: Bill Wise

RECOMMENDATION

That you forward the attached schedule proposal.

Attachment
Tab I Schedule Proposal

ATTACHMENT FILE DATE 20 July 95 9:8

ATTACHMENT FILE NAME 5287A.DOC

5287

cc: Stephanie Streett

Schedule Proposal date____/_____/_____

_____ACCEPT _____REGRET _____PENDING

TO: Billy Webster

CLINTON LIBRARY PHOTOCOPY

Director of Scheduling and Advance

FROM: Anthony Lake

REQUEST: Briefing

PURPOSE: A briefing for the President by the CIA State Failure Task Force concerning the findings of a new model for predicting state failure.

BACKGROUND: The Vice President asked the Task Force to look at cases of substantial domestic crisis, analyze data patterns, and anticipate future crises in order to support policymaking on "preventative diplomacy." POTUS saw a brief reference to the study in his PDB and requested a briefing.

PREVIOUS PARTICIPATION: None

DATE AND TIME: OPEN with 24 hours notice for briefers

BRIEFING TIME: 20 Minutes

DURATION: 30 Minutes

LOCATION: OPEN

PARTICIPANTS: (b)(3)
Ted Gurr - University of Maryland
Pam Surko - Science Applications International Corporation
John Deutch - CIA
Morton Halperin - NSC
Bill Wise - Vice President's Office

OUTLINE OF EVENTS: Briefing and Q&A.

REMARKS REQUIRED: None

MEDIA COVERAGE: None

FIRST LADY'S ATTENDANCE: No

VICE PRESIDENT'S ATTENDANCE: No

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RECOMMENDED BY: Vice President,
Morton Halperin

CONTACT: Matthew Lorin
NSC/Democracy 69247

ORIGIN OF THIS PROPOSAL: Requested by POTUS. Recommended by NSC following NSC briefing by Task Force.

SECOND LADY'S ATTENDANCE: No

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME 25 July 95 19:36

FROM Andricos, George M.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Need Clearance ASAP;FW: [UNCLASSIFIED]

TO Baker, James E.
Hunerwadel, Joan S.
Kreczko, Alan J.

CARBON_COPY Andricos, George M.
Burrell, Christina L.
Danvers, William C.
Harmon, Joyce A.

TEXT_BODY

Jamie,
Re my earlier message, the fact sheet contains a tick, top of second page, re refugee policy/forced abortion that should be deleted. I tried to delete it before I sent it to you but obviously don't understand computers. Could you consider that tick deleted. If you concur otherwise, please let Joyce Harmon know because she is holding the package and will sent it up as soon as you clear.
Thanks,
Mike

From: Andricos, George M.
To: @LEGAL - Legal Advisor
CC: /R, Record at A1; Harmon, Joyce A.; @LEGISLAT-Legislative Affairs
Subject: Need Clearance ASAP;FW: [UNCLASSIFIED]
Date: Tuesday, July 25, 1995 07:27 PM

[[VETO2.DOC : 4957 in VETO2.DOC]][[S908FACT.DOC : 4958 in S908FACT.DOC]]

Jamie,
Could you take a quick look at the attached Veto statement and fact sheet and let us and Joyce Harmon know if you have problems? We are trying to move this forward tonight so the statements can be released tomorrow when Helm's Bill comes to the floor.

Thanks,
Mike

From: Danvers, William C.
To: @LEGISLAT-Legislative Affairs

CLINTON LIBRARY PHOTOCOPY

CC: /R, Record at A1
Subject: [UNCLASSIFIED]
Date: Tuesday, July 25, 1995 04:26 PM

Chris--

could you put this in the package to Tony-- ie the veto and fact sheet package-- and could we get it moving with two red dots.
Thanks.

ATTACHMENT FILE DATE 25 July 95 14:54

ATTACHMENT FILE NAME VETO2.DOC

7/25/95 9 a.m.

STATEMENT BY THE PRESIDENT
ON S. 908 "THE FOREIGN RELATIONS REVITALIZATION ACT OF 1995

Congress is now considering legislation - - S. 908, "The Foreign Relations Revitaliz
ation Act of 1995" -- that
would undermine the President's authority to conduct our nation's foreign policy and
deny us the resources we
need to lead in the world. If this legislation comes to my desk in its present form , I will veto it.

S. 908 attacks the President's constitutional authority to conduct America's foreign
policy. No President --
Democrat or Republican -- could accept these restrictions because they threaten the
President's ability to protect
and promote American interests around the world.

The legislation would ban or severely restrict diplomatic relations with key countri
es. Indeed, had it been in effect
a few months ago, it would have prevented us from concluding the agreement with Nort
h Korea to dismantle its
nuclear program. The legislation would handcuff our ability to take part in and lea

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d United Nations operations,
limiting our choice each time a crisis arose to acting alone -- or not at all. The legislation would abolish three
important agencies -- the Arms Control and Disarmament Agency, the Agency for Intern
ational Development, and
the U.S. Information Agency. Each is already making serious and successful efforts
to streamline its operations,
as part of my administration's Reinventing Government program. Eliminating them ent
irely would undermine our
effectiveness, not enhance it.

In short, the legislation would put Congress in the business of micro-managing our n
ation's foreign policy -- a
business it should not be in.

This legislation combined with S. 961, "the Foreign Aid Reduction Act of 1995", woul
d also slash our international
affairs budget -- which already is only a little over 1.3 percent of our total feder al budget. We use these funds to
fight the spread of nuclear weapons and technology; to combat terrorists, drug traff
ickers and international
criminals; to create American jobs by opening new markets for our exports; and to
support the forces of
peace, human rights and democracy around the world who look to America for leadershi
p.

The proposed cuts in the international affairs budget are dangerous and shortsighted
. We know from experience
that it is a lot less costly -- in terms of money spent and lives lost -- to rely on development aid and diplomacy
now than it is to send in our troops later. There is a price to be paid for America n leadership. But the return on
our investment -- in terms of increased security and greater prosperity for the Amer
ican people -- more than
makes up for the cost. What America cannot afford are the foreign affairs budget cu
ts proposed in these bills.

As I have made clear before, I want to work with Congress to get an international af

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fairs bill I can sign -- a bill
that protects the President's authority to conduct foreign policy, maintains vital r
esources and reflects a
bipartisan spirit that serves America's interests. The legislation Congress is cons
idering fails each of those
tests. If it is sent to me as it now stands, I will veto it.

# # #

ATTACHMENT FILE DATE 25 July 95 16:16

ATTACHMENT FILE NAME S908FACT.DOC

THE WHITE HOUSE
Office of the Press Secretary

FACT SHEET

The Foreign Relations Revitalization Act (S. 908)

S. 908 is a frontal assault on the President's ability to conduct foreign policy and
exercise
international leadership. The legislation:

ù Attacks the President's constitutional authority to conduct foreign policy by
bann
ing or severely restricting
diplomatic relations with key countries and hindering our ability to build or take
p
art in international
coalitions;

ù Abolishes three important agencies -- the Agency for International
Development (AI
D), the Arms Control
and Disarmament Agency (ACDA) and the U.S. Information Agency (USIA) --
despite the

Administration's serious and successful efforts to streamline these agencies;

ù Endorses a view of U.S. leadership in the world that is diminished, short-
sighted
and dangerous. Because
of reduced funding levels, numerous unnecessary constraints on the President's

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respo
nsibility for
conducting foreign affairs, and the elimination of three vital agencies, if it were presented to the
President in its present form, the President's key foreign policy advisors would all recommend that it be
vetoed.

SPECIFICALLY:

S. 908 Undermines the President's Authority to Conduct Foreign Policy

ù S. 908 would impede U.S. efforts to stop North Korea's nuclear program by purporti
ng to preclude any
U.S. diplomatic activity in North Korea.

ù S. 908 would make significant portions of our contributions to the U.N. subject to
unrealistic Presidential
certifications regarding the office of the U.N. Inspector General. These certificat ion requirements would
be impossible to meet and greatly limit the ability of the U.S. to respond multilate rally to international
concerns.

ù S. 908 would prohibit U.S. contributions to UNPROFOR pending a number of arbitrary
and rigid
certification requirements, undermining the ability of the President to adjust fundi ng and support to
changing events in the region.

ù S. 908 would force changes in U.S. refugee policy by providing that an individual
who fears that he or she
will be subjected to persecution for resisting an abortion or sterilization will be eligible for asylum. Such a
provision could pose a serious threat to U.S. borders, limiting the President's abil ity to respond to boat
migration and potentially triggering a major influx of new refugees into the United
States.

ù S. 908 contains several provisions that would interfere with our delicate relation s with China, including
one that would prohibit the importation of any product from China unless the Secreta
ry of the Treasury

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and the importer certify that it is not the product of forced labor. This provision would be impossible to enforce without a total disruption of close to $40 billion worth of trade.

ù S. 908 would add unneeded reporting requirements and additional layers of bureaucracy to foreign affairs operations.

S. 908 dictates a dramatic reorganization of the entire foreign policy structure of the United States without any evidence or study to support such a move.

ù S. 908 would merge ACDA into the State Department, resulting in higher costs ($10 million, according to a

Congressional Research Service study) and elimination of an independent voice on arms control which has been so important to Presidents for the last 30 years -- a view shared by national security experts General Goodpaster, Ambassador Nitze and 28 Nobel laureates. Maintaining a lean ACDA with a core budget of less than $50 million is a national security bargain. That reality is reflected in the $ 100 billion saved by the implementation of arms control treaties negotiated by ACDA.

ù S. 908 would merge USIA into the State Department, severely hampering the openness, the ability to respond quickly to rapidly changing world events, and the independence in reporting, analysis and comment that are critical to public diplomacy -- a view shared by dozens of prominent Americans ranging from Edwin Feulner, Jr. and Jeanne Kirkpatrick to Geraldine Ferraro and Andrew Young. Under S. 908, there are no demonstrable savings to consolidating USIA under the StateDepartment.

ù S. 908 would abolish USAID and close all but a token few of its missions, virtually eliminating America's specialized field presence for development around the world. The costs in terms of

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lost economic
opportunity, unrealized development potential, and the loss of ability to further U.
S. national interests
would be significant. The Foreign Relations Revitalization Act would eliminate the d
evelopment mission of the
U.S. government as a foreign policy tool by splintering responsibility for developme
nt programs across
multiple Under Secretaries and Assistant Secretaries of State. Under this managemen
t structure, no single
person or office would be charged with coordination or strategic planning for develo
pment.

The proposed reorganization has been trumpeted as an efficiency move, yet the only r
eal saving
to be obtained would be achieved by slashing programs, closing missions and eliminat
ing
personnel and programs vital to the national interest.

The Administration has strongly and consistently opposed the consolidation of the fo
reign affairs
agencies. Earlier this year after careful review, the Vice President determined tha
t consolidation
does not make sense because it would sacrifice each agency's unique international mi
ssion without
real gain. Instead, the administration proposed and put into effect a reform plan. Under the plan
the streamlined agencies will reduce staff by 4,700 positions, cut bureaucratic laye
rs, and establish common
administrative services. To date, these agencies have achieved over $500 million in
cost savings with more staff
and cost reductions to come. In contrast, S. 908 would result in a super-bureaucrac
y that would be unwieldy and
ineffective.

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME 18 September 95 13:53

FROM Hall, Wilma G.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Legislative Update [UNCLASSIFIED]

TO Danvers, William C.

CARBON_COPY Andricos, George M.
Baker, Jane E.
Baldwin, Kenneth
Bass, Peter E.
Burrell, Christina L.
Cicio, Kristen K.
Dohse, Fred J.
Emery, Mary C.
Fuerth, Leon S.
Gray, Wendy
Hall, Wilma G.
Harmon, Joyce A.
Joshi, M. Kay
Millison, Cathy L.
Sens, Andrew D.
Veit, Katherine M.
Wise, William M.

TEXT_BODY

Mr. Lake read your E-mail and noted as follows:

RESOURCES AND RELATED ISSUES: "..... The issue is what. ... ", TL notes "Indeed."

BOSNIA: "Let's discuss."

From: Danvers, William C.
To: @UP - APNSA Special Assistants; @NSA - Nat'l Security Advisor
Cc: /R, Record at A1; Fuerth, Leon S.; Wise, William M.;
@LEGISLAT-Legislative Affairs
Subject: Legislative Update [UNCLASSIFIED]
Date: Friday, September 15, 1995 7:33PM

Note for Tony, Sandy and Nancy:

RESOURCES AND RELATED ISSUES: On the issue of reorganization, Helms is
calling for a response from the WH to follow up on the President's meeting.

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Pat would like to Tony to call Helms. The issue is what do we say. The problem is Helms could attache a reorg amendment to CJS or Foreign Ops both due to be considered next week in the Senate.

-- N. Korea will be a big problem on foreign ops bill. Hatfield is willing to be helpful. We will have to put on a full court press on this. It will likely include calls from you. In that light, could you stress to Perry and White the importance of this.

-- Pressler -related still tough going. State continues to work it. Sandy's call to Leahy should help.

CJS bill comes up early in the week next week. Foreign Ops late in the week.

Pat will send a letter on behalf of USIA to Hill.

CUBA: Memo went forward. We have spoken to State and WH LA about it. Bill likely to hit House floor on Wed.

HEU: Meeting with Senate Energy today. Looks like a deal with Domenici is very close. Met with W&M staff. They had a few suggestions, but looks like Finance might be a better bet in the short term. Have a call into Finance trade counsel to set up a meeting with them next week.

BOSNIA: Sent President's statement and Vershbow on record backgrounder to Hill. Also made a series of calls, as did State and DoD. State and DoD would like a green light to have their principals-- Tarnoff and above for State and Slocombe and above for DoD-- to contact the Hill about what is going on without clearing with us or waiting for talking points. For example, State did not make any calls yesterday because there were no cleared points and they didn't have the green light. DoD did talk their committee members because Perry and White were briefing on other issues. What both agencies want to do is to make contact when things come up without having to wait for points, etc., as long as it is done at a high enough level. They feel that we have to work the Hill regularly over the coming weeks to prepare for what happens next in Bosnia and want to feel free to do so. I don't think this is a bad idea as long as we coordinate what is going on. What I could do, if you agree, is to have regular leg. Bonsai calls so we know what we are doing and saying. Please advise.

HAITI: State has produced a Haiti strategy, which I will look over and get to DoD leg. to look over before getting it to the Deputies.

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MSMail

DATE-TIME	20 September 95 10:39
FROM	Tyler, John T.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Reply to Helms[UNCLASSIFIED]
TO	Halperin, Morton H.
CARBON_COPY	Cooper, Kathleen H.
TEXT_BODY	[[6787-3.DOC : 2652 in 6787-3.DOC]][[6787-2.DOC : 2653 in 6787-2.DOC]][[6787-1.DOC : 2654 in 6787-1.DOC]]Mort, would you please take a look at these--if they are ok, I will try to get them through the staffing process. I have saved them to the G-drive. Tim
ATTACHMENT FILE DATE	20 September 95 10:33
ATTACHMENT FILE NAME	6787-3.DOC

Dear Senator Helms:

When we met last August, I did mention that I would get back to you on your State Department Bill. Since then,I am pleased that the staffs have been able to get and begin work on critical procedural matters. In this context, is naturally important for the Committee to resume its work with us on Ambassadorial and treaty confirmations.

When the time is appropriate, I would propose that Erskine Bowles and a small group meet with you or your representatives and continue discussion on the foreign assistance authorization bill.

I continue to believe that it is critical for this

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nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America strong.

Sincerely,

[Name/Title in Initial Caps]
[Title/Senate/House in Initial Caps]
[Organization/Position - Initial Caps]
[Address - Initial Caps]

ATTACHMENT FILE DATE 20 September 95 10:28

ATTACHMENT FILE NAME 6787-2.DOC

6787

cc: Vice President

Chief of Staff

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PATRICK GRIFFIN

SUBJECT: Response to Sen. Helms Letter of September 8, 1995

Purpose

To respond to Senator Jesse Helm's offer to work with us on the issue of reorganizing the State Department (and the other foreign affairs agencies).

Background

CLINTON LIBRARY PHOTOCOPY

Following your meeting with him, Senator Helms wrote you on September 8th, offering to work with us and the State Department on the State Department Bill (i.e. on the issue of consolidation of the foreign affairs agencies). There has also been one follow-up meeting with Helm's staff and interagency legislative affairs representatives on procedural matters.

We have an opportunity to make some real progress with Senator Helms. He appears ready to negotiate seriously; however, there is a lack of unanimity within the Administration, particularly, over consolidation issues. Because of this and to protect your interests, the White House/NPR needs to be responsible for dealing with Senator Helms rather than the Agencies.

We need to "hang tough" for now. This is necessary to avoid open revolt by the Agencies and to avoid a Republican victory dance over our having agreed to "consolidation." In fact, lower appropriations numbers for Agency operating expenses and our own quest to balance the budget will probably stimulate significant re-engineering of the Agencies. It is better that we take the credit for it.

When the time comes, we should be able to gain agreement with Senator Helms to mutate the consolidation issue to a report to the Congress on efficiencies in government due to the reinvention of the foreign affairs agencies. This would be in time for inclusion in the budget submission for Fiscal Year 1997, and would enable us to manage the inevitable, budget driven consolidation process. A small team led by Erskine Bowles (plus Leon Fuerth, Mort Halperin, and Gordon Adams) could manage any discussions with Senator Helms. We should only agree to talk if the Chairman agrees to proceed with his committee's normal business of confirming our Ambassadors and working with us on treaty ratifications.

RECOMMENDATION

That, when the time is right, Erskine Bowles lead a small team to talk with Senator Helms.

That you sign the attached letter to Senator Helms.

Approve _____

Disapprove _____[Optional]

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Attachment
Tab [I or A] Letter to Senator Jesse Helms

ATTACHMENT FILE DATE 20 September 95 10:19

ATTACHMENT FILE NAME 6787-1.DOC

6787

D R A F T

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

There has been one subsequent meeting between Helm's staff and the interagency (State, USAID, ACDA, USIA and NSC) legislative affairs experts. That meeting was limited to discussion about procedures, i.e. deal with restrictions on presidential prerogatives first, then the numbers and then with the consolidation issue. Nothing has happened since, due in part to activity on the appropriations bills and CJS.

We have an opportunity to make some real progress with Senator Helms; he appears ready to negotiate seriously. However, there is a lack of unanimity within the Administration; particularly, over consolidation issues. We are also constrained because any position other than to "hang tough" will cause a real revolt by the Agencies--and be perceived as a sign of bad faith on the part of the

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Vice President. The sense is that any public foward motion on the issue of consolidation would be trumpeted as a Republican victory and a defeat for the President. Because of this and because there are still some unwarranted perceptions that the consolidation concept originated with (and is quietly supported by) the State Department--to protect the President's interests, when the time comes, the White House/NPR needs to be responsible for dealing with Senator Helms rather than the Agencies.

This observation is made in the context of the savaging of the State Department and the other agencies in the CJS authorization bill; the realities of the appropriations process, where the numbers are inextricably lower than even the Helm's Bill numbers; and, the fact that any Continuing Resolution is unlikely to exceed the numbers agreed by both houses. This will effect the development of the FY 1997 budget.

By taking control of the process at the center, we should ultimately be able to gain agreement with Helms to mutate the consolidation issue to a report to the Congress on efficiencies in government due to the reinvention of the foreign affairs agencies, in time for inclusion in the budget submission for Fiscal Year 1997. This would slow down the seemingly inevitable, budget driven

consolidation process and place control of the process back with the Executive Office of the President.

A small team led by Erskine Bowles (plus Leon Fuerth, Mort Halperin, and Gordon Adams) could manage the discussions with Senator Helms. The idea would be to hang tough for now; try to get some progress with ambassadorial appointments and other, normal committee business--and when the time comes, agree to a Presidential report.

Concurrence by: Leon Fuerth___Bill Danvers___Gordon Adams___

RECOMMENDATION

That you forward the attached memorandum to President with a letter from the President to Senator Helms.

Approve _____ Disapprove _____

Attachment
Tab [I or A] [Enter brief description of attachment]

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME	26 September 95 14:29
FROM	Cooper, Kathleen H.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Urgent Action [UNCLASSIFIED]
TO	Tyler, John T.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

Tim -- This is gone. kathy

From: Cooper, Kathleen H.
To: Clarke, Richard A.; Danvers, William C.; Bell, Robert G.
CC: /R, Record at A1; Lindsey, Wanda D.; Burrell, Christina L.; Kelly, Sandra L.
Subject: Urgent Action [UNCLASSIFIED]
Date: Tuesday, September 26, 1995 02:16 PM

[[6787-1A.DOC : 3628 in 6787-1A.DOC]][[6787-2A.DOC : 3629 in 6787-2A.DOC
]][[6787-3A.DOC : 3630 in 6787-3A.DOC]]

Senator Helms has followed up his meeting with the President on the consolidation issue with a letter saying that he was waiting to hear back from the President.

I am sending you the attached package for coordination. Obviously several parts of the White House, including OVP and OMB, will need to be consulted before the package can go to the President.

Tony has asked that all packages related to consolidation be kept out of the system and be very tightly held. I would, therefore, appreciate your holding this memo closely and e-mailing your comments/concurrence to me. Thanks.

ATTACHMENT FILE DATE	26 September 95 14:14
ATTACHMENT FILE NAME	6787-1A.DOC

6787

CLINTON LIBRARY PHOTOCOPY

LIMITED ACCESS

D R A F T

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

There has been one subsequent meeting between Helm's staff and the interagency (State, USAID, ACDA, USIA and NSC) legislative affairs experts. That meeting was limited to discussion about procedures, i.e. deal with restrictions on presidential prerogatives first, then the numbers and then with the consolidation issue. Since then the context has changed.

ù Jesse Helms won a 57-43 vote on tabling his amendment to force consolidation -- he then withdrew his amendment.

ù Bob Dole is now involved: Sheila Burke is calling Pat Griffin

ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated; and in the context of debate, he was not willing to offer a sense of the Congress amendment that we should get back to them with our plan.

ù Issue has been raised by Leon Panetta at his staff meeting: his feeling is that we have to solve the problem. (He provided guidance that cut across the bow of the Vice President--who is the key player for the Administration on consolidation.)

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ù We can no longer rely on "hanging tough." Helms will keep coming at us on CJS or Reconciliation and he is gathering Democratic support.

ù The heads of the Agencies are neuralgic about the consolidation of their agency...it's a set of rice bowl issues for them.

ù We have had a solid hang tough--all for one and one for all--position for months, which is identified with the Vice President. When we shift from that position, the Republicans will trumpet victory.

We need to control the process from the center and deliver a

concise message to the Agency heads to attenuate outright revolt. The Vice President will need to call Christopher, Atwood, Duffey and Holum and tell them what the White House decision is.

If we work carefully within the EXOP we should be able to execute a gameplan that protects Agencies' interests for as long as possible, and more importantly, protects the prerogatives of both the President and the Vice President.

Leon Fuerth has raised with the Vice President the need to move from the position of "Hang Tough" to that of agreeing to examine the Agencies' duplications and overlaps in the projected budget context and commit to getting back to the Congress before we send up the FY 1997 budget. This may help us avoid the "Sophie's Choice" option of publicly having to choose one Agency for elimination (Kerry's solution).

If you and the Vice President approve this approach, the Vice President needs to call the heads of Agencies and tell them:

- The situation has changed. We do not want to be forced to veto the Foreign Ops B
ill, CJS or
reconciliation because of mandated consolidation that leaves us with no choices.
We now need to talk seriously with Helms, Dole and Kerry;

- We will work within the changed budget context and within NPR Channels;

- We will take a hard look and develop a plan that we can offer the Congress when we submit the FY 97 budget;

Our end game is simple:

ù Avoid forced, mandated consolidation;

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ù Use the budget context to force a hard look at the reinvention of the foreign affairs agencies and move toward acceptance of the position developed through the NPR review of the four agencies;

By taking control of the process at the center, we should ultimately be able to gain agreement with Helms to mutate the consolidation issue to a report to the Congress in time for inclusion in the budget submission for Fiscal Year 1997.

A small team led by Leon Fuerth (plus Mort Halperin and Gordon Adams) could manage the discussions with Senator Helms. The idea would be to hang tough initially, obtain commitment to some progress with ambassadorial appointments and other, normal committee business, and agree to a Presidential report on re-engineering the four agencies.

Meanwhile we also can answer Senator Helms' letter to the President.

Concurrence by: Richard Clarke; Bill Danvers; Bob Bell

RECOMMENDATION

That you support the process suggested above and encourage the Vice President to call the Agency heads and then have a team headed by Leon Fuerth deal with the Congress.

Approve_____ Disapprove_____

That you forward the attached memorandum to the President with a letter from the President to Senator Helms.

Approve _____ Disapprove _____

Attachments
Tab I Memorandum for the President
Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 26 September 95 14:15

ATTACHMENT FILE NAME 6787-2A.DOC

CLINTON LIBRARY PHOTOCOPY

6787

LIMITED ACCESS

cc: Vice President

Chief of Staff

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE ET. AL.

SUBJECT: Response to Sen. Helms Letter of September 8, 1995

Purpose

To respond to Senator Jesse Helm's offer to work with us on the issue of "reorganizing the State Department" (and the other foreign affairs agencies) and discuss how we deal with the pressure to consolidate the foreign affairs agencies.

Background

Following your meeting with him, Senator Helms wrote you on September 8th, offering to work with us and the State Department on the State Department Bill (i.e. on the issue of consolidation of the foreign affairs agencies). There has also been a follow-up meeting with Helm's staff and interagency legislative affairs representatives on procedural matters. Since then the situation has changed:

ù Jesse Helms won a 57-43 vote on tabling his amendment to force consolidation -- he then withdrew his amendment.

ù Bob Dole is now involved.

ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated; and in the context of debate, he was not willing to offer a sense of the Congress amendment that we should get back to them with our plan.

ù We can no longer rely on "hanging tough." Helms will keep

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coming at us on CJS or Reconciliation and he is gathering Democratic support. He may have a deal with Kerry and Dole to put consolidation into the Foreign Ops bill in Conference.

ù The heads of the Agencies are neuralgic about the consolidation of their agency...it's a set of rice bowl issues for them.

ù We have had a solid hang tough--all for one and one for all--position for months, which is identified with the Administration and especially with the Vice President.

We have an opportunity to make some progress. Senator Helms may be ready to negotiate seriously; however, there is a lack of unanimity within the Administration, particularly, over consolidation

issues. To protect your interests, the White House/NPR needs to be responsible for dealing with Senator Helms.

We need to "hang tough" for now. This is necessary to avoid open revolt by the Agencies and to avoid a Republican victory dance over our having agreed to "consolidation." In fact, lower appropriations numbers for Agency operating expenses and our own quest to balance the budget will probably stimulate significant re-engineering of the Agencies. It is better that we take the credit for it.

We should be aim for agreement with Senator Helms to mutate the consolidation issue to a report to the Congress on efficiencies in government due to the reinvention of the foreign affairs agencies. This would be in time for inclusion in the budget submission for Fiscal Year 1997, and would enable us to manage the inevitable, budget driven consolidation process.

A small team led by Leon Fuerth (plus Mort Halperin and Gordon Adams) could manage any discussions with Senator Helms. We would see Senator Helms' agreement to proceed concurrently with his committee's normal business of confirming your Ambassadors and working with us on treaty ratification.

RECOMMENDATION

That Leon Fuerth lead a small team to talk with Senator Helms.

Approve _____

Disapprove _____

CLINTON LIBRARY PHOTOCOPY

That you sign the attached letter to Senator Helms.

Attachments
Tab A Letter to Senator Jesse Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 26 September 95 12:24

ATTACHMENT FILE NAME 6787-3A.DOC

Dear Mr. Chairman:

When we met last August, I did mention that I would get back to you on your State Department Bill. Since then, I am pleased that the staffs have been able to get together and begin work on critical procedural matters.

In this context, it is naturally important for the Committee to resume its work with us on Ambassadorial confirmations and other committee business.

If you agree, I would propose that Leon Fuerth and a small group meet with you or your representatives and continue discussion on some of the issues raised in the foreign assistance authorization bill.

I continue to believe that it is critical for this nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America's world leadership strong.

Sincerely,

The Honorable Jesse Helms
United States Senate

CLINTON LIBRARY PHOTOCOPY

Washington, D.C. 20510

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME 27 September 95 13:49

FROM Danvers, William C.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Halperin Package [UNCLASSIFIED]

TO
Bell, Robert G.
Clarke, Richard A.
Halperin, Morton H.

CARBON_COPY
Andricos, George M.
Burrell, Christina L.
Cooper, Kathleen H.
Danvers, William C.
Kelly, Sandra L.
Lindsey, Wanda

TEXT_BODY

Some changes.

From: Burrell, Christina L.
To: Danvers, William C.
CC: /N, NonRecord at A1
Subject: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 01:36 PM

[[6787-1A.DOC : 3402 in 6787-1A.DOC]][[6787-2A.DOC : 3403 in 6787-2A.DOC
]][[6787-3A.DOC : 3404 in 6787-3A.DOC]]

ATTACHMENT FILE DATE 27 September 95 13:20

ATTACHMENT FILE NAME 6787-1A.DOC

6787

LIMITED ACCESS

CLINTON LIBRARY PHOTOCOPY

D R A F T

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

There has been one subsequent meeting between Helms' staff and the interagency (State, USAID, ACDA, USIA and NSC) legislative affairs offices. That meeting was limited to discussion about procedures, i.e. deal with restrictions on presidential prerogatives first, then the numbers and then with the consolidation issue. Since then the context has changed.

ù Jesse Helms won a 57-43 vote on tabling his amendment to force consolidation -- he then withdrew his amendment.

ù Bob Dole is now involved.

ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated.

ù Issue has been raised by Leon Panetta at his staff meeting: his feeling is that we have to solve the problem.

ù "Hanging tough is an increasingly difficult strategy." Helms will keep coming at us and he has some Democratic support.

ù The heads of the Agencies remain opposed to consolidation.

ù We have had a solid hang tough--all for one and one for all--position for months, which is identified with the Vice President. A shift from that position could move Helms to claim victory.

We need to decide how to proceed once we have an agreed upon position. We suggest that there be a VP-led meeting of concerned

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agency heads, bringing them on board. We should then get back to our Democrats in the Senate and House to let them know what we want to do. Finally, contact should be made with Helms and Gilman, presenting our proposal. The issue remains as to what our "proposal" will be. The most workable solution is to tell Helms and Gilman that we will get back to them with a specific

reorganization plan by a date certain.

Our end game is simple:

ù Respond to Helms;

ù Avoid forced, mandated consolidation; and

ù Use the budget context to force a hard look at the reinvention of the foreign affairs agencies and move toward acceptance of the position developed through the NPR review of the four agencies.

We have attached a memo to the President (Tab I) and a letters from the President to Senator Helms (Tab A) reflecting this position.

Concurrence by: Richard Clarke; Bill Danvers; Bob Bell

Attachments
Tab I Memorandum for the President
Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 13:33

ATTACHMENT FILE NAME 6787-2A.DOC

6787

LIMITED ACCESS

cc: Vice President

Chief of Staff

ACTION

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Response to Sen. Helms Letter of September 8, 1995

Purpose

To respond to Senator Jesse Helms' offer to work with us on the issue of "reorganizing the State Department" and the other foreign affairs agencies.

Background

Following your meeting with him, Senator Helms wrote you on September 8th, offering to work with us and the State Department on the State Department Bill (i.e. on the issue of consolidation of the foreign affairs agencies). There has also been a follow-up meeting with Helms' staff and interagency legislative affairs representatives on procedural matters. Since then the situation has changed:

ù Jesse Helms won a 57-43 vote on tabling an amendment he sponsored with Senator Dole to force consolidation last week during Senate consideration of the Foreign Operations Appropriations bill. He subsequently withdrew his amendment.

ù Senator Helms has stated publicly on several occasions that he is waiting for a response from you to your meeting with him and that he will hold up nominations and consideration of treaties, particularly START II and the Chemical Weapons Convention; nominations; and other Committee business until he has an up or down vote on his proposal.

ù There is some Democratic support for consolidation. Three Democrats voted against the motion to table the Helms amendment last week. Senator Kerry stated on the Senate floor that he is willing to see one of the agencies consolidated, a position he took during Senate Foreign Relations Committee deliberations on this issue.

On the other side of this issue, Agencies targeted by the Helms legislation continue to oppose any consolidation. There are also key Democrats who are willing to back us in our resistance to the Helms plan. We believe that in order to try to get the Foreign Relations Committee business moving again, we should respond to

CLINTON LIBRARY PHOTOCOPY

Senator Helms by telling him that we will present to Congress by a date certain a reorganization plan. This will allow us and our

supporters to be able to say that we have responded to the Senator and that he should now allow the SFRC to meet to conduct its business.

RECOMMENDATION

That you sign the attached letter to Senator Helms.

Attachments
Tab A Letter to Senator Jesse Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 13:16

ATTACHMENT FILE NAME 6787-3A.DOC

Dear Mr. Chairman:

I wanted to get back to you following our meeting to discuss your proposal to reorganize the foreign affairs agencies. Since then, I am pleased that representatives from the Administration have met with your staff as a follow on to that discussion.

I am asking the Vice President to submit to you and Representative Gilman a proposal that we will get back to you by a date certain our detailed plan for reorganizing the foreign affairs agencies.

As you know, I strongly believe that the organization of the federal government is the prerogative of the Executive branch, although I think it is important to take into consideration Congressional concerns and ideas as we complete this process.

I ask that in the interim the Committee resume its work with us on treaties such as START II and the Chemical Weapons Convention, Ambassadorial confirmations and other committee business.

I continue to believe that it is critical for this nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America's world leadership

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strong.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME 27 September 95 14:09

FROM Halperin, Morton H.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Halperin Package [UNCLASSIFIED]

TO Tyler, John T.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

I took a quick look at the changes and they seem ok. Pls take a look and let me know what you think.

From: Danvers, William C.
To: Bell, Robert G.; Clarke, Richard A.; Halperin, Morton H.
CC: /R, Record at A1; Cooper, Kathleen H.; Kelly, Sandra L.; Lindsey, Wanda D.; @LEGISLAT-Legislative Affairs
Subject: FW: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 01:49 PM

[[6787-1A.DOC : 3597 in 6787-1A.DOC]][[6787-2A.DOC : 3598 in 6787-2A.DOC
]][[6787-3A.DOC : 3599 in 6787-3A.DOC]]

Some changes.

From: Burrell, Christina L.
To: Danvers, William C.
CC: /N, NonRecord at A1
Subject: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 01:36 PM

ATTACHMENT FILE DATE 27 September 95 13:20

ATTACHMENT FILE NAME 6787-1A.DOC

6787

LIMITED ACCESS

CLINTON LIBRARY PHOTOCOPY

D R A F T

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

There has been one subsequent meeting between Helms' staff and the interagency (State, USAID, ACDA, USIA and NSC) legislative affairs offices. That meeting was limited to discussion about procedures, i.e. deal with restrictions on presidential prerogatives first, then the numbers and then with the consolidation issue. Since then the context has changed.

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ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated.

ù Issue has been raised by Leon Panetta at his staff meeting: his feeling is that we have to solve the problem.

ù "Hanging tough is an increasingly difficult strategy." Helms will keep coming at us and he has some Democratic support.

ù The heads of the Agencies remain opposed to consolidation.

ù We have had a solid hang tough--all for one and one for all--

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position for months, which is identified with the Vice President. A shift from that position could move Helms to claim victory.

We need to decide how to proceed once we have an agreed upon position. We suggest that there be a VP-led meeting of concerned agency heads, bringing them on board. We should then get back to our Democrats in the Senate and House to let them know what we want to do. Finally, contact should be made with Helms and Gilman, presenting our proposal. The issue remains as to what our "proposal" will be. The most workable solution is to tell Helms and Gilman that we will get back to them with a specific

reorganization plan by a date certain.

Our end game is simple:

ù Respond to Helms;

ù Avoid forced, mandated consolidation; and

ù Use the budget context to force a hard look at the reinvention of the foreign affairs agencies and move toward acceptance of the position developed through the NPR review of the four agencies.

We have attached a memo to the President (Tab I) and a letters from the President to Senator Helms (Tab A) reflecting this position.

Concurrence by: Richard Clarke; Bill Danvers; Bob Bell

Attachments
Tab I Memorandum for the President
Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 13:33

ATTACHMENT FILE NAME 6787-2A.DOC

6787

LIMITED ACCESS

cc: Vice President

Chief of Staff

CLINTON LIBRARY PHOTOCOPY

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Response to Sen. Helms Letter of September 8, 1995

Purpose

To respond to Senator Jesse Helms' offer to work with us on the issue of "reorganizing the State Department" and the other foreign affairs agencies.

Background

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ù Senator Helms has stated publicly on several occasions that he is waiting for a response from you to your meeting with him and that he will hold up nominations and consideration of treaties, particularly START II and the Chemical Weapons Convention; nominations; and other Committee business until he has an up or down vote on his proposal.

ù There is some Democratic support for consolidation. Three Democrats voted against the motion to table the Helms amendment last week. Senator Kerry stated on the Senate floor that he is willing to see one of the agencies consolidated, a position he took during Senate Foreign Relations Committee deliberations on this issue.

CLINTON LIBRARY PHOTOCOPY

On the other side of this issue, Agencies targeted by the Helms legislation continue to oppose any consolidation. There are also key Democrats who are willing to back us in our resistance to the Helms plan. We believe that in order to try to get the Foreign Relations Committee business moving again, we should respond to Senator Helms by telling him that we will present to Congress by a date certain a reorganization plan. This will allow us and our

supporters to be able to say that we have responded to the Senator and that he should now allow the SFRC to meet to conduct its business.

RECOMMENDATION

That you sign the attached letter to Senator Helms.

Attachments
Tab A Letter to Senator Jesse Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 13:16

ATTACHMENT FILE NAME 6787-3A.DOC

Dear Mr. Chairman:

I wanted to get back to you following our meeting to discuss your proposal to reorganize the foreign affairs agencies. Since then, I am pleased that representatives from the Administration have met with your staff as a follow on to that discussion.

I am asking the Vice President to submit to you and Representative Gilman a proposal that we will get back to you by a date certain our detailed plan for reorganizing the foreign affairs agencies.

As you know, I strongly believe that the organization of the federal government is the prerogative of the Executive branch, although I think it is important to take into consideration Congressional concerns and ideas as we complete this process.

I ask that in the interim the Committee resume its work with us on treaties such as START II and the Chemical Weapons Convention, Ambassadorial confirmations and other committee business.

CLINTON LIBRARY PHOTOCOPY

I continue to believe that it is critical for this nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America's world leadership strong.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME 27 September 95 17:06

FROM Halperin, Morton H.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: RESPONSE TO HELMS ON CONSOLIDATION [UNCLASSIFIED]

TO Tyler, John T.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Dick called me and signed off on the package. As you see I sent it on to Leon.

From: Halperin, Morton H.
To: Fuerth, Leon S.
CC: /R, Record at A1; Wise, William M.
Subject: RESPONSE TO HELMS ON CONSOLIDATION [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 04:31 PM

[[6787A.DOC : 4387 in 6787A.DOC]][[6787B.DOC : 4388 in 6787B.DOC]][[

6787C.DOC : 4389 in 6787C.DOC]]

Attached is the package to respond to the Helms letter to POTUS on consolidation. It tracks what we have discussed. Since much time has passed since we received it I thought I should start moving it along.

I would like to get your response on this substance as well as process. How should the package move forward to get the necessary concurrences including the VP and Tony?

Any word on the meeting? I have alerted Tony.

ATTACHMENT FILE DATE 27 September 95 16:22

ATTACHMENT FILE NAME 6787A.DOC

6787

LIMITED ACCESS

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ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

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CLINTON LIBRARY PHOTOCOPY

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ù Avoid forced, mandated consolidation; and

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We have attached a memo to the President (Tab I) and a letters from the President to Senator Helms (Tab A) reflecting this position.

Concurrence by: Richard Clarke; Bill Danvers; Bob Bell

Attachments
Tab I Memorandum for the President
Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 16:23

ATTACHMENT FILE NAME 6787B.DOC

6787

LIMITED ACCESS

cc: Vice President

Chief of Staff

ACTION

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Response to Sen. Helms Letter of September 8, 1995

Purpose

To respond to Senator Jesse Helms' offer to work with us on the issue of "reorganizing the State Department" and the other foreign affairs agencies.

Background

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Senator Helms by telling him that we will present to Congress by a date certain a reorganization plan. This will allow us and our

supporters to be able to say that we have responded to the Senator and that he should now allow the SFRC to meet to conduct its business.

RECOMMENDATION

That you sign the attached letter to Senator Helms.

Attachments
Tab A Letter to Senator Jesse Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 16:24

ATTACHMENT FILE NAME 6787C.DOC

Dear Mr. Chairman:

I wanted to get back to you following our meeting to discuss your proposal to reorganize the foreign affairs agencies. Since then, I am pleased that representatives from the Administration have met with your staff as a follow on to that discussion.

I am asking the Vice President to submit to you and Representative Gilman a proposal that we will provide you by a date certain our detailed plan for reorganizing the foreign affairs agencies.

As you know, I strongly believe that the organization of the federal government is the prerogative of the Executive branch, although I think it is important to take into consideration Congressional concerns and ideas as we complete this process.

I ask that in the interim the Committee resume its work with us on treaties such as START II and the Chemical Weapons Convention, Ambassadorial confirmations and other committee business.

I continue to believe that it is critical for this nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America's world leadership

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strong.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

CLINTON LIBRARY PHOTOCOPY

M S M a i l DATE-TIME 05 October 95 20:06
FROM Simon, Steven N.
CLASSIFICATION UNCLASSIFIED
SUBJECT [UNCLASSIFIED]URGENT! TL MEMO RE BUDGET
TO Andricos, George M.
Bendick, Gordon L.
Burrell, Christina L.
Danvers, William C.
Tyler, John T.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

[[MOOSE.DOC : 5190 in MOOSE.DOC]]

Bill D.
Tim T.

Gentleman:
Dick Moose is calling on Tony tomorrow afternoon to discuss resources. Attached is an e-mail backgrounder requested for the meeting. Pls review ASAP as I need to get it up there relatively early this morning. Sorry for the ridiculous turn around.

Thanks, SS

ATTACHMENT FILE DATE 5 October 95 20:2
ATTACHMENT FILE NAME MOOSE.DOC

FOR TONY LAKE

Subject: Your meeting with Dick Moose on Resources

SUMMARY

According to his staff, Moose intends to give you a comprehensive briefing on the State operating budget. The point of his presentation is that declining resources will make it impossible for State to do its the job we want it to do.

Moose's main point is that State Operations, for which he is responsible, is unsustainable given likely FY 96 and outyear numbers.

--For FY 96, the numbers do not appear to bear out his claim.

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--In the outyears, Operations will be cut about 7 per cent over 5 years if Congress fully appropriates the President's request; again, not draconian.

--The interesting issues are (a) the possibility that the congressional cuts to 150 will actually be much deeper in the outyears; (b) the possibility that a Helms compromise on <<reorganization>> could lead to heavy cuts in State's budget even if other forces do not drive down the top line; and (c) how will State cope with deep cuts.

BACKGROUND

In FY 96, Moose's accounts--salaries and expenses, diplomatic and consular costs, foreign building operations, and capital investment fund--have done relatively well. What started out as a 12 per cent cut in the House became a 3 per cent cut in the Senate and will probably emerge as a 4-5 per cent cut in conference. Compared to the 40 per cent reduction in international organizations and assessed peacekeeping, 25 per cent cut in <<USIA>>, and 70 per cent cut in ACDA, State operations is essentially intact.

Where State operations will hurt is in foreign buildings operations, which has been hit twice. The House cut it by 60-65 million, which was bad, but survivable. The Senate, however, put in a 140 million rescission of FY 95 obligations. If this is not removed in conference, State can either forget about finishing the new embassy in Moscow, or starting one in Ottawa. In any case, modernization of facilities in the NIS would likely fall by the wayside.

State also asked for 32 million in FY 96 for a fenced fund to pay for improvement of its "crumbling infrastructure." For the most part, this is needed to recover from State's procurement of a computer network from a supplier that has since collapsed. The remainder is needed for a multi-year upgrade of communications systems. The House funded only 8 million (out of 32 million); the Senate, 16 million. Whatever the conference outcome, these infrastructure improvements will clearly suffer.

At this point, the bottom line on FY 96, in relative terms, is no problem.

The Outyears

CLINTON LIBRARY PHOTOCOPY

Alice Rivlin sent agencies, including State, guidance letters on June 10 based on the President's commitment to eliminate the deficit in ten years. State was told that beginning in FY 97, it would

have to implement percentage reductions of 3, 5, 7, and 9 per cent per year, at which point its budget curve would flatten. (No numbers accompanied these percentage targets.) We calculate that Moose's accounts would drop by about 140 million over 5 years, from a likely FY 96 appropriation of $2.1 billion to $1.96 billion in FY `00.

Moose has told some people, and may tell you, that his State accounts need yearly increases of $70 million if the operation is going to continue running. I am told, though, that he has told Alice Rivlin and Gordon Adams that he accepts the 3, 5, 7, 9 reduction plan and can meet the targets through savings generated by the Strategic Management Initiative (SMI), a collection of on-the-margin nibbles out of State's current level of effort.

As a practical matter, program money will be used to subsidize salaries and expenses, which explains the Department's under-sized peacekeeping request for FY 96. This will work only up to a point, however, especially if OMB's guidance emerges as unrealistically high. What we are likely to get for FY 96 at the end of the day will be 2 -4 billion higher than the Kasich and Domenici budgets put forward this Spring. But the sentiment that drove their top lines will remain the monster in the closet. You may therefore want to ask Moose how he thinks State will <u><<</u> reorganize<u>>></u> if the decline in appropriations outstrips the ingenuity of the SMI.

State's FY 97 Request

Christopher sent Alice Rivlin an October 2 memo enclosing his FY 97 Function 150 request. It is 5 per cent over the President's guidance and an indeterminable amount over what is likely to be appropriated. Most of the increase is due to inclusion of money for clearing existing and prior year CIPA arrearages and for Bosnia reconstruction.

In this context, State Operations, at 2.262 million, is $84 million over our FY 96 request and about $160 million over the likely conference result for FY 96. Thus, part of the increase over guidance protects Moose's accounts. Again, how well the request will fare, both within OMB and in the appropriations process remains to be seen.

CLINTON LIBRARY PHOTOCOPY

M S M a i l DATE-TIME 06 October 95 08:41
FROM Simon, Steven N.
CLASSIFICATION UNCLASSIFIED
SUBJECT [UNCLASSIFIED]urgent--lake-moose mtg
TO Cooper, Kathleen H.
Halperin, Morton H.
Kammerer, Kelly C.
Lorin, Matthew E.
Malley, Robert
Noetzel, Jon C.
Tyler, John T.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY
[[MOOSE.DOC : 2065 in MOOSE.DOC]]
Mort:
I sent attached yesterday to Tim, but no response yet. Could you comment/clear so I can get this up to TL? Thanks, SS
ATTACHMENT FILE DATE 6 October 95 8:10
ATTACHMENT FILE NAME MOOSE.DOC

FOR TONY LAKE

Subject: Your meeting with Dick Moose on Resources

SUMMARY

According to his staff, Moose intends to give you a comprehensive briefing on the State operating budget. The point of his presentation is that declining resources will make it impossible for State to do the job we want it to do.

Moose's main point is that State Operations, for which he is responsible, is unsustainable given likely FY 96 and outyear numbers. However:

--For FY 96, the numbers do not appear to bear out his claim.

--In the outyears, the Operations part of the overall State budget will be cut about 7 per cent over 5 years if Congress fully appropriates the President's request; again, not draconian.

--The interesting issues are (a) the possibility that the congressional cuts to 150 will actually be much deeper in the outyears; (b) the possibility that a Helms compromise on

CLINTON LIBRARY PHOTOCOPY

<< reorganization>> could lead to heavy cuts in State's budget even if other forces do not drive down the top line; and (c) the choices State will have to make to cope with deep cuts.

BACKGROUND

In FY 96, Moose's accounts--salaries and expenses, diplomatic and consular costs, foreign building operations, and capital investment fund--have done relatively well. What started out as a 12 per cent cut in the House became a 3 per cent cut in the Senate and will probably emerge as a 4-5 per cent cut in conference. Compared to the 40 per cent reduction in international organizations and assessed peacekeeping, 25 per cent cut in << USIA>> , and 70 per cent cut in ACDA, State operations is essentially intact.

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State also asked for $32 million in FY 96 for a fenced fund to pay for improvement of its "crumbling infrastructure." For the most part, this is needed to recover from State's procurement of a computer network from a supplier that has since collapsed. The remainder is needed for a multi-year upgrade of communications systems. The House funded only $8 million (out of $32 million); the Senate, $16 million. Whatever the conference outcome, these infrastructure improvements will clearly suffer.

At this point, the bottom line on FY 96, in relative terms, is no problem.

The Outyears

In June, Alice Rivlin sent agencies, including State, guidance letters based on the President's commitment to eliminate the deficit

in ten years. State was told that beginning in FY 97, it would have to implement percentage reductions of 3, 5, 7, and 9 per cent per year, at which point its budget curve would flatten. (No numbers accompanied these percentage targets.) We calculate that Moose's accounts would drop by about $140 million over 5 years, from

CLINTON LIBRARY PHOTOCOPY

a likely FY 96 appropriation of $2.1 billion to $1.96 billion in FY `00.

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Christopher sent Alice Rivlin an October 2 memo enclosing his FY 97 Function 150 request. It is 5 per cent over the President's guidance and an indeterminable amount over what is likely to be appropriated. Most of the increase is due to inclusion of money for clearing existing and prior year CIPA arrearages and for Bosnia reconstruction.

In this context, State Operations, at $2.262 million, is $84 million over our FY 96 request and about $160 million over the likely conference result for FY 96. Thus, part of the increase over guidance protects Moose's accounts. Again, how well the request will fare, both within OMB and in the appropriations process remains to be seen.

CLINTON LIBRARY PHOTOCOPY

MSMail

DATE-TIME	06 October 95 09:32
FROM	Simon, Steven N.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	[UNCLASSIFIED]Background for TL-Moose Mtg
TO	Bass, Peter E. Cicio, Kristen K. Emery, Mary C. Hall, Wilma G. Veit, Katherine M.
CARBON_COPY	Andricos, George M. Bendick, Gordon L. Burrell, Christina L. Cooper, Kathleen H. Danvers, William C. Halperin, Morton H. Kammerer, Kelly C. Lorin, Matthew E. Malley, Robert Noetzel, Jon C. Tyler, John T.

TEXT_BODY

FOR TONY LAKE

Subject: Your meeting with Dick Moose on Resources

SUMMARY

According to his staff, Moose intends to give you a comprehensive briefing on the State operating budget. The point of his presentation is that declining resources will make it impossible for State to do the job we want it to do.

MooseÉs main point is that State Operations, for which he is responsible, is unsustainable given likely FY 96 and outyear numbers. However:

--For FY 96, the numbers do not appear to bear out his claim.

--In the outyears, the Operations part of the overall State budget will be cut about 7 per cent over 5 years if Congress fully appropriates the PresidentÉs request; again, not draconian.

--The interesting issues are (a) the possibility that the congressional cuts

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to 150 will actually be much deeper in the outyears; (b) the possibility that a Helms compromise on reorganization could lead to heavy cuts in StateÉs budget even if other forces do not drive down the top line; and (c) the choices State will have to make to cope with deep cuts.

BACKGROUND

In FY 96, MooseÉs accounts--salaries and expenses, diplomatic and consular costs, foreign building operations, and capital investment fund--have done relatively well. What started out as a 12 per cent cut in the House became a 3 per cent cut in the Senate and will probably emerge as a 4-5 per cent cut in conference. Compared to the 40 per cent reduction in international organizations and assessed peacekeeping, 25 per cent cut in USIA, and 70 per cent cut in ACDA, State operations is essentially intact.

Where State operations will hurt is in foreign buildings operations, which has been hit twice. The House cut it by $60-65 million, which was bad, but survivable. The Senate, however, put in a $140 million rescission of FY 95 obligations. If this is not removed in conference, State can either forget about finishing the new embassy in Moscow, or starting one in Ottawa. In any case, modernization of facilities in the NIS would likely fall by the wayside.

State also asked for $32 million in FY 96 for a fenced fund to pay for improvement of its Êcrumbling infrastructure.Ë For the most part, this is needed to recover from StateÉs procurement of a computer network from a supplier that has since collapsed. The remainder is needed for a multi-year upgrade of communications systems. The House funded only $8 million (out of $32 million); the Senate, $16 million. Whatever the conference outcome, these infrastructure improvements will clearly suffer.

At this point, the bottom line on FY 96, in relative terms, is no problem.

The Outyears

In June, Alice Rivlin sent agencies, including State, guidance letters based on the PresidentÉs commitment to eliminate the deficit in ten years. State was told that beginning in FY 97, it would have to implement percentage reductions of 3, 5, 7, and 9 per cent per year, at which point its budget curve would flatten. (No numbers accompanied these percentage targets.) We calculate that MooseÉs accounts would drop by about $140 million over 5 years, from a likely FY 96 appropriation of $2.1 billion to $1.96 billion in FY È00.

Moose has told some people, and may tell you, that his State accounts need yearly increases of $70 million if the operation is going to continue running. I am told, though, that he has told Alice Rivlin and Gordon Adams that he accepts the 3, 5, 7, 9 reduction plan and can meet the targets through savings generated by the Strategic Management Initiative (SMI), a collection of on-the-margin nibbles out of StateÉs current level of effort.

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As a practical matter, program money will be used to subsidize salaries and expenses, which explains the DepartmentÉs under-sized peacekeeping request for FY 96. This will work only up to a point, however, especially if OMBÉs guidance emerges as unrealistically high. What we are likely to get for FY 96 at the end of the day will be $2 -4 billion higher than the Kasich and Domenici budgets put forward this Spring. But the sentiment that drove their top lines will remain the monster in the closet. You may therefore want to ask Moose how he thinks State will reorganize if the decline in appropriations outstrips the ingenuity of the SMI.

StateÉs FY 97 Request

Christopher sent Alice Rivlin an October 2 memo enclosing his FY 97 Function 150 request. It is 5 per cent over the PresidentÉs guidance and an indeterminable amount over what is likely to be appropriated. Most of the increase is due to inclusion of money for clearing existing and prior year CIPA arrearages and for Bosnia reconstruction.

In this context, State Operations, at $2.262 million, is $84 million over our FY 96 request and about $160 million over the likely conference result for FY 96. Thus, part of the increase over guidance protects MooseÉs accounts. Again, how well the request will fare, both within OMB and in the appropriations process remains to be seen.

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MSMail

DATE-TIME	06 October 95 19:29
FROM	Andricos, George M.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Legislative Update; [UNCLASSIFIED]
TO	Baker, Jane E. Baldwin, Kenneth Bass, Peter E. Cicio, Kristen K. Dohse, Fred J. Emery, Mary C. Gray, Wendy Hall, Wilma G. Harmon, Joyce A. Joshi, M. Kay Kessinger, Jodi Millison, Cathy L. Sens, Andrew D. Veit, Katherine M.
CARBON_COPY	Andricos, George M. Bendick, Gordon L. Burrell, Christina L. Danvers, William C. Fuerth, Leon S. Wise, William M.

TEXT_BODY

Note for Tony, Sandy and Nancy,

Bosnia: Perry, Shali, Christopher hearings are being scheduled for Oct 17 in the Senate and Oct 18 in the House. Two hearings each day (SASC,SFRC,HNSC,HIRC). State and DoD are continuing principals' calls. The National Security Subc, H Appns Cte. asked DoD to brief them next week. White and Owens will brief. We plan to be prepared to respond to briefing requests next week, but do not plan at this time to offer briefings because DoD is not prepared to talk specifics on plans. Instead we are working on a fact sheet which would be distributed to all members next Wednesday that would bring them up to date on the cease-fire, proximity talks and any other appropriate issues. DoD advised that this concept worked well during the Persian Gulf war in that it kept members informed without running the risks that questions would come up that we weren't prepared to answer. We will continue to monitor the temperature on the Hill and respond accordingly.

Computer Controls: Made calls this morning. Poneman and agency

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representatives briefed HIRC staff at 4:00PM. Senate Banking Cte will host a staff briefing next Wednesday. Response has been generally muted except for SASC staff who was quite vocal in rejecting the new policy and threatened restrictive language in the DOD Authorization conference report.

Consolidation: Leon Fuerth will meet with AID, ACDA and USIA representatives
on Tuesday and intends to finalize proposed legislation by COB Tuesday which we can then discuss with Senate Democrats on Wednesday in trying to come to closure on a managers amendment on Helms' reorganization bill.

Cuba: Sent fact sheets to Hill today. Dole's staff called this decision "blatantly political" and is working on a response for Dole who is expected to Introduce the Burton Bill in the Senate next week. State advises that Helms is expected to submit a substitute bill. Dodd will lead the opposition. and thinks we may be able to defeat Helms outright (vote count is close) but if not, will try to table it. House Republicans have not decided how they will respond to the new policy. We will monitor closely.

State Appropriations Bills: An OMB letter to the Foreign Operations Appns. Bill is circulating which signals veto. Steve Simon is sending you a separate note on this. No conference action expected next week. No indication yet on timing for the CJS conference. This is still a bit confused since Phil Gramm switched to Senate Finance Committee and is no longer on Appropriations. Judd Gregg is next in line to be CJS Chairman but this has not been made official.

Bill Danvers is in Boston this weekend helping his parents celebrate their 50th Anniversary. He can be reached by sky pager and will be back in town Monday afternoon. I will be attending Parent's Weekend at my youngest son's college and will have a cell phone (sitroom has number) but not a skypager. Gordy Bendick will be in town and on pager.

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MSMail

DATE-TIME	09 November 95 09:12
FROM	Halperin, Morton H.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Halperin Package [UNCLASSIFIED]
TO	Danvers, William C.
CARBON_COPY	Burrell, Christina L.

TEXT_BODY

This is what I found in Mort's e-mail. We have now gotten a dunning notice from exec sec looking for this letter. What should we do? Kathy

---

From: Danvers, William C.
To: Bell, Robert G.; Clarke, Richard A.; Halperin, Morton H.
CC: /R, Record at A1; Cooper, Kathleen H.; Kelly, Sandra L.; Lindsey, Wanda D.; @LEGISLAT-Legislative Affairs
Subject: FW: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 01:49 PM

[[6787-1A.DOC : 2393 in 6787-1A.DOC]][[6787-2A.DOC : 2394 in 6787-2A.DOC
]][[6787-3A.DOC : 2395 in 6787-3A.DOC]]

Some changes.

From: Burrell, Christina L.
To: Danvers, William C.
CC: /N, NonRecord at A1
Subject: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 01:36 PM

ATTACHMENT FILE DATE	27 September 95 13:20
ATTACHMENT FILE NAME	6787-1A.DOC

6787

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D R A F T

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

There has been one subsequent meeting between Helms' staff and the interagency (State, USAID, ACDA, USIA and NSC) legislative affairs offices. That meeting was limited to discussion about procedures, i.e. deal with restrictions on presidential prerogatives first, then the numbers and then with the consolidation issue. Since then the context has changed.

ù Jesse Helms won a 57-43 vote on tabling his amendment to force consolidation -- he then withdrew his amendment.

ù Bob Dole is now involved.

ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated.

ù Issue has been raised by Leon Panetta at his staff meeting: his feeling is that we have to solve the problem.

ù "Hanging tough is an increasingly difficult strategy." Helms will keep coming at us and he has some Democratic support.

ù The heads of the Agencies remain opposed to consolidation.

ù We have had a solid hang tough--all for one and one for all--

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position for months, which is identified with the Vice President. A shift from that position could move Helms to claim victory.

We need to decide how to proceed once we have an agreed upon position. We suggest that there be a VP-led meeting of concerned agency heads, bringing them on board. We should then get back to our Democrats in the Senate and House to let them know what we want to do. Finally, contact should be made with Helms and Gilman, presenting our proposal. The issue remains as to what our "proposal" will be. The most workable solution is to tell Helms and Gilman that we will get back to them with a specific

reorganization plan by a date certain.

Our end game is simple:

ù Respond to Helms;

ù Avoid forced, mandated consolidation; and

ù Use the budget context to force a hard look at the reinvention of the foreign affairs agencies and move toward acceptance of the position developed through the NPR review of the four agencies.

We have attached a memo to the President (Tab I) and a letters from the President to Senator Helms (Tab A) reflecting this position.

Concurrence by: Richard Clarke; Bill Danvers; Bob Bell

Attachments
Tab I Memorandum for the President
Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 13:33

ATTACHMENT FILE NAME 6787-2A.DOC

6787

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cc: Vice President

Chief of Staff

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ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Response to Sen. Helms Letter of September 8, 1995

Purpose

To respond to Senator Jesse Helms' offer to work with us on the issue of "reorganizing the State Department" and the other foreign affairs agencies.

Background

Following your meeting with him, Senator Helms wrote you on September 8th, offering to work with us and the State Department on the State Department Bill (i.e. on the issue of consolidation of the foreign affairs agencies). There has also been a follow-up meeting with Helms' staff and interagency legislative affairs representatives on procedural matters. Since then the situation has changed:

ù Jesse Helms won a 57-43 vote on tabling an amendment he sponsored with Senator Dole to force consolidation last week during Senate consideration of the Foreign Operations Appropriations bill. He subsequently withdrew his amendment.

ù Senator Helms has stated publicly on several occasions that he is waiting for a response from you to your meeting with him and that he will hold up nominations and consideration of treaties, particularly START II and the Chemical Weapons Convention; nominations; and other Committee business until he has an up or down vote on his proposal.

ù There is some Democratic support for consolidation. Three Democrats voted against the motion to table the Helms amendment last week. Senator Kerry stated on the Senate floor that he is willing to see one of the agencies consolidated, a position he took during Senate Foreign Relations Committee deliberations on this issue.

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On the other side of this issue, Agencies targeted by the Helms legislation continue to oppose any consolidation. There are also key Democrats who are willing to back us in our resistance to the Helms plan. We believe that in order to try to get the Foreign Relations Committee business moving again, we should respond to Senator Helms by telling him that we will present to Congress by a date certain a reorganization plan. This will allow us and our

supporters to be able to say that we have responded to the Senator and that he should now allow the SFRC to meet to conduct its business.

RECOMMENDATION

That you sign the attached letter to Senator Helms.

Attachments
Tab A Letter to Senator Jesse Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 13:16

ATTACHMENT FILE NAME 6787-3A.DOC

Dear Mr. Chairman:

I wanted to get back to you following our meeting to discuss your proposal to reorganize the foreign affairs agencies. Since then, I am pleased that representatives from the Administration have met with your staff as a follow on to that discussion.

I am asking the Vice President to submit to you and Representative Gilman a proposal that we will get back to you by a date certain our detailed plan for reorganizing the foreign affairs agencies.

As you know, I strongly believe that the organization of the federal government is the prerogative of the Executive branch, although I think it is important to take into consideration Congressional concerns and ideas as we complete this process.

I ask that in the interim the Committee resume its work with us on treaties such as START II and the Chemical Weapons Convention, Ambassadorial confirmations and other committee business.

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I continue to believe that it is critical for this nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America's world leadership strong.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

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Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Danvers, William C. to Baker, John E. et al. re: John Hilley (8 pages)	02/16/1996	P5
002. email	Danvers to Baker, Jane E. et al. re: Legislative Update (3 pages)	03/05/1996	P5
003. email	Lindsay, James M. to Orr, Robert C., et. al., re: Answering TL's Questions (7 pages)	11/12/1996	P1/b(1), P5
004. email	Lindsay to Chen, Philip D., re: What Did You Want? (14 pages)	11/22/1996	P1/b(1), P5
005. email	Lindsay to Chen, re: Another Version of the Second R&P (10 pages)	11/22/1996	P1/b(1), P5
006. email	Chen to Simon, Steven N., re: Edits to Planning Doc. (10 pages)	11/26/1996	P1/b(1), P5
007. email	Lindsay to Danvers, William C., re: Urgent Clearance Requested (6 pages)	12/06/1996	P1/b(1), P5
008. email	Lindsay to Sheehan, Michael A., re: Budget Materials (28 pages)	12/06/1996	P1/b(1), P5
009. email	Sheehan to Baldwin, Kenneth, re: Budget Materials (28 pages)	12/09/1996	P1/b(1), P5
010. email	Lindsay to Schwartz, Eric P., re: Transition Paper on Resources (9 pages)	12/31/1996	P1/b(1), P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[02/09/1996 - 12/31/1996]

Eric Holzer
2006-0208-F
eh182

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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MSMail

DATE-TIME	16 February 96 16:36
FROM	Danvers, William C.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	John Hilley [UNCLASSIFIED]
TO	Baker, Jane E. Baldwin, Kenneth Bass, Peter E. Cicio, Kristen K. Dohse, Fred J. Friedrich, M. K. Hall, Wilma G. Harmon, Joyce A. Hilliard, Brenda I. Joshi, M. Kay Kessinger, Jodi Millison, Cathy L. Sens, Andrew D. Veit, Katherine M. Wiley, Mary C.
CARBON_COPY	Andricos, George M. Bendick, Gordon L. Burrell, Christina L. Danvers, William C. Davis, William K.

TEXT_BODY

Note for Tony, Sandy and Nancy:

Per our conversation with John Hilley the other day, attached is a legislative timeline and summary of key legislative issues that we may face in this session. In addition, we have attached a list of House Republicans to whom he may want to make courtesy calls.

Please let me know as soon as you can if this is OK to send to John.

Thanks.

[[HILLEY.DOC : 4120 in HILLEY.DOC]][[TIMELINE.DOC : 4121 in TIMELINE.DOC
]]

ATTACHMENT FILE DATE	16 February 96 16:35

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ATTACHMENT
FILE NAME HILLEY.DOC

Courtesy Calls for John Hilley

Member

John Kasich (R-OH)
Chairman of Budget Committee. Supports B-2 decision by POTUS. After he relinquishes Budget chair, he'll be in line to be a chair of HCONS subcommittee. Could also make a run at full committee--very popular with freshmen and sophomore Republicans.

Herbert Bateman (R-VA)
Chairman HCONS Readiness Subcommittee. Wants to expand NATO.

Curt Weldon (R-PA)
Chairman HCONS R&D Subcommittee. Former college professor--expert on Russia/NIS. Pro National Missile Defense, but reasonable in how we get there.

Jim Longley (R-ME)
Cohen-type Republican. Marine Reserve LTColonel. Somewhat helpful on Bosnia. Very involved in defense/foreign policy issues.

Dave Hobson (R-OH)
On Def Approps Subcommittee. Supports lowering DOD funding. A bright, involved Member.

Sherry Boehlert(R-NY)
Moderate Republican. Leader of moderate Republicans along with Chris Shays.

Henry Hyde (R-IL)

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House Judiciary Chair. Spokesperson for traditional House conservatives on foreign affairs issues. Anti-terrorism and Immigration bills pending before his committee. Wants to repeal War Powers.

Sonny Callahan (R-AL)
Chairs Foreign Ops Approps Subcommittee. Has been helpful in limiting cuts to 150 account. Helpful on Bosnia. Works closely with Livingston.

Doug Bereuter (R-NE)
Moderate. Chairman of HIRC Asia Subcommittee. Active on Asian issues. Also involved with North Atlantic Assembly. Opposed us on Bosnia. Works independent of the Republican Leadership.

Peter Torkildsen
(R-MA)
Moderate HCONS Member. Leading the House effort to repeal HIV amendment in DOD Bill.

Jennifer Dunn (R-WA)
On Ways and Means. Runs the influential Wed. Breakfast Club, a group that has provided us with an opportunity to get our message out on Bosnia, NMD, B2, foreign policy issues. Works closely with leadership.

Chris Shays (R-CT)
Leader of the Moderate Repubs. Has respect of leadership for his straight talk and fairness.

Frank Wolf (R-VA)
Conservative. Leading human rights activist in the Republican Party. Particularly concerned about China and Chechyna.

David Dreier (R-CA)
Conservative. Active on trade issues, helpful on China MFN.

Jim Kolbe (R-AZ)
Moderate. Helpful on trade issues.

Steve Gunderson (R-WI)
Moderate. Working hard to help us out with HIV repeal.

Amo Houghton (R-NY)
Moderate. Supported us on Bosnia.

Susan Molinari (R-NY)
Moderate. Thoughtful and reasonable. Lead a CODEL to Bosnia prior to vote.

Bob Livingston (R-LA)
Has been very helpful in securing 150 funds. Intelligent, conservative and reasonable. Interested in Russia and ABM Treaty.

ATTACHMENT FILE DATE 16 February 96 16:26

ATTACHMENT FILE NAME TIMELINE.DOC

NOTIONAL TIMELINE OF MAJOR FOREIGN POLICY CONGRESSIONAL EVENTS

FEBRUARY

- 21st: Bosnia and Jordan Supps sent to Hill
- briefings/consults continue on UN Reform/arrears

MARCH
- 1st: Counternarcotics certifications announced
- 4th: SecDef/CJSC Posture hearings begin

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- 5th: Release of State Dept. Human Rights Report
- Conference on Helms/Burton Cuba legislation
- Iran/Libya sanctions legislation moves in House
- 15th: CR expires (includes State Dept.)
- 18th: President's Budget to Hill/Hearings begin
- CWC Hearings before SFRC w/SecState, SecDef
- State Auth./Reorganization bill to Conference
- Legislation to Abrogate ABM Treaty to SASC & HCONS
- EAA Markup by HIRC

APRIL
- 1st: Waiver for State Auth. requirement expires (if CJS Conf. Rpt. enacted)
- Budget Resolution debated/hearings continue
- Possible DOD Authorization Markups by HCONS & SASC
- 30th: CWC discharged from SFRC if not yet reported

MAY
- Possible DOD Auth. bill to House & Senate floors
- FY `97 Foreign Operations Bill marked up in House
- Possible DOD Appropriations Bill marked up in House

JUNE
- China MFN waiver must be renewed
- DOD Authorization Conference
- DOD Appropriations to House floor

JULY
- Likely floor consideration of MFN legislation
- DOD Auth. Conference Report on House & Senate floors
- DOD Approps. Bill to Conference/Conf. Rpt. to floors
- Possible floor consideration of Law of Sea Treaty

AUG. - Recess

SEPTEMBER
- final action on DOD, CJS, For.Ops Approps. bills

OCTOBER - 4th: Congress target adjourn

MAJOR ISSUES FOR 104TH CONGRESS - 2ND SESSION

Foreign Policy

First Tier

Bosnia - Securing assistance for reconstruction efforts, including a $200 million supplemental/rescission shifting 050 funds to the 150

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account. Will need a lot of high level work; any major bumps in the road may be used for partisan purposes; pressure from Dole to be aggressive on equip & train and support for War Crimes Tribunal.

China - MFN battle will be extremely difficult, but it will not be the only China battle we face; can also expect legislation on visas for Taiwan leaders, Taiwan accession to United Nations and WTO; Congress will watch closely all Chinese transgressions in areas such as proliferation, human rights, and threats to Taiwan's security to accuse the Administration of placing economic concerns above all else.

150 Resources - The `97 President's Budget will request an increase for Function 150 over painfully low `96 levels; however, the request will be more than $2B above the $17.1B figure for 150 in the `96 Budget Resolution. Many groups and some key Senate Democrats will watch closely to see if the Administration is willing to make a serious fight for international programs.

Haiti - Even though our troops are withdrawing, Republicans will continue to try to find ways to undermine our success in Haiti. They will hold up assistance, and hold hearings to press for resolution of investigations into political murders.

Middle East - We need $140 million in supplemental funds for Jordan's F-16s (to be offset by a DOD rescission) plus $30 million as part of our FY 97 budget request; we will also face significant aid demands from Israel if it reaches peace with Syria. We will also likely see attempts by some in Congress to block any efforts to send US troops to the Golan Heights as part of an international peace monitoring effort.

Cuba - Helms/Burton legislation will go to conference in early March. Senate version is acceptable; House bill is not. Probably will be some pressure to bring the conference report to the floors before the March 12th Florida primary.

United Nations Reform/Arrears Clearance - We owe approximately $1B to the UN. Some in Congress are willing to help us find the money given we press for serious reforms at the UN (budget cuts, agreement to consult with Congress before we support new UN peacekeeping missions). Difficult to imagine a "grand bargain" on UN reform and arrears clearage going anywhere without a budget agreement.

Second Tier

Mexico - The Hill is active on several fronts with regard to

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Mexico, including NAFTA, narcotics, immigration, and the peso bailout. Senators Feinstein and D'Amato have introduced legislation targeting these issues. Mexico will continue to be a prime political target during the election season.

Iran/Libya Sanctions - Senate passed bill. We support Iran sanctions (worked with D'Amato on compromise), but would like to change Libya portion of bill to make it more effective. House will take bill up in March and will make Iran provision tougher and less palatable. Probably will not change Libya (we will have to work with Senate on Libya).

Vietnam - Congress will watch every step we take on the lengthy path toward increasing economic ties with Vietnam including any move to waive Jackson-Vanik.

Ireland - Republicans could try to tarnish any claims we have to helping the peace process along. Action-forcing events could be our annual budget request for the International Fund for Ireland in the Foreign Ops bill, possible move to close Sinn Fein office in U.S.

and an effort to deny Gerry Adams a visa.

Russia/NIS - Action on this is usually played out via the foreign aid process; Republicans will continue to condition aid to Russia on issues such as the reactor sale to Iran, Chechnya, and the slow pace of reform. Countries such as Ukraine and Armenia will receive hefty Republican earmarks as "bulwarks" against a resurgent Russia.

State Dept. Authorization/Reorganization - House and Senate bills await an extremely complicated conference (perhaps as early as March); before Congressional Dems are willing to seriously engage, they (and we concur) want the Repubs. to offer viable compromises on abortion/family planning issues and reach a package on funding/reorganization of the foreign affairs agencies that is no more onerous than the Senate's version (i.e. one that does NOT mandate abolishing AID, ACDA, or USIA).

Anti-terrorism Legislation - President sent it to Congress and pressed for it in the State of the Union but it is mired in the House in disputes between moderate and conservative Republicans regarding civil rights.

Defense/Arms Control

050 Funding - Republicans will again attempt to add funds to DOD Topline. They will suggest that we are hollowing the defense budget because we will request less than they do this year, despite the fact that we increase defense spending in the out years of our budget. Likely points of tension in this year's budget where

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Republicans will add funds will be procurement and R&D, not O&M. Probable plus ups by Congress could include: B2 and other aircraft programs, as well as additional equipment for the Guard and Reserves. There may also be an effort to add money for the Army as a result of the belief that the army needs funds for Army modernization.

Contingency Deployment - Continuation of 95 arguments. Republicans think that non-defense missions erode DOD ability to train/equip for formal missions. DOD position is to take on all POTUS-directed missions, but want Congressional funding agreed to up front or troop readiness may suffer.

C-17 - DOD will request multi-year procurement this Spring, probably using a supplemental/rescission as the legislative vehicle. Don't expect a big fight.

B-2 - This fight is NOT over. Defense Democrats and Republicans are disappointed with our decision and will seek to add $800 million in FY 97. Votes on this are close in both houses. DOD/Uniformed Services fully support the President's decision.

CWC - SFRC will hold hearings in March. CWC will be sent to the floor (as agreed by UC) on April 30 unless Helms reports it out sooner. We expect the SFCR to report it out favorably, but with a fight. Floor action in May/June timeframe. Once it gets to the floor, we believe we have the votes to ratify. The real danger is from possible "killer" amendments that would impose conditions making it difficult to impossible for us to ratify the CWC.

ABM - The Republicans will likely introduce and pass legislation to deploy a 50 State National Missile Defense (NMD) by 2003, thus effectively putting us on a collision course with the ABM. Part of a continuous effort to make the President look soft on national missile defense (NMD).

Theater Missile Defense (TMD) - The Republicans will fight our

efforts to stretch out the THAAD program and save $2 billion in the process. They will also try to add even more money for Navy Upper Tier. Our policy is to equalize funding for THAD and Navy Upper Tier so we can be in a position to choose between one or the other by the middle of the next decade.

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MSMail

DATE-TIME	05 March 96 20:48
FROM	Danvers, William C.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Legislative Update [UNCLASSIFIED]
TO	Baker, Jane E. Baldwin, Kenneth Bass, Peter E. Cicio, Kristen K. Dohse, Fred J. Friedrich, M. K. Hall, Wilma G. Harmon, Joyce A. Hilliard, Brenda I. Joshi, M. Kay Kessinger, Jodi Millison, Cathy L. Sens, Andrew D. Veit, Katherine M. Wiley, Mary C.
CARBON_COPY	Bendick, Gordon L. Burrell, Christina L. Cooper, Kathleen H. Danvers, William C. Davis, William K. Fuerth, Leon S. Gorsuch, Robert P. Grummon, Stephen R. Parris, Mark R. Kenneth M. Pollack Satterfield, David M. Wise, William M.

TEXT_BODY

Note for Tony, Sandy and Nancy:

CWC: Holum, Bell and Lauder briefed Sens Stevens, Levin and Kyl of Arms Control Observer Group.. Went extremely well. Senators interested in compliance, verification, procedures and costs. Sen Stevens is taking an active role in getting this treaty ratified. He wants another meeting next week to educate additional Senators and get their questions answered before this goes to the floor. Elisa H. spearheading efforts to put a package together for the SACOG.

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CWC HEARING: Scheduling conflicts have been resolved and Chris ,Perry and Shali will testify before the SFRC on Thursday. They will stay 90 minutes and be replaced by Holum, Slocombe and Gen Christman for the duration of the hearing.

ABM DEMARCATION: Bob Bell and an interagency group will brief the Senate Arms Control Observer Group tomorrow regarding ABM Demarcation. This is a request of Sen Cochran, and a follow-up to a staff briefing held last week.

HIV: Sen Kennedy asked the question that we gave him for Gen Shali at the DOD Posture Hearing today. Shali responded that military capability would suffer and fairness was clearly undermined. This question is likely to come up tomorrow at the HCONS Posture hearing and be much more contentious.

SUPPLEMENTALS: We understand that the House will fully fund the Bosnia $200M supp with $156M from Foreign Ops headroom, $41M rescissions from EXIM unobligated balances, and $3M from CJS Subc (offset by a $3M rescission from ACDA). We further understand that the Senate will fund the entire $200M as an emergency. The House will fund at least $70M of the Jordan Supp (maybe more) and it will be offset by DOD funds. The Senate will us mirror the House on the amount but will use unobligated 150 balances. We believe that Senators McConnell and Leahy will offer the Jordan amendment at the Committee Mark tomorrow. The DOD portion of the Supp ($820M) will be fully funded from NRO funds by both House and Senate. You may want to call Perry to see if he can talk to Stevens about using DoD funds for Bosnia and Jordan. There is a lot of extra money in 050 and precious little in 150.

C-17 MULTIYEAR: We understand that Sen Bond will add language tomorrow to the Sen Approps Supp markup to authorize the C-17 multiyear procurement.

STATE AUTHORIZATION: Republicans recessed the Conference subject to the call of the chair to consider the Democrats proposal. By not completing conference today, Republicans gave up any chance they had of getting a Conference Report on the CR.

- - BUT Gilman staff have approached Republican Appropriators about a "backdoor" reorganization on the CR, by zeroing out funding for ACDA or USIA in the CJS portion of the legislation. Inter-agency group will meet with Dem. staff to consider next steps tomorrow morning.

-- Sen. Johnston has a call in to Sandy on the bill, specifically the Asia provisions-- language on Taiwan Relations Act, a Tibet envoy, etc. He will put a hold on the bill if these provisions are in it. He may also want to know if the President would veto the CR if the Rs are successful in attaching the State Auth bill with these provisions in it. Recommend you

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say that we are opposed to the Asia provisions in the bill but obviously have to look at entire CR before deciding on a veto.

ACDA FUNDING: Independent of the maneuvering on the State Auth. bill, ACDA
has made a full court press to get $10M added to their FY '96 budget in the upcoming CR. Both House and Senate Appropriators have denied this request, but tonight the VP raised with Panetta to make this $10M a priority. VP raised this with Leon Panetta today. You might mention it at 7:30 as well, indicating that we will be glad to help in any way we can.

MEXICO: Treasury Dep. Sec. Summers and Customs Commissioner Weise met with
Feinstein today - Feinstein will be briefed tomorrow by inter-agency team (Treasury, State, DoJ, USTR) in addition to meetings with Christopher and Lake. We meet with Daschle and Dodd staffers tomorrow on Mexico as well. We, along with State, have done a round of staff calls on decert of Mexico. Will get you tally as soon as we have it.

CUBA: Nuccio will lead inter-agency brief tomorrow for House members organized by Rep. Rangel. Was a briefing today on immigration contingency plans. Senate passed Helms-Burton conference report today.

MIDDLE EAST: Dole had already drafted a Middle East resolution when we called his office (immediately after talking to Tony). He has Pell and Feinstein as cosponsors. While it has flaws, we recommend (this includes David and Mark) and State concurs that we not try to negotiate with them directly on the text, since we will then be identified with the resolution without the chance of improving it much. We will pass on any comments we may have to Daschle and Gephardt offices. Christopher is having a meeting with about 50 members at Blair House on situation.

HEU: USEC privatization bill will be part of CR. It will include waiver. I need to call Finance and Ways and Means staff to let them know. They will not like this, since there is still some controversy surrounding the waiver.

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Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Ragan, Richard F. to Lorin, Matthew E., re: Reorganization Nonpaper (7 pages)	03/20/97	P1/b(1), P5
002. email	Lindsay, James M. to Brown, Nancy E., et. al., re: Clean Reorg Paper (14 pages)	03/21/97	P1/b(1), P5
003. email	Lindsay to Brown, et. al., re: Reorg Paper (9 pages)	03/25/97	P1/b(1), P5
004. email	Lindsay to Brown, et. al., re: Reorg Paper (9 pages)	03/26/97	P1/b(1), P5
005. email	Lindsay to Brown, et. al., re: Reorg Paper (9 pages)	03/26/97	P1/b(1), P5
006. email	Lindsay, James M. to Brown, et. al., re: Oops [Reorg Paper with Corrected Typo] (9 pages)	03/26/97	P1/b(1), P5
007. email	Lindsay to Davis, William K., re: Reorg Paper (9 pages)	03/26/97	P1/b(1), P5
008. email	Lorin to Schwartz, Eric P. re: USIA Opinion (3 pages)	03/26/97	P5
009. email	Lorin to Schwartz, re: [Analysis Underlying USIA Reorganization] (2 pages)	03/26/97	P1/b(1), P5
010. email	Schwartz to Lindsay, re: Reorganization (11 pages)	03/27/97	P1/b(1), P5
011. email	Lindsay to Friedrich, M. K., et. al., re: Reorg Paper (10 pages)	03/28/97	P1/b(1), P5
012. email	Lindsay to Friedrich, et. al., re: Reorg Paper (10 pages)	03/31/97	P1/b(1), P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[03/20/1997 - 03/31/1997]

Eric Holzer
2006-0208-F
eh185

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013. email	Schwartz to Lorin, Matthew E./Malley, Robert/Ragan, Richard F., re: Reorg Paper (10 pages)	03/31/97	P1/b(1), P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[03/20/1997 - 03/31/1997]

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MSMail

DATE-TIME	26 March 97 13:54
FROM	Lorin, Matthew E.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	USIA opinion [UNCLASSIFIED]
TO	Schwartz, Eric P.
CARBON_COPY	Letts, Kelly J. Lorin, Matthew E. Malley, Robert Ragan, Richard F. Rim, Julie J.
TEXT_BODY	[[USIA2.DOC : 3357 in USIA2.DOC]]
ATTACHMENT FILE DATE	26 March 97 13:53
ATTACHMENT FILE NAME	USIA2.DOC

(2.) Merge USIA into State

Merging USIA into State would entail combining all public diplomacy functions in Washington since they are, de facto, already effectively synthesized in-country. Some functions could be placed within the Public Affairs Bureau and some within the Democracy Bureau. However, this is complicated by the Smith-Mundt Act which prohibits USIA -- and likely its successor -- from disseminating its products domestically. A new Under Secretary for Public Diplomacy could be created. The broadcast functions could be merged, spun off to an independent agency or privatized. The exchange programs could be merged or put into a separate foundation that can leverage private resources with public ones.

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Analysis: Underlying reorganization efforts is the premise that, in the post-Cold War period, domestic public affairs and international public diplomacy must become more effective elements in our foreign policy process. The increasing influence of citizens on their governments as well as the globalization of the mass media has blurred the distinction between public diplomacy, public affairs and traditional diplomacy.

Merging USIA and State could make public diplomacy more central to our foreign policy. However, some critics worry that public diplomacy does not fit well with traditional diplomacy, which is why USIA was created as an independent agency. It could also open public diplomacy accounts to raiding as occurred in the international exchange area until the Bureau was moved out of State in the 1970's.

Under this administration, USIA has already undergone significant reorganization. In the beginning of FY`95, USIA created the Information Bureau (I-Bureau). The I-Bureau is responsible for developing thematic programs for geographic regions, applied through improved telecommunications systems. In FY`94 the Administration supported the United States International Broadcasting Act (PL 103-236). The act called for creation of an International Broadcasting Bureau (IBB) within USIA, with oversight by an appointed Broadcasting Board of Governors (BBG), to include Voice of America, Radio Free Europe/Radio Liberty, Worldnet, Office of Cuba Broadcasting, and Radio Free Asia. The reorganization effort projects net savings of $400 million during the period 1994-97. There is general consensus that the broadcasting function should remain distinct, tied no more or less closely to an oversight or governing agency than envisioned by the authors of PL 103-236. Most recently in 1996, the USIA Office of the Inspector General merged into OIG operations at State. In the last few weeks, NSC concurred on an OMB recommended Executive Order to establish an inter-agency working group on international exchange coordination that would be led by USIA and would include all of the 30+ agencies with international exchange programs.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Lindsay, James M. to Davis, William K./Ragan, Richard F., re: Reorg Next Steps (2 pages)	04/15/1997	P1/b(1), P5
002. email	Lindsay to Kerrick, Donald L., re: Reorg Paper (18 pages)	04/15/1997	P1/b(1), P5
003. email	Ragan to Lindsay, re: Reorg Next Steps (2 pages)	04/16/1997	P1/b(1), P5
004. email	Lindsay to Kerrick, re: Berger Cover Memo (5 pages)	04/16/1997	P1/b(1), P5
005. email	Lindsay to Kerrick, re: Final Options Paper (10 pages)	04/16/1997	P1/b(1), P5
006. email	Lindsay to Kerrick, re: Reorg Cover Memo (6 pages)	04/16/1997	P1/b(1), P5
007. email	Kerrick to Brown, Nancy E., et. al., re: Final Berger Cover Memo (6 pages)	04/16/1997	P1/b(1), P5
008. email	Lindsay to Wechsler, William F., re: [Version of the Berger Cover Memo] (6 pages)	04/16/1997	P1/b(1), P5
009. email	Lindsay to Clarke, Richard A. & Sheehan, Michael A. re: Reorg TPs (2 pages)	04/16/1997	P5
010. email	Wechsler to Kerrick re: Draft Fact Sheet (3 pages)	04/17/1997	P5
011. email	Wechsler to Bendick, Gordon L. et al. re: Reorg (4 pages)	04/17/1997	P5
012. email	Wechsler to Johnson, David T. re: Draft Fact Sheet (3 pages)	04/17/1997	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[04/15/1997 - 04/17/1997]

Eric Holzer
2006-0208-F
eh187

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013. email	Wechsler to Kerrick, re: New Language (13 pages)	04/17/1997	P1/b(1), P5
014. email	Wechsler to Millison, Cathy L., re: [Draft Action Memorandum for the President and Vice President] (3 pages)	04/17/1997	P1/b(1), P5
015. email	Millison to Brown, et. al., re: [Attached Version of the Memo to Berger] (3 pages)	04/17/1997	P1/b(1), P5
016. email	Wechsler to Bendick re: TPs (2 pages)	04/17/1997	P5
017. email	Bendick to Bendick et al. re: Reorg (5 pages)	04/17/1997	P5
018. email	Bendick to Bendick et al. re: TPs (3 pages)	04/17/1997	P5
019. email	Johnson to Johnson et al. re: Draft Fact Sheet (4 pages)	04/17/1997	P5
020. email	Millison to Wechsler, re: Reorganization (12 pages)	04/17/1997	P1/b(1), P5
021. email	Wechsler to Bell, Robert G. re: Fact Sheet (4 pages)	04/17/1997	P5
022. email	Wechsler to Brown, Nancy E. et al. re: Fact Sheet (4 pages)	04/17/1997	P5

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OA/Box Number: 590000

FOLDER TITLE:
[04/15/1997 - 04/17/1997]

Eric Holzer
2006-0208-F
eh187

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MSMail

DATE-TIME	16 April 97 18:35
FROM	Lindsay, James M.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Reorg TPs [UNCLASSIFIED]
TO	Wechsler, William F.
CARBON_COPY	Clarke, Richard A. Sheehan, Michael A.
TEXT_BODY	

[[REORGTP2.DOC : 4614 in REORGTP2.DOC]]

Will,

Here is the first crack at TPs for reorganization. These TPs assume the decision will be Option C. They need work.

Jim

ATTACHMENT FILE DATE	16 April 97 18:32
ATTACHMENT FILE NAME	REORGTP2.DOC

Talking Points on Reorganization

□ Know that many Members believe there must be a significant change
at the foreign affairs agencies.

□ As Secretary Albright has told Chairman Helms, we want to work with you on improving the coherence and effectiveness of the international affairs agencies.

□ A high-level Administration working group has just concluded a thorough examination of ways to improve the efficiency and effectiveness of the foreign affairs agencies. After careful review the group's work, I have decided to proceed with a reorganization of our foreign policy apparatus.

□ The reorganization will be implemented over the course of two years. The broad outlines of the plan are as follows:

--ACDA will be integrated within one year under the Under

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Secretary of State for Arms Control and International Security Affairs. This new Under Secretary will also carry the repsonsibility of being my senior adviser for Arms Control, Nonproliferation and Disarmament.

--USIA will be integrated with State over two years under a new Under Secretary of State for Public Diplomacy.

--AID will remain a distinct agency but be brought under the direct authority of the Secretary of State. Some AID support services will be integrated with State's over two years.

--The State Department substantially reinvent how it operates.

□ I have asked the Secretary of State, in close consultation with ACDA, AID and USIA, to use the next 120 days to develop a detailed
blueprint for implementing this reorganization.

□ My plan balances the need for greater policy coherence and effectiveness with the need to preserve the special missions and skills of the three smaller agencies. It will give us a streamlined policy-making process that is better suited to meeting
the new foreign policy challenges.

□ I am pleased to say that this reorganization plan enjoys the complete support of the Secretary of State and the heads of ACDA, AID and USIA. I appreciate the contributions that they and their staffs made to the working group. I also appreciate the contributions the Vice President and his staff have made to this other efforts to way the government operates.

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MSMail

DATE-TIME	17 April 97 14:04
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Draft fact sheet [UNCLASSIFIED]
TO	Kerrick, Donald L.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	Here's a draft fact sheet, should the President choose Option C. Any chnages? r, Will [[FCTSHEET.DOC : 3635 in FCTSHEET.DOC]]
ATTACHMENT FILE DATE	17 April 97 14:2
ATTACHMENT FILE NAME	FCTSHEET.DOC

REINVENTING STATE, ACDA, USIA, AND AID

"The era of big government is over." -- Bill Clinton

President Clinton's plan brings an end to bureaucracies originally designed for the Cold War, streamlines the executive branch's policy-making process, and enhances our nation's ability to meet the growing foreign policy challenges of the 21st century. It puts matters of international arms control, development, and public diplomacy where they belong, at the heart of our foreign policy within a reinvented Department of State. It incorporates key lessons from the private sector, where business executives have proved that sound management can allow organizations to do more in an era of scarce resources.

The Plan:

□ The Arms Control and Disarmament Agency will be fully integrated with the State Department within one year. ACDA's unique technical and legal expertise and its critical verification and compliance programs will be preserved and merged along with the arms control functions now handled elsewhere in State, all under the

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office of the Under Secretary
for Arms Control and International Security Affairs.

□ The United States Information Agency will be integrated within two years, with the Director
of USIA initially being double-hatted as the new Under Secretary of State for Public
Diplomacy. In year one, the legislative and public affairs staffs of the two agencies will be
integrated; in year two, USIA's overseas press experts will be integrated. The
distinctiveness and editorial integrity of Voice of America and the broadcast agencies will
be preserved.

□ The Agency for International Development will remain a separate and distinct agency, but will
share certain functions with State and will be placed under the direct authority of the
Secretary of State. Within two years, AID will integrate its public affairs and certain
administrative offices. The International Development Cooperation Agency, created in 1979,
will be abolished. During the third year, the Secretary of State and the AID Administrator will
assess AID's new management procedures and cooperate on further reforms that would
eliminate duplication between AID and State's Global Affairs.

□ The State Department will undertake a new round of reinvention, prompted by the need to
incorporate new organizations and to manage new responsibilities. This reinvention will
make the new State Department more effective and efficient and better able to defend
American interests and promote American values abroad.

□ A "Reform Czar" will be appointed by the Secretary of State, in close consultation with
ACDA, AID and USIA. Within 120 days, a detailed blueprint for merging and streamlining the
foreign affairs agencies will be developed.

The President's plan was the result of a long and deliberative process under the leadership of
Vice President Gore. This reorganization plan enjoys the complete support of the Secretary of
State and the heads of ACDA, AID and USIA. In developing this plan, the Vice President

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worked from three guiding principles:

□ The programs of ACDA, USIA, and AID must be preserved. Sustainable development, nonproliferation, and public diplomacy are now more central than ever to American foreign policy; our institutional arrangements should reflect that. Moreover, there is no better time than the present to launch this process, out the outset of a new term , a new Congress, and with a new Secretary of State.

□ Complexities must be fully acknowledged. Reinvention and integration should take into account the central an continuing importance of reforming the State Department, the relative complexity of the smaller agencies and anticipated level of difficulty in merging and integrating them, and the need to preserve the unique skills and capabilities inherent in each of the agencies.

□ The Executive and Legislative Branches must cooperate on foreign affairs. The need for reorganization in the foreign policy agencies is also recognized by key members of Congress. Their views and expertise on these matters should inform our process. Our ability to work together with the Congress on this endeavor should encourage our bipartisan approach toward foreign policy matters.

After much deliberations, the plan the Vice President devised strikes a sound balance between the need for greater policy coherence and effectiveness with the necessity of preserving the special missions and skills of the three smaller agencies. To deny integration altogether would forfeit the long-term savings from merging the four agencies' support services, streamlining administration, and reducing overhead costs. To integrate more fully, more rapidly would risk wholly subordinating arms control, public diplomacy, development and humanitarian interests to other foreign policy goals.

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MSMail

DATE-TIME	17 April 97 15:50
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	reorg [UNCLASSIFIED]
TO	Bendick, Gordon L. Burrell, Christina L. Danvers, William C. Davis, William K.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

Close hold.

[[FCTSHEET.DOC : 3938 in FCTSHEET.DOC]]

ATTACHMENT FILE DATE	17 April 97 14:5
ATTACHMENT FILE NAME	FCTSHEET.DOC

REINVENTING STATE, ACDA, USIA, AND AID

"The era of big government is over." -- Bill Clinton

President Clinton's plan brings an end to bureaucracies originally designed for the Cold War, streamlines the executive branch's policy-making process, and enhances our nation's ability to meet the growing foreign policy challenges of the 21st century. It puts matters of international arms control, development, and public diplomacy where they belong, at the heart of our foreign policy within a reinvented Department of State. It incorporates key lessons from the private sector, where business executives have proved that sound management can allow organizations to do more in an era of scarce resources.

The Plan:

□ The Arms Control and Disarmament Agency will be fully integrated with the State Department within one year. ACDA's unique technical and legal expertise and its critical verification and compliance programs will be preserved and merged

COPY

along with the arms
control functions now handled elsewhere in State, all under the office of the Under Secretary
for Arms Control and International Security Affairs.

□ The United States Information Agency will be integrated within two years, with the Director
of USIA initially being double-hatted as the new Under Secretary of State for Public
Diplomacy. In year one, the legislative and public affairs staffs of the two agencies will be
integrated; in year two, USIA's overseas press experts will be integrated. The
distinctiveness and editorial integrity of Voice of America and the broadcast agencies will
be preserved.

□ The Agency for International Development will remain a separate and distinct agency, but will
share certain functions with State and will be placed under the direct authority of the
Secretary of State. Within two years, AID will integrate its public affairs and certain
administrative offices. The International Development Cooperation Agency, created in 1979,
will be abolished. During the third year, the Secretary of State and the AID Administrator will
assess AID's new management procedures and cooperate on further reforms that would
eliminate duplication between AID and State's Global Affairs.

□ The State Department will undertake a new round of reinvention, prompted by the need to
incorporate new organizations and to manage new responsibilities. This reinvention will
make the new State Department more effective and efficient and better able to defend
American interests and promote American values abroad.

□ A "Reform Czar" will be appointed by the Secretary of State, in close consultation with
ACDA, AID and USIA. Within 120 days, a detailed blueprint for merging and streamlining the
foreign affairs agencies will be developed.

The President's plan was the result of a long and deliberative process under the leadership of
Vice President Gore. This reorganization plan enjoys the complete support of the Secretary of

COPY

State and the heads of ACDA, AID and USIA. In developing this plan, the Vice President worked from three guiding principles:

□ The programs of ACDA, USIA, and AID must be preserved. Sustainable development, nonproliferation, and public diplomacy are now more central than ever to American foreign policy; our institutional arrangements should reflect that. Moreover, there is no better time than the present to launch this process, out the outset of a new term , a new Congress, and with a new Secretary of State.

□ Complexities must be fully acknowledged. Reinvention and integration should take into account the central an continuing importance of reforming the State Department, the relative complexity of the smaller agencies and anticipated level of difficulty in merging and integrating them, and the need to preserve the unique skills and capabilities inherent in each of the agencies.

□ The Executive and Legislative Branches must cooperate on foreign affairs. The need for reorganization in the foreign policy agencies is also recognized by key members of Congress. Their views and expertise on these matters should inform our process. Our ability to work together with the Congress on this endeavor should encourage our bipartisan approach toward foreign policy matters.

After much deliberations, the plan the Vice President devised strikes a sound balance between the need for greater policy coherence and effectiveness with the necessity of preserving the special missions and skills of the three smaller agencies. To deny integration altogether would forfeit the long-term savings from merging the four agencies' support services, streamlining administration, and reducing overhead costs. To integrate more fully, more rapidly would risk wholly subordinating arms control, public diplomacy, development and humanitarian interests to other foreign policy goals.

COPY

MSMail

DATE-TIME	17 April 97 16:01
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	draft factsheet [UNCLASSIFIED]
TO	Johnson, David T.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

as requested ...

[[FCTSHEET.DOC : 4127 in FCTSHEET.DOC]]

ATTACHMENT FILE DATE	17 April 97 15:50
ATTACHMENT FILE NAME	FCTSHEET.DOC

REINVENTING STATE, ACDA, USIA, AND AID

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The Plan:

□ The Arms Control and Disarmament Agency will be fully integrated with the State Department within one year. ACDA's unique technical and legal expertise and its critical verification and compliance programs will be preserved and merged along with the arms control functions now handled elsewhere in State, all under the office of the Under Secretary

COPY

for Arms Control and International Security Affairs.

□ The United States Information Agency will be integrated within two years, with the Director of USIA initially being double-hatted as the new Under Secretary of State for Public Diplomacy. In year one, the legislative and public affairs staffs of the two agencies will be integrated; in year two, USIA's overseas press experts will be integrated. The distinctiveness and editorial integrity of Voice of America and the broadcast agencies will be preserved.

□ The Agency for International Development will remain a separate and distinct agency, but will share certain functions with State and will be placed under the direct authority of the Secretary of State. Within two years, AID will integrate its public affairs and certain administrative offices. The International Development Cooperation Agency, created in 1979, will be abolished. During the third year, the Secretary of State and the AID Administrator will assess AID's new management procedures and cooperate on further reforms that would eliminate duplication between AID and State's Global Affairs.

□ The State Department will undertake a new round of reinvention, prompted by the need to incorporate new organizations and to manage new responsibilities. This reinvention will make the new State Department more effective and efficient and better able to defend American interests and promote American values abroad.

□ A "Reform Czar" will be appointed by the Secretary of State, in close consultation with ACDA, AID and USIA. Within 120 days, a detailed blueprint for merging and streamlining the foreign affairs agencies will be developed.

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COPY

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□ The Executive and Legislative Branches must cooperate on foreign affairs. The need for reorganization in the foreign policy agencies is also recognized by key members of Congress. Their views and expertise on these matters should inform our process. Our ability to work together with the Congress on this endeavor should encourage our bipartisan approach toward foreign policy matters.

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COPY

MSMail

DATE-TIME	17 April 97 16:37
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	TPs [UNCLASSIFIED]
TO	Bendick, Gordon L.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

I just got word that Jamie Rubin is faxing more extensive TPs. I will get them to you ASAP. In the meantime, these will do.

[[REORGTP3.DOC : 4158 in REORGTP3.DOC]]

ATTACHMENT FILE DATE	17 April 97 16:30
ATTACHMENT FILE NAME	REORGTP3.DOC

Talking Points on State-ACDA-USIA-AID Reorganization

□ for members of Congress: Know that many Members believe there must be a significant change at the foreign affairs agencies. As Secretary Albright has told Chairman Helms, we want to work with you on improving the effectiveness of the international affairs agencies.

□ A high-level Administration working group has just concluded a thorough examination of ways to improve the efficiency and effectiveness of the foreign affairs agencies. After careful review the group's work, I have decided to proceed with a reorganization of our foreign policy apparatus.

□ The reorganization will be implemented over the course of two years. The broad outlines of the plan are as follows:

--ACDA will be integrated within one year under the Under Secretary of State for Arms Control and International Security Affairs. This new Under Secretary will also carry the responsibility of being my senior adviser for Arms Control, Nonproliferation and Disarmament.

--USIA will be integrated with State over two years under a new

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Under Secretary of State for Public Diplomacy.

--AID will remain a distinct agency but be brought under the direct authority of the Secretary of State. Some AID support services will be integrated with State's over two years.

--The State Department substantially reinvent how it operates.

□ I have asked the Secretary of State, in close consultation with ACDA, AID and USIA, to use the next 120 days to develop a detailed
blueprint for implementing this reorganization.

□ My plan balances the need for greater policy coherence and effectiveness with the need to preserve the special missions and skills of the three smaller agencies. It will give us a streamlined policy-making process that is better suited to meeting
the new foreign policy challenges.

□ I am pleased to say that this reorganization plan enjoys the complete support of the Secretary of State and the heads of ACDA, AID and USIA. I appreciate the contributions that they and their staffs made to the working group. I also appreciate the contributions the Vice President and his staff have made to this other efforts to way the government operates.

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MSMail

DATE-TIME	17 April 97 16:40
FROM	Bendick, Gordon L.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: reorg [UNCLASSIFIED]
TO	Bendick, Gordon L. Burrell, Christina L. Danvers, William C. Davis, William K.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

[[REORG.DOC : 4190 in REORG.DOC]]

Here's my proposed call list to go with wechsler's TPs

_____

From: Wechsler, William F.
To: @LEGISLAT-Legislative Affairs
CC: /R, Record at A1
Subject: reorg [UNCLASSIFIED]
Date: Thursday, April 17, 1997 03:50 PM

[[FCTSHEET.DOC : 4189 in FCTSHEET.DOC]]

Close hold.

ATTACHMENT FILE DATE	17 April 97 14:5
ATTACHMENT FILE NAME	FCTSHEET.DOC

REINVENTING STATE, ACDA, USIA, AND AID

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COPY

policy within a reinvented Department of State. It incorporates key lessons from the private sector, where business executives have proved that sound management can allow organizations to do more in an era of scarce resources.

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□ The Arms Control and Disarmament Agency will be fully integrated with the State Department within one year. ACDA's unique technical and legal expertise and its critical verification and compliance programs will be preserved and merged along with the arms control functions now handled elsewhere in State, all under the office of the Under Secretary for Arms Control and International Security Affairs.

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ATTACHMENT FILE DATE 17 April 97 16:35

ATTACHMENT FILE NAME REORG.DOC

STATE REORG CALLS - PRINCIPALS

NSC STATE

lott Helms
Daschle Biden
Gingrich Gilman
Gephardt Hamilton
Armey Bereuter
DeLay Smith, Chris
Bonior Gejdenson
Shelby Lantos
Kerrey Berman
Goss Lugar
Dicks Coverdell
Kasich Sarbanes
Domenici Dodd
Lautenberg Kerry
Spratt Hagel
Byrd Smith, Gordon
Livingston Thomas
Thompson
DOD Glenn
Roth
Thurmond Obey
Warner McConnell
Levin Leahy

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Spence Hollings
Dellums Gramm
Stevens Rogers
Inouye Mollohan
Cochran Callahan
Pelosi
Burton
Hastert
Waxman
Thurman

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MSMail

DATE-TIME	17 April 97 16:41
FROM	Bendick, Gordon L.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: TPs [UNCLASSIFIED]
TO	Bendick, Gordon L. Burrell, Christina L. Danvers, William C. Davis, William K.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	[[REORG.DOC : 4141 in REORG.DOC]]Again, my call list w/TPs from WEchsler

_____

From: Wechsler, William F.
To: Bendick, Gordon L.
CC: /R, Record at A1
Subject: TPs [UNCLASSIFIED]
Date: Thursday, April 17, 1997 04:37 PM

[[REORGTP3.DOC : 4140 in REORGTP3.DOC]]

I just got word that Jamie Rubin is faxing more extensive TPs. I will get them to you ASAP. In the meantime, these will do.

ATTACHMENT FILE DATE	17 April 97 16:30
ATTACHMENT FILE NAME	REORGTP3.DOC

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COPY

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--USIA will be integrated with State over two years under a new Under Secretary of State for Public Diplomacy.

--AID will remain a distinct agency but be brought under the direct authority of the Secretary of State. Some AID support services will be integrated with State's over two years.

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ATTACHMENT FILE DATE 17 April 97 16:35

ATTACHMENT FILE NAME REORG.DOC

STATE REORG CALLS - PRINCIPALS

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NSC STATE

lott Helms
Daschle Biden
Gingrich Gilman
Gephardt Hamilton
Armey Bereuter
DeLay Smith, Chris
Bonior Gejdenson
Shelby Lantos
Kerrey Berman
Goss Lugar
Dicks Coverdell
Kasich Sarbanes
Domenici Dodd
Lautenberg Kerry
Spratt Hagel
Byrd Smith, Gordon
Livingston Thomas
Thompson
DOD Glenn
Roth
Thurmond Obey
Warner McConnell
Levin Leahy
Spence Hollings
Dellums Gramm
Stevens Rogers
Inouye Mollohan
Cochran Callahan
Pelosi
Burton
Hastert
Waxman
Thurman

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MSMail

DATE-TIME 17 April 97 16:58

FROM Johnson, David T.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: draft factsheet [UNCLASSIFIED]

TO Johnson, David T.
Luzzatto, Anne R.
Rubin, Eric S.
Wozniak, Natalie S.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Natalie: at this point, this remains a contingency fact sheet. Could you put it in proper format so we can put it out if need be, perhaps as early as today. thx.

From: Wechsler, William F.
To: Johnson, David T.
CC: /R, Record at A1
Subject: draft factsheet [UNCLASSIFIED]
Date: Thursday, April 17, 1997 04:01 PM

[[FCTSHEET.DOC : 4107 in FCTSHEET.DOC]]

as requested ...

ATTACHMENT FILE DATE 17 April 97 15:50

ATTACHMENT FILE NAME FCTSHEET.DOC

REINVENTING STATE, ACDA, USIA, AND AID

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COPY

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□ The Agency for International Development will remain a separate and distinct agency, but will share certain functions with State and will be placed under the direct authority of the Secretary of State. Within two years, AID will integrate its public affairs and certain administrative offices. The International Development Cooperation Agency, created in 1979, will be abolished. During the third year, the Secretary of State and the AID Administrator will assess AID's new management procedures and cooperate on further reforms that would eliminate duplication between AID and State's Global Affairs.

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services, streamlining administration,
and reducing overhead costs. To integrate more fully, more
rapidly would risk wholly
subordinating arms control, public diplomacy, development and
humanitarian interests to other
foreign policy goals.

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MSMail

DATE-TIME 17 April 97 21:15

FROM Wechsler, William F.

CLASSIFICATION UNCLASSIFIED

SUBJECT fact sheet [UNCLASSIFIED]

TO Bell, Robert G.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

There may still be another small change or two from ACDA, but this is near final ... any comments? r, Will

[[FCTSHEET.DOC : 5391 in FCTSHEET.DOC]]

ATTACHMENT FILE DATE 17 April 97 21:5

ATTACHMENT FILE NAME FCTSHEET.DOC

REINVENTING STATE, ACDA, USIA, AND AID

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The Plan:

□ The State Department will undertake a new round of reinvention, prompted by the need to deal with a series of core problems, to incorporate new organizations, and to manage new responsibilities. This reinvention will make the new State Department more effective and efficient and better able to defend American interests and

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promote American values abroad.

□ The Arms Control and Disarmament Agency will be fully integrated with State within one year by merging both agencies' related arms control and nonproliferation functions. The ACDA director will be double-hatted as the Under Secretary of State for Arms Control and International Security Affairs, and then the two positions will be merged as Under Secretary/Senior Advisor to the President and Secretary of State, which will be able to communicate with the President through the Secretary of State. ACDA's unique advocacy role will be preserved and the policy process supporting those efforts will be strengthened through additional interagency responsibilities. Along with ACDA's technical and policy expertise, its verification, compliance, and legal functions will be preserved.

□ The United States Information Agency and the State Department will integrate over a two year period. During that procees, the Director of USIA will be double-hatted as the new Under Secretary of State for Public Diplomacy. This process will likely begin with an integration of related functions, such as legislative and public affairs; after that, the integration process will turn toward USIA's overseas press expertise and State's press offices. The distinctiveness and editorial integrity of Voice of America and the broadcast agencies will be repected.

□ The Agency for International Development will remain a separate and distinct agency, but will share certain administrative functions with State and will report two and be under the foreign policy guidance of the Secretary of State. Within two years, AID will integrate its press office and certain administrative functions. The International Development Cooperation Agency, created in 1979, will be abolished.

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□ Complexities must be fully acknowledged. Reinvention and integration should take into account the central and continuing importance of reforming the State Department, the relative complexity of the smaller agencies and anticipated level of difficulty in merging and integrating them, and the need to preserve the unique skills and capabilities inherent in each of the agencies. Any reorganization plan should be designed around our greatest strength -- the abilities and expertise of the dedicated public servants who work in those agencies.

□ The Executive and Legislative Branches must cooperate on foreign affairs. The need for reorganization in the foreign policy agencies is also recognized by key members of Congress. Their views and expertise on these matters should inform our process. Our ability to work together with the Congress on this endeavor should encourage our bipartisan approach toward foreign policy matters.

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COPY

MSMail

DATE-TIME	17 April 97 21:49
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	fact sheet [UNCLASSIFIED]
TO	Kerrick, Donald L.
CARBON_COPY	Brown, Nancy E. Andreasen, Steven P. Baldwin, Kenneth Beers, Rand R. Bell, Robert G. Bendick, Gordon L. Benjamin, Daniel Blinken, Antony J. Bouchard, Joseph F. Boynton, Peter J. Burrell, Christina L. Clarke, Richard A. Danvers, William C. Davies, Glyn T. Davis, William K. Dohse, Fred J. Friedrich, M. K. Gibney, James S. Gray, Wendy Harmon, Joyce Hilliard, Brenda I. Joshi, M. Kay Kelly, Sandra L. LaFleur, Vinca A. Langley, Janice M. Lindsay, James M. Millison, Cathy L. Mulligan, George D. Murray, Lori E. Naplan, Steven J. Orr, Robert C. Poole, Jennifer C. Rice, Susan E. Roundtree, Beverly J. Schwartz, Eric P. Seaton, James B. Sheehan, Michael A. Simon, Steven N.

COPY

Verville, Elizabeth G.
Wechsler, William F.
Witkowsky, Anne A.

TEXT_BODY

Don, here's the fact sheet. It has been cleared by ACDA, AID, and USIA at the highest levels as written (agencies request that they be notified if any changes are made to the paragraphs describing them). Bob Bell and Bill Danvers have cleared. Elaine Kamark cleared an earlier version of this, but has not seen the final version. State received my fax, but never got back to me. I'll be in early tomorrow. r, Will

[[FCTSHEET.DOC : 5473 in FCTSHEET.DOC]]

ATTACHMENT FILE DATE

17 April 97 21:42

ATTACHMENT FILE NAME

FCTSHEET.DOC
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The Plan:

□ The State Department will undertake a new round of reinvention, prompted by the need to deal with a series of core problems, to incorporate new organizations, and to manage new responsibilities. This reinvention will make the new State Department more effective and efficient and better able to defend American interests and promote American values abroad.

□ The Arms Control and Disarmament Agency will be fully integrated with State within one year by merging both agencies' related arms control and nonproliferation functions. The

COPY

ACDA director will be double-hatted as the Under Secretary of State for Arms Control and International Security Affairs, and then the two positions will be merged as Under Secretary/Senior Advisor to the President and Secretary of State, which will be able to communicate with the President through the Secretary of State. ACDA's unique advocacy role will be preserved and the policy process supporting those efforts will be strengthened through additional interagency responsibilities. Along with ACDA's technical and policy expertise, its verification, compliance, and legal functions will be preserved.

□ The United States Information Agency and the State Department will integrate over a two year period. During that process, the Director of USIA will be double-hatted as the new Under Secretary of State for Public Diplomacy. This process will likely begin with an integration of related functions, such as legislative and public affairs; after that, the integration process will turn toward USIA's overseas press expertise and State's press offices. The distinctiveness and editorial integrity of Voice of America and the broadcast agencies will be respected.

□ The Agency for International Development will remain a separate and distinct agency, but will share certain administrative functions with State and will report to and be under the foreign policy guidance of the Secretary of State. Within two years, AID will integrate its press office and certain administrative functions. The International Development Cooperation Agency, created in 1979, will be abolished.

The President's plan was the result of a long and deliberative process under the leadership of Vice President Gore. This reorganization plan enjoys the support of the Secretary of State and the heads of ACDA, AID and USIA. In developing this plan, the Vice President worked from three guiding principles:

□ The programs of ACDA, USIA, and AID must be preserved. Sustainable development,

COPY

nonproliferation, and public diplomacy are now more central than ever to American foreign policy; our institutional arrangements should reflect that. Moreover, there is no better time than the present to launch this process, at the outset of a new term , a new Congress, and with a new Secretary of State.

□ Complexities must be fully acknowledged. Reinvention and integration should take into account the central and continuing importance of reforming the State Department, the relative complexity of the smaller agencies and anticipated level of difficulty in merging and integrating them, and the need to preserve the unique skills and capabilities inherent in each of the agencies. Any reorganization plan should be designed around our greatest strength -- the abilities and expertise of the dedicated public servants who work in those agencies.

□ The Executive and Legislative Branches must cooperate on foreign affairs. The need for reorganization in the foreign policy agencies is also recognized by key members of Congress. Their views and expertise on these matters should inform our process. Our ability to work together with the Congress on this endeavor should encourage our bipartisan approach toward foreign policy matters.

After much deliberation, the plan the Vice President devised strikes a sound balance between the need for greater policy coherence and effectiveness with the necessity of preserving the special missions and skills of the three smaller agencies.

COPY

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Wechsler, William F. to Bass, Peter E. et al. re: Fact Sheet (4 pages)	04/18/1997	P5
002. email	Wechsler to Johnson, David T. et al. re: Reorg (3 pages)	04/18/1997	P5
003. email	Johnson to Bass et al. re: 1100 18 Apr 97 POTUS Draft Guidance (5 pages)	04/18/1997	P5
004. email	Wozniak, Natalie S. to Bass et al. re: 1430 April 18 POTUS Guidance (5 pages)	04/18/1997	P5
005. email	Ragan, Richard F. to Schwartz, Eric P., re: Reorganization (12 pages)	04/18/1997	P1/b(1), P5
006. email	Rubin, Eric S. to Akers, Dale W. et al. re: For Monday OOB: Press Guidance Update (45 pages)	04/18/1997	P5
007. email	Johnson, David T. to Bass et al. re: 1430 April 18 POTUS Guidance (5 pages)	04/19/1997	P5
008. email	Lindsay, James M. to Roundtree, Beverly J., re: Reorganization (12 pages)	04/22/1997	P1/b(1), P5
009. email	Lindsay to Wechsler re: Another Scrub (2 pages)	04/29/1997	P5
010. email	Lindsay to Samore, Gary S. re: TPs for POTUS Retreat (5 pages)	05/01/1997	P5
011. email	Ragan, Richard F. to Wechsler re: Kerrick Meeting (4 pages)	05/13/1997	P5
012. email	Ragan to Lindsay re: Letter to SRB (4 pages)	05/22/1997	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 590000

FOLDER TITLE:
[04/18/1997 to 05/22/1997]

Eric Holzer
2006-0208-F
eh188

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

MSMail

DATE-TIME	18 April 97 10:04
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	fact sheet [UNCLASSIFIED]
TO	Bass, Peter E. Cicio, Kristen K. Hall, Wilma G. Helweg, M. Diana Kale, Dora A. Kerrick, Donald L. Millison, Cathy L. Veit, Katherine M.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

NOTE FOR SANDY

In his meeting with you, Brian Atwood will raise the issue of the attached fact sheet.

This fact sheet is cleared by everybody, except one issue remains between State and AID. State wants the bracketed language included and the italicized language excluded. State (Jamie Rubin, Craig Johnstone) say they will not clear unless these changes are made. Atwood says he won't clear if these changes are made.

My recommendation is that you accept State's language, because it comes directly from "Option C" in the paper for the President. r, Will

[[FCTSHEET.DOC : 2607 in FCTSHEET.DOC]]

ATTACHMENT FILE DATE	18 April 97 9:36
ATTACHMENT FILE NAME	FCTSHEET.DOC

REINVENTING STATE, ACDA, USIA, AND AID

"The era of big government is over." -- Bill Clinton

President Clinton's plan brings an end to bureaucracies
originally designed for the Cold War,
streamlines the executive branch's policy-making process, and

COPY

enhances our nation's ability to meet the growing foreign policy challenges of the 21st century. It puts matters of international arms control, sustainable development, and public diplomacy where they belong, at the heart of our foreign policy within a reinvented Department of State. It incorporates key lessons from the private sector.

The Plan:

□ The State Department will undertake a new round of internal reinvention to incorporate new organizations and to manage new responsibilities. This reinvention will make the new State Department more effective and efficient and better able to defend American interests and promote American values abroad.

□ The Arms Control and Disarmament Agency will be fully integrated with State within one year by merging both agencies' related arms control and nonproliferation functions. The ACDA Director will be double-hatted as the Under Secretary of State for Arms Control and International Security Affairs, and then the two positions will be merged as Under Secretary/Senior Advisor to the President and Secretary of State, which will be able to communicate with the President through the Secretary of State. ACDA's unique advocacy role will be preserved and the policy process supporting those efforts will be strengthened through additional interagency responsibilities. Along with ACDA's technical and policy expertise, its verification, compliance, and legal functions will be preserved.

□ The United States Information Agency and the State Department will be integrated over a two year period. During that process, the Director of USIA will be double-hatted as the new Under Secretary of State for Public Diplomacy. This process will likely begin with an integration of related functions, such as legislative and public affairs; after that, the integration process will turn toward USIA's overseas press expertise and State's press offices. The distinctiveness and editorial integrity of Voice of America and the broadcast agencies will be respected. A new bureau will be created within

COPY

the State Department to handle cultural and exchange issues.

□ The Agency for International Development will remain a distinct agency, but will share certain administrative functions with State and will report to and be under the foreign policy guidance [and will be under the direct authority] of the Secretary of State, [akin to the relationship of DSAA to the Secretary of Defense]. Within two years, AID will integrate its press office and certain administrative functions. The International Development Cooperation Agency, created in 1979, will be abolished. [After two years, the Secretary of State and AID administrator will recommend what further steps might be taken to eliminate duplication.]

The President's plan was the result of a long and deliberative process under the leadership of Vice President Gore. This reorganization plan enjoys the support of the Secretary of State and the heads of ACDA, AID and USIA. In developing this plan, the Vice President worked from three guiding principles:

□ The programs of ACDA, USIA, and AID must be preserved. Sustainable development, nonproliferation, and public diplomacy are now more central than ever to American foreign policy; our institutional arrangements should reflect that. Moreover, there is no better time than the present to launch this process, at the outset of a new term , a new Congress, and with a new Secretary of State.

□ Complexities must be fully acknowledged. Reinvention and integration should take into account the central and continuing importance of reform of all of the agencies, including the State Department, the relative complexity of the smaller agencies and anticipated level of difficulty in merging and integrating them, and the need to preserve the unique skills and capabilities inherent in each of the agencies. Any reorganization plan should be designed around our greatest strength -- the abilities and expertise of the dedicated public servants who work in those agencies.

COPY

□ The Executive and Legislative Branches must cooperate on foreign affairs. The need for reorganization in the foreign policy agencies is also recognized by key members of Congress. Their views and expertise on these matters should inform our process. Our ability to work together with the Congress on this endeavor should encourage our bipartisan approach toward foreign policy matters.

After much deliberation, the plan the Vice President devised strikes a sound balance between the need for greater policy coherence and effectiveness with the necessity of preserving the special missions and skills of the three smaller agencies.

COPY

MSMail

DATE-TIME	18 April 97 10:16
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	reorg [UNCLASSIFIED]
TO	Johnson, David T. Luzzatto, Anne R. Rubin, Eric S. Wozniak, Natalie S.
CARBON_COPY	Baldwin, Kenneth Beers, Rand R. Bendick, Gordon L. Boynton, Peter J. Burrell, Christina L. Clarke, Richard A. Danvers, William C. Davis, William K. Lindsay, James M. Orr, Robert C. Rice, Susan E. Roundtree, Beverly J. Schwartz, Eric P. Sheehan, Michael A. Simon, Steven N. Verville, Elizabeth G. Wechsler, William F.

TEXT_BODY

David, here are the Q&As on reorganization that Sandy needs. They have been cleared with Legislative affairs, OVP, and State. r, Will

[[Q&AREORG.DOC : 2639 in Q&AREORG.DOC]]

ATTACHMENT FILE DATE	18 April 97 10:14
ATTACHMENT FILE NAME	Q&AREORG.DOC

POTUS Q&A on State-AID-ACDA-USIA Integration

Q: What is your plan?

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Briefly, the Arms Control and Disarmament Agency will be fully integrated with the State Department within one year, the United States Information Agency will be integrated within two years, The Agency for International Development will remain a distinct agency, but will be placed under the Secretary of State and, within two years, will share certain administrative functions with State. The State Department will undertake a new round of reinvention, prompted by the need to incorporate new organizations and to manage new responsibilities. This reinvention will make the new, integrated State Department more effective and efficient and better able to defend American interests and promote American values abroad.

Q: Why was this necessary? Why now?

A: This is part of the Vice President's reinventing government initiative and has been under study for a long time. It will make the process by which we make and implement foreign policy more efficient and more effective. It puts matters of international arms control, sustainable development, and public diplomacy where they belong, at the heart of our foreign policy within a reinvented Department of State. There was no better time to make these changes than at the present, with a new administration, a new Congress, and a new Secretary of State.

Q: Doesn't this just gut the smaller agencies?

No. It puts their issues, expertise, and people at the heart of our foreign policy, because in the post-Cold War world the issues of arms control, non-proliferation, sustainable development, and public diplomacy are more important than ever.

Q: Didn't you simply cave to Senator Helms?

No. Certainly the views and expertise of many members of Congress informed our process, as they should. But the lengthy and thorough studies and deliberations that led up to this decision were driven by the Vice President, and the final decision was mine alone.

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Q: Is this a quid pro quo for CWC? For Albright's easy confirmation? For UN arrears?

No. There is no linkage. I am confident that the Senate will see the wisdom of CWC in its own right.

Q: But you didn't always agree with Helms. Just a few years ago Secretary Christopher proposed very similar reforms and the Vice President rejected them. Besides a new, stronger Secretary of State, what changed?

A: The Vice President and I have always supported reinvention. What we have opposed is destroying agencies through sloppy, reckless actions in the name of reinvention. The Vice President led the battle for this reinvention plan because he was convinced that this is the best way to do it and that now is the best time to reinvent our foreign policy agencies.

COPY

MSMail

DATE-TIME	18 April 97 10:58
FROM	Johnson, David T.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	1100 18 APR 97 POTUS Draft Guidance [UNCLASSIFIED]
TO	Bass, Peter E. Cicio, Kristen K. Hall, Wilma G. Helweg, M. Diana Kale, Dora A. Kerrick, Donald L. Millison, Cathy L. Veit, Katherine M.
CARBON_COPY	Johnson, David T. Luzzatto, Anne R. Rubin, Eric S. Wozniak, Natalie S.
TEXT_BODY	[[GUID.DOC : 2611 in GUID.DOC]]
ATTACHMENT FILE DATE	18 April 97 10:57
ATTACHMENT FILE NAME	GUID.DOC

18 APR 97 1100

PRESIDENTIAL PRESS GUIDANCE

FRIDAY, APRIL 18, 1997

1. Middle East Peace Process

2. Martin Lee -- Hong Kong

3. Foreign Affairs Reorganization

4. Gulf War Illnesses

COPY

MIDDLE EAST PEACE PROCESS

Netanyahu

Do you have anything to say about the possibility of the Israelis Prime Minister being
indicted this weekend.?

□ Obviously inappropriate for me to comment on an internal Israeli matter.

(NOTE: Avoid saying this is a "political" issue.)

Does this sink your efforts to revive the MEPP?

□ No, we are continuing our efforts to get the process back on track.

What is Dennis Ross doing now?

□ Ambassador Ross continued meetings with Israeli and Palestinian leadership. Along
with Amb. Indyk, he attended today the funeral of former Israeli President Chaim
Herzog.

He will return to Washington over the weekend.

□ Not going to get into the substance of Ross' talks. As we've said, the focus of his
current trip is to help stop the recent deterioration and lay the basis for the peace
process to advance.

Martin Lee/Hong Kong

Why did it take you so long to agree to meet with Martin Lee? Why not in the Oval? Did
you fear offending the PRC? What are you going to do to protect rights, freedoms of
Hong Kong after July 1? Don't you need to speak our forcefully on that now?

□ Vice President and I had a good meeting with Martin Lee; we expressed appreciation
for his support for MFN for China which Lee insisted was critical for Hong Kong.

COPY

□ Also expressed our concern about a number of recent decisions by China regarding civil
and political rights in Hong Kong.

□ Agreed that fundamental rights that Hong Kong citizens have enjoyed are essential
elements of Hong Kong's "way of life," and of its economic success, and that they
should be maintained as promised in the Joint Declaration.

□ I'm concerned about some recent Chinese decisions on Hong Kong; Vice President
and Secretary of State recently communicated our views to Chinese government.

□ Will continue to watch closely. Hong Kong's continued success more important to
China than to anyone else. That success depends on how China handles the
reversion, how it respects civil, political rights of Hong Kong's citizens.

□ Engine that moves Hong Kong is free flow of information; can't stifle that without stifling
Hong Kong's economy.

□ Secretary Albright's plans to be in Hong Kong July 1 symbol of our interest, concern
about U.S. interests in Hong Kong.

Foreign Affairs Agencies Reorganization

What have you decided on State reorganization?

□ Plan to fully integrate ACDA into State within one year and USIA over two years; AID
remain a distinct agency, but will be placed under the Secretary of State and, within two
years, will share certain administrative functions with State.

□ State will undertake a new round of reinvention, prompted by the need to incorporate
new organizations and to manage new responsibilities. Goal is to make the new,
integrated State Department more effective and efficient and better able to defend
American interests and promote American values abroad.

COPY

□ Part of Vice President's reinventing government initiative, been under study for a long
time. Will place arms control, sustainable development, and public diplomacy where
they belong: at the heart of our foreign policy within a reinvented Department of State.
No better time to make these changes than now, with a new administration, new
Congress, new Secretary of State.

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□ No. There is no linkage. I am confident that the Senate will see the wisdom of CWC in
its own right.

GULF WAR ILLNESSES

Colin Powell's said yesterday he knew of no senior commander who heard from the CIA
that there might be chemical munitions at Khamisiyah prior to the demolitions there and
were he still in office he would be "raping and pillaging throughout the intelligence and
operational communities to get to the bottom of this"?

□ Made clear that I'll leave no stone unturned to get to the bottom of GWI. Now have six
different DOD and CIA investigative activities underway examining the key issues in
question -- including whether our troops were warned and, if so, whether that warning
was adequate.

□ Also extended the Presidential Advisory Committee (PAC) to provide independent
oversight and assess the adequacy of these investigations. Expect their interim report
by month's end.

□ I share Powell's concerns; that's why I've gotten all agencies working hard on these
questions. But want to make one point very clear: we will treat our Vet's
undiagnosed illnesses and compensate veterans who are disabled even if we can't
find out why they are sick.

COPY

COPY

MSMail

DATE-TIME	18 April 97 14:21
FROM	Wozniak, Natalie S.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	1430 April 18 POTUS Guidance [UNCLASSIFIED]
TO	Bass, Peter E. Cicio, Kristen K. Hall, Wilma G. Helweg, M. Diana Kale, Dora A. Kerrick, Donald L. Millison, Cathy L. Veit, Katherine M.
CARBON_COPY	Johnson, David T. Luzzatto, Anne R. Rubin, Eric S. Wozniak, Natalie S.
TEXT_BODY	[[PREZ0418.DOC : 3627 in PREZ0418.DOC]]
ATTACHMENT FILE DATE	18 April 97 14:20
ATTACHMENT FILE NAME	PREZ0418.DOC

18 APR 97 1430

PRESIDENTIAL PRESS GUIDANCE

FRIDAY, APRIL 18, 1997

1. Middle East Peace Process

2. Martin Lee -- Hong Kong

3. Foreign Affairs Reorganization

4. Gulf War Illnesses

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COPY

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COPY

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□ I'm concerned about some recent Chinese decisions regarding civil and political rights in
Hong Kong; Vice President and Secretary of State recently communicated our views to
Chinese government.

□ Will continue to watch closely. Hong Kong's continued success important to Hong
Kong, China, and the U.S. That success depends on how China handles the reversion,
how it respects civil, political rights of Hong Kong's citizens.

□ Engine that moves Hong Kong is free flow of information; can't stifle that without stifling
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FOREIGN AFFAIRS AGENCIES REORGANIZATION

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COPY

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that there might be chemical munitions at Khamisiyah prior to the demolitions there and
were he still in office he would be "raping and pillaging throughout the intelligence and
operational communities to get to the bottom of this"?

□ I'm not satisfied either and won't be until all the facts are given to our vets. No issue
more important to me than how we treat our Vets. I knew from the outset that there
was something wrong here. And I've been determined to get to the bottom of it.

□ It's concern that led me to create the Presidential Advisory Commission on Gulf War
Illnesses. It's their work that has forced our military and intelligence agencies to
come to terms with this and to provide the resources that are bringing to light the
information we now have.

□ No one should doubt that I'm not going to rest until we get to the bottom of this. We've
got six different DOD and CIA investigative activities underway; if it takes more, there
will be more.

□ Whatever we find out, I want to make one point very clear: we will treat our Vet's
undiagnosed illnesses and we will compensate veterans who are disabled even if we

COPY

can't find out why they are sick.

COPY

M S M a i l DATE-TIME 18 April 97 17:51
FROM Rubin, Eric S.
CLASSIFICATION UNCLASSIFIED
SUBJECT FOR MONDAY OOB: Press Guidance Update [UNCLASSIFIED]
TO Akers, Dale W.
Birkland, Andrea L.
Branscum, Sean D.
Bresnahan, Gary E.
Brown, Nancy E.
Dupuy, Shawn L.
Hale, John E.
Hawes, David J.
Lowry, Jay E.
Miyaoka, Lester H.
Motherway, Daniel J.
Gwyn M. Parker
Peggins, John W.
Roach, Darren S.
Simons, James R.
Snyder, Julie A.
Wadsworth, Valon J.
Abdulmalik, April B.
Albert, Ronda A.
Alijanil, Leyla
Amiri, Rukhsana N.
Andreasen, Steven P.
Antholis, William J.
Appel, Edward J.
Armstrong, Fulton T.
Atlas, Edwin L.
Babcock, Douglas W.
Baker, Jane E.
Baker, James E.
Baldwin, Kenneth
Barks-Ruggles, Erica
Bass, Peter E.
Battenfield, Pat
Beers, Rand R.
Behring, Deanna M.
Bellamy, Ralph C.
Bell, Robert G.
Bemisderfer, Dwight D.
Bendick, Gordon L.
Benjamin, Daniel
Black, Todd F.
Blinken. Antonv J.

COPY

Bolinski, Charlene C.
Bouchard, Joseph F.
Boulton, Darrien D.
Boynton, Peter J.
Brennan, Steven A.
Brooks, Jennifer
Bryan, Lloyd D.
Bujold, Noelle D.
Burrell, Christina L.
Busick, Paul E.
Caravelli, John M.
Carter, Michael E.
Cicio, Kristen K.
Clark, Bronya
Clarke, Richard A.
Cooper, Kathleen H.
Cramer, Dwight M.
Danvers, William C.
Darnes, Victoria J.
Davies, Glyn T.
Davis, William K.
DeSouza, Patrick J.
Dimel, Marsha L.
Dobbins, James F.
Dohse, Fred J.
Dowling, J. Nicholas
Durham, Robert J.
Edwards, Joan
Eggert, Tamara E.
Elkind, Jonathan H.
Epstein, Gerald L.
Feeley, John F.
Ficklin, John W.
Florio, Elaine
Fort, Jane B.
Fried, Daniel
Friedrich, M. K.
Fuerth, Leon S.
Fuhrman, Thomas A.
George, Christopher
Gerstner, Christina L.
Gibney, James S.
Glinski, David L.
Gorsuch, Robert P.
Gray, Wendy
Grummon, Stephen R.

COPY

Haines, Mary A.
Hall, James A.
Hall, Wilma G.
Hamel, Michael A.
Hamilton, Roy A.
Harding, Bruce D.
Harmon, Joyce
Harris, Elisa D.
Harris, Karen
Harrison, Lyle M.
Hasman, Thomas M.
Hawkins, Ardenia R.
Helweg, M. Diana
Higgins, David B.
Hilliard, Brenda I.
Hill, Roseanne M.
Hilty, JoAnne M.
Hofmann, Stephan D.
Huggins, Peter
Hunerwadel, Joan S.
Johnson, David T.
Johnson, Natalie A.
Jones, Kerri-Ann D.
Jordan, Donald L.
Joshi, M. Kay
Kale, Dora A.
Kelly, Sandra L.
Kerrick, Donald L.
Kessinger, Jodi
Kinser-Kidane, Brenda J.
Knepper, Charlotte
Koehler, Marc
Kreczko, Alan J.
Kristoff, Sandra J.
Kuipers, Keelin G.
Kyle, Robert D.
LaFleur, Vinca A.
Langley, Janice M.
Lawrence, Cynthia
Leary, William H.
LeBaron, Richard B.
Lee, Malcolm R.
Letts, Kelly J.
Lindsay, James M.
Lorin, Matthew E.
Luzzatto. Anne R.

COPY

MacDonald, Bruce W.
Malley, Robert
Marshall, Betty A.
Marsh, Thomas S.
Matera, Michael A.
Maxfield, Nancy H.
McCarthy, Mary O.
McCormick, Shawn H.
McIntyre, Stuart H.
Merchant, Brian
Mercier, Henry J.
Millison, Cathy L.
Mitsler, Elaine M.
Moore, Lori A.
Mueller, William (Doug) D.
Murray, Lori E.
Naplan, Steven J.
Natoli, Kim M.
Neil, M. Elise
Norris, John J.
O'loughlin, Kathrine
Orfini, Michael H.
Orr, Robert C.
O'Shaughnessy, Patrick
Panerali, Kristen E.
Papadimitriou, Marianna
Pascual, Carlos E.
Perkins, David D.
Peters, Mary A.
Piccone, Theodore J.
Pifer, Steven K.
Poole, Jennifer C.
Porter, Gidell
Prendergast, John P.
Pritchard, Charles (Jack) L.
Pyatt, Geoffrey R.
Quinn, Mary E.
Ragan, Richard F.
Rajan, Nahla B.
Rice, Susan E.
Rice, Sean P.
Riedel, Bruce O.
Rim, Julie J.
Robinson, Wylma
Rosa, Frederick M.
Roundtree, Beverly J.

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Rubin, Eric S.
Rumer, Eugene B.
Salvetti, Lisa M.
Samore, Gary S.
Sanborn, Daniel R. K.
David B. Sandalow
Schmelz, Angela
Schmidt, John R.
Schwartz, Eric P.
Sculimbrene, Thomas A.
Seaton, James B.
Sheehan, Michael A.
Sigler, Ralph
Simonalle, Eugene A.
Simon, Steven N.
Smith, Michael P.
Sonenshine, Tara D.
Sparks, John E.
Suettinger, Robert L.
Sulser, Jack A.
Tucker, Maureen E.
Uriu, Robert M.
Van Tassel, David S.
Veit, Katherine M.
Vershbow, Alexander R.
Verville, Elizabeth G.
Walsh, Helen C.
Ward, JoAnn X.
Wechsler, William F.
Whitworth, Frank D.
Willis, Robin M.
Wise, William M.
Witkowsky, Anne A.
Woolston, Ann E.
Wozniak, Natalie S.
Wright, Allison M.
Wright, Jay
Yokum, Jeffrey G.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY
Updates/revisions/changes/new submissions requested to @PRESS by 10am Monday. Thanks and have a good weekend.

From: Wozniak, Natalie S.
To: @PRESS - Public Affairs
CC: /R. Record at A1

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Subject: April 18 Press Guidance [UNCLASSIFIED]
Date: Friday, April 18, 1997 12:50 PM

[[APR18GUI.DOC : 4387 in APR18GUI.DOC]]
ATTACHMENT FILE DATE 18 April 97 12:48
ATTACHMENT FILE NAME APR18GUI.DOC

NATIONAL SECURITY AFFAIRS GUIDANCE

April 18, 1997

<< Reorganization>>

Hong Kong

Korea

CWC

Landmine Production

Zaire

Haiti

Middle East

Cyprus/Aegean

Albania

Dalai Lama

Russia/NIS

Saudi Arabia/Khobar

Bosnia

China

Trips and Visitors

Japan

COPY

Northern Ireland

Gulf War Illnesses

Nazi Assets

Fast Track

<< STATE-AID-ACDA-USIA>> INTEGRATION

Q: What is the plan?

A: Briefly, the Arms Control and Disarmament Agency will be fully integrated with the
State Department within one year, the United States Information Agency will be
integrated within two years, The Agency for International Development will remain a
distinct agency, but will be placed under the Secretary of State and, within two years,
will share certain administrative functions with State. The State Department will
undertake a new round of reinvention, prompted by the need to incorporate new
organizations and to manage new responsibilities. This reinvention will make the new,
integrated State Department more effective and efficient and better able to defend
American interests and promote American values abroad.

Q: Why was this necessary? Why now?

A: This is part of the Vice President's reinventing government initiative and has been under
study for a long time. It will make the process by which we make and implement foreign
policy more efficient and more effective. It puts matters of international arms control,
sustainable development, and public diplomacy where they belong, at the heart of our
foreign policy within a reinvented Department of State. There was no better time to
make these changes than at the present, with a new

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administration, a new Congress, and a new Secretary of State.

Q: Doesn't this just gut the smaller agencies?

A: No. It puts their issues, expertise, and people at the heart of our foreign policy, because in the post-Cold War world the issues of arms control, non-proliferation, sustainable development, and public diplomacy are more important than ever.

Q: Didn't the President simply cave to Senator Helms?

A: No. Certainly the views and expertise of many members of Congress informed our process, as they should. But the lengthy and thorough studies and deliberations that led up to this decision were driven by the Vice President, and the final decision was mine alone.

Q: Is this a quid pro quo for CWC? For Albright's easy confirmation? For UN arrears?

A: No. There is no linkage. The President is confident that the Senate will see the wisdom of CWC in its own right.

Q: But the President didn't always agree with Helms. Just a few years ago Secretary Christopher proposed very similar reforms and the Vice President rejected them. Besides a new, stronger Secretary of State, what changed?

A: The President and the Vice President have always supported reinvention. What we have opposed is destroying agencies through sloppy, reckless actions in the name of reinvention. The Vice President led the battle for this reinvention plan because he was convinced that this is the best way to do it and that now is the best time to reinvent our foreign policy agencies.

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HONG KONG AND MARTIN LEE

Q: Did you meet with Democratic Party Chairman Martin Lee? What assurances did you
give him that the United States will prevent China from trampling on Hong Kong's
democratic rights?

A: I did meet with Martin Lee this morning to discuss Hong Kong's transition to Chinese
sovereignty. I assured him that the United States is committed to a smooth and
successful transition for Hong Kong, as provided for in the Joint Declaration and the
Basic Law.

I spoke about this issue with President Jiang in Manila last year. We agreed that the
Hong Kong transition is an important opportunity for China to demonstrate to the whole
world that it abides by its agreements. The Chinese reiterated that pledge to the Vice
President when he visited Beijing last month.

I share Lee's belief that fundamental rights that Hong Kong citizens have enjoyed are
essential elements of Hong Kong's "way of life," and of its economic success, and that
they should be maintained as promised in the Joint Declaration.

I also expressed our concern about a number of recent decisions by China regarding the
provisional legislature civil and political rights in Hong Kong.

I especially appreciated Lee's support for MFN for China which Lee insisted was
critical for Hong Kong.

Q: Do you agree with Martin Lee's assertion that the PRC does not intend to honor its
pledges in Hong Kong? [Washington Times op-ed today]

A: It is important for the United States Government not to pre-judge the outcome of Hong

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Kong's transition. It was arrived at properly in lengthy negotiations between the Chinese and British governments and provides for the preservation of Hong Kong's unique system and way of life. We expect China's government and the future Hong Kong government to abide by that agreement. We will continue to watch closely.

KOREA

Four Party Talks

We and South Korea met DPRK reps in NYC Wednesday to receive the North's reaction to the March 5 joint briefing we gave them regarding the scope and content of the four party talks.

The talks were constructive, but no agreements were reached. We will resume talks today and hope that meeting can reach agreement on when the four party talks should begin.

The North continues to be absorbed by the food crisis facing it, and has discussed with us and the South Korean the question of food assistance. We confirmed our announcement Wednesday regarding U.S. participation in the UN WFP food appeal -- $15 million food aid targeted at children under six.

We and South Korea believe that long-term structural economic reform is needed to meet the North's continuing food shortage, and that the four party process holds the best prospect for initiating economic development projects.

North Korea Food Donation

Q: Can you confirm that the U.S. has agreed to provide 50,000 metric tons of corn valued

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at $15 million to North Korea?

A: On April 3 the United Nations World Food Program (WFP) expanded its emergency food appeal by an additional 100,000 metric tons bringing its total to 200,000 metric tons. The expanded portion of the appeal is specifically targeted towards children under the age of 6, who WFP considers to be most at risk.

After close consultation with the Republic of Korea (ROK) and Japan, we decided to provide 50,000 metric tons of corn valued approximately $15 million. Our response will fulfill just under 40 percent of the total WFP appeal in tonnage, and just over a fourth in dollar value.

Q: Is the assistance linked to obtaining North Korea's attendance at a joint briefing on the Four Party Peace initiative held Thursday in New York.

A: No. Our contribution is strictly a humanitarian one and provided to the World Food Program in response to its emergency appeal.

Q: Can you guarantee that the assistance won't be diverted to the North Korean army?

A: We believe channeling assistance through the World Food Program provides the best means to ensure that the aid is delivered to those most in need, particularly to vulnerable infants and you children.

WFP has an office and a staff of monitors in North Korea and is well-positioned to see that the assistance reaches its intended population.

No-Dong MRBM Deployment

Q: What is the status of North Korea's deployment of missiles that can reach Japan? What are we doing about it? Why are we providing food aid to a country that is developing

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missiles to threaten our troops and our Allies?

A: Long been concerned about North Korea's missile program. That's one of the threats
our theater missile defense program is designed to counter.

Also addressing this through other ways, including an ongoing program of missile
proliferation discussions with North Korea. The next round of those talks is scheduled
to take place in May in New York City.

While not specifically on the agenda, we also plan to raise this issue at the meeting we
will have with the North Koreans in New York on April 15. The specific purpose of that
meeting is to discuss North Korea's reaction to the briefing that the U.S. and South Korea
provided in March on the Four-Party talks we have proposed to address long term security
issues on the Korean Peninsula.

Since questions of this missile's range and whether it is currently operational obviously
touch on intelligence issues, can't discuss that.

With respect to food aid, we have provided food aid in the past when it has been
requested by, and its distribution supervised by, reputable international organizations, such
as the UN World Food Program. Have never used food as a weapon; hungry children are
not an enemy of the United States.

CHEMICAL WEAPONS CONVENTION

Wednesday's breakthrough agreement on 23 conditions to the CWC instrument of ratification
means that virtually all of the concerns raised by the Republican Caucus re. the treaty have
been addressed. The negotiations that got us this package were put in place by POTUS and
Lott, and Majority Leader, working with Biden and Helms, kept them on track.

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Yesterday, working on few remaining outstanding issues, including RCA and search warrants (need update from Bell on where we are).

Also Thursday, underscoring fact that every single chairman of the JCS for the past two decades supports this treaty, Shali released letter from former military leaders and also statement of support from Brown, Richardson, Perry. At same time, in testimony on the Hill, Colin Powell strongly reiterated his support for CWC (need to make sure he in fact did this). Two other key VSOs -- the Air Force Association and the Military Order of the Purple Heart -- endorsed the CWC, joining just about every major VSO, including VFW and the Reserve Officers Association.

Also worth noting that President Ford, following meeting with Albright, endorsed the treaty, once again underscoring bipartisan, "made in America" nature of CWC: initiated by Reagan, completed and signed by Bush, sent to Senate by Clinton.

CWC enjoys broad, bipartisan support: President Bush, Colin Powell, Brent Scowcroft, Jim Baker, Ed Rowny, Paul Nitze and other leading Republican and Democratic foreign policy experts support it.

CWC will reduce the threat to our soldiers by requiring others to do what we are already doing -- getting out of the chemical weapons business.

CWC will also make it harder and more costly for terrorists to acquire or use chemical weapons by eliminating existing stockpiles and restricting the flow of chemicals that can be used to make chemical weapons.

Recognize that the CWC will not "solve" either the proliferation or terrorism problem. But it is a key element of any effective response.

Treatv has been before the Senate since November 1993. There

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have been 16 Senate
hearings, hundreds of questions answered for the record and numerous briefings of both
members and staff. More than 1500 pages of information has been provided to the Senate.
It's time for the Senate to debate and vote.

If we do not ratify by April 29, Americans will be less secure. We will be denied access to
CWC's tools against rogue states and terrorists who seek to acquire chemical weapons.

The United States will also not have a seat on the governing body implementing the treaty.
Americans will be ineligible to serve as inspectors. And Americans now serving in key posts,
including as head of security, administration, and industry inspections, will be replaced by
nationals from countries that have ratified.

Without ratification, the credibility of American leadership across a full range of transnational
issues will be undermined.

Finally, American chemical companies will begin losing sales to overseas competitors, as
mandatory trade sanctions against non-parties phase in. Industry estimates this could put at
risk as much as $600 million in sales and many jobs.

Helms and CWC

Q: What is your reaction to Senator Helms statement that the Administration has delayed
responding to his request for negotiations with his staff over the CWC?

A: In early January, the President and the Majority Leader agreed to work together to try
to address the concerns of some members of the Republican caucus regarding the
Chemical Weapons Convention.

We have been negotiating in good faith. National Security Adviser Berger has led the

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Administration team which has met four times with the Majority Leader's task force.
These principal meetings have been followed by four extensive senior staff sessions.

Senator Helms, who is a member of the task force, has proposed about 30 conditions
and in nearly every case we have either reached agreement on a compromise formulation
that can be accepted by the Senate or identified a reasonable alternative, leaving it to the
Senate to decide between the two.

Our objective has been to work with the Majority Leader and the members of his CWC
task force to facilitate a Senate vote on the Convention prior to April 29, when the
Convention comes into force. I welcome Senator Lott's recent statements that he is
working a process to get the CWC done in April.

Q: Senator Helms claims that unless the Administration satisfies his key concerns over the
Treaty it will never reach the Senate floor and that the Administration needs to address his
broader concerns regarding State Department <<reorganization>>, UN reform, and the handling
of other arms control treaties in the Senate.

A: We disagree with Senator Helms that this treaty will do nothing to reduce the dangers of
poison gas. During our extensive negotiations with Senator Helms and his staff, we have
identified a list of key issues where we cannot agree with Senator Helms' proposed
conditions. We believe these outstanding issues and our proposed alternative conditions
should be debated and voted upon.

While the Administration is prepared to continue to address the broader issues Senator
Helms has raised, direct linkage with the CWC is a prescription for inaction, which we
cannot afford as the clock ticks on entry into force of this agreement.

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Q: Senator Helms claims the April 29 date is a "chicken little" deadline with no meaning and
that the Administration is trying to blackmail the Senate.

A: April 29 is a real deadline with real consequences. If Congress fails to act positively, we
will deny ourselves access to the treaty's tools against rogue states and terrorists who
seek to acquire chemical weapons. We will deny ourselves the ability to require other
states to do what we are doing already on our own--getting rid of our chemical
weapons.

Without ratification the credibility of American leadership across the full range of
proliferation issues will be undermined. The Untied States will also lose its seat on the
governing body implementing the treaty.

American chemical companies will also begin losing sales to their overseas competitors,
as mandatory trade sanctions against non-parties phase in.

CHEMICAL WEAPONS CONVENTION

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release April 17, 1997

STATEMENT BY THE PRESIDENT

Senate Decision to Bring Chemical Weapons Convention to a Vote

I welcome today's unanimous agreement by the Senate to bring the Chemical Weapons Convention to a vote next week. This treaty -- initiated by the Reagan Administration, completed and signed by

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the
Bush Administration, submitted to the Senate by my administration
--
has been bipartisan from the beginning. Now, thanks to the good
faith efforts of Majority Leader Lott and Minority Leader Daschle
--
working closely with my national security team and key members of
the
Senate from both sides of the aisle -- the Senate will be able to
vote on the treaty before it goes into effect on April 29.

Over the past two and a half months, we have all gone the extra
mile to work through outstanding concerns about the treaty. As a
result of negotiations Senator Lott and I established, and
discussions led by Senators Biden and Helms, we now have
agreement on
28 conditions that will be included in the treaty's resolution of
ratification when it goes to a vote -- resolving virtually all of
the
issues that have been raised about the CWC.

Just today, our negotiators reached agreement concerning the use
of
Riot Control Agents like tear gas and to require warrants for any
involuntary searches of an American business or facility under
the
treaty's inspection provisions. We still have five issues on
which
we fundamentally disagree -- but we are now assured, thanks to
today's agreement, that they will be decided by votes of the full
Senate.

These important developments reflect widespread, bipartisan and
growing support for the Chemical Weapons Convention. Yesterday,
former Presidents Bush and Ford joined Secretary of State
Albright in
making a special appeal for ratification. Today, at a
Congressional
hearing, former Chairman of the Joints Chiefs of Staff Colin
Powell
strongly reiterated his endorsement of the treaty -- which also
has
the support of every other Chairman of the Joint Chiefs of Staff
for
the past two decades. And three former Secretaries of Defense --
Harold Brown. Elliot Richardson and Bill Perry -- released a

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joint
statement calling for the Senate to ratify the Chemical Weapons Convention.

All of these distinguished American leaders agree that by requiring
countries around the world to destroy their chemical weapons stockpiles -- as the United States already has decided to do -- and to
renounce developing or trading in chemical weapons in the future, the Chemical Weapons Convention will help make our troops safer while
making it harder for rogue states and terrorists to acquire chemical
weapons.

This treaty literally was "made in America" and it also is right for America. I urge every member of the Senate to support the Chemical Weapons Convention when it comes to a vote next week.

# # #

LANDMINE PRODUCTION

Q: Why hasn't the U.S. banned landmine production?

A: The U.S. continues to have certain requirements for APL use and therefore must
preserve the option of replenishing its stockpiles until a global ban takes effect.

The U.S. is committed to achieving as soon as possible a global ban on the use,
production, stockpiling, and transfer of anti-personnel landmines.

The Department of Defense has been directed to develop alternatives to APLs so we can
eliminate our reliance on them as soon as possible.

As we pursue these goals we have already taken a number of unilateral steps:

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Last May, we announced that we would no longer use non-self-destructing APLS ("dumb" APLs) except in defense of Korea and for training. We are in the process of destroying about 3 million of these dumb mines.

In January, we announced we would extend the existing moratorium on export and transfers of APLs to a permanent ban on exports and transfers. We have had this moratorium in place since 1992.

In January, we also announced a freeze on the level of our existing stockpile of APLs.

On January 7, the President submitted the amended CCW Mines Protocol to the Senate for advice and consent to ratification. The Mines Protocol contains new restrictions on APL use that will better protect civilians.

We continue to have certain requirements for APLs, however. Because the situation on the Korean peninsula is unique, we must preserve our right to use APLs there. And until an international agreement takes effect, we reserve the option to use self-destructing APLs in other areas of the world as well.

[If asked:]

Q: How many APLs are in the U.S. inventory?

A: The U.S. has about 11 million APLs in its stockpile. That does not include the 3 million "dumb" mines slated for destruction by 1999.

[If asked:]

Q: What did President Clinton and Prime Minister Chretien agree regarding landmines when Chretien was here?

A: As a follow-up to the visit of the Canadian Prime Minister.

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U.S. and Canadian experts
will meet to discuss the ways our respective capitals are
pursuing an international
agreement to ban APLs. We believe efforts through the Ottawa
process and the
Conference on Disarmament can and should be mutually reinforcing.

[If asked:]

Q: Will the United States sign the Canadian Treaty in December?

A: We continue to believe the most practical avenue for achieving
ban that is global is
through the 61-nation Conference on Disarmament. That said, we
welcome the Ottawa
Process. We have been an observer at the Ottawa-related
meetings.

ZAIRE

Q: What is the status of a possible Kabila-Mobutu meeting?

A: Mobutu indicated over the weekend that he would be prepared to
meet with Kabila
under certain circumstances, but we are not aware that there has
been any direct contact
between the two.

Q: Are peace talks continuing in South Africa or elsewhere?

A: Efforts continue on the part of Sahnoun, the South Africans and
others, including the
U.S., to start up the talks in South Africa again. We urge both
sides to resume
negotiations as soon as possible on a cessation of hostilities
and a political transition in
Zaire.

Q: What is being done to resolve the situation?

A: As we have said, we and the international community remain
heavily engaged in efforts

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to get the parties to a negotiated settlement.

Q: What is the status of the rebel advance on Kinshasa?

A: We have seen a variety of media reports on rebel statements concerning their advance
on Kinshasa, but we have nothing to confirm them.

We have also seen the reports that rebels have occupied Kanango, the capital of western
Kasai province, about 400 miles east of Kinshasa, and Kolwezi in southeast Shaba
province.

Q: Has the proposed general strike taken place?

A: Kinshasa remains generally quiet today as the population observes the stay-at-home
strike. We have seen reports that troops shot to disperse opposition demonstrators
outside opposition demonstrators outside opposition leader Tshisekedi's house. There
were no reports of injuries.

Q: What is the U.S. reaction to the proposed demonstrations tomorrow (4/15)?

A: We have seen the reports that high school and university students are proposing to
strike tomorrow. We would urge all sides to exercise restraint to enable individuals to
express their views freely and safely.

Q: Has Mobutu begun his threatened crackdown?

A: We have not detected any significant change in the security situation in Kinshasa at this
time.

Q: What is Tshisekedi's status?

A: He is at home. He is not under arrest.

Q: What about the internecine rebel dispute in Kasumbalesa?

A: I don't have anything on this.

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Q: Is Kabila in control of captured towns?

A: The Alliance is in de facto control, but local administrators are running day-to-day operations.

Q: Any plans to withdraw or reduce Embassy personnel?

A: We remain on authorized departure status.

Americans who wish to depart Zaire at this time are able to do so via commercial means.

The Department of State issued a travel warning for Zaire March 20 which strongly encouraged Americans to depart Zaire in light of the uncertain political and security situation and the potential for unrest throughout the country. The travel warning remains in effect.

HAITI

Q: What is your reaction to reports of U.S.-funded Haitian Police raiding the house of a U.S. citizen and aunt of an employee of the International Republican Institute (IRI)? Was this employee targeted by the police for his work as an election monitor?

A: We are concerned about this report which involves the property of an American citizen who is the aunt of an IRI employee. Our Embassy in Port-au-Prince is looking into the facts and circumstances surrounding this police action.

The Director General of the Haitian National Police has stated categorically that the search of the house had nothing to do with IRI and was not targeted at anyone connected with IRI, noting that another house in the vicinity was searched

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as part of the same
criminal investigation. He also stated that a public prosecutor accompanied the police
who searched the house, and he now awaits a full report about the search from the public
prosecutor. We understand that neither the house owner nor the IRI employee was in the
house at the time of the search, and that the IRI employee only very occasionally stayed in
the house.

We will continue to actively seek additional details surrounding this incident.

MIDDLE EAST PEACE PROCESS

Netanyahu

Q: Do you have anything to say about the possibility of the Israelis Prime Minister being
indicted this weekend.?

A: Obviously inappropriate for me to comment on an internal Israeli matter.

(NOTE: Avoid saying this is a "political" issue.)

Q: Does this sink your efforts to revive the MEPP?

A: No, we are continuing our efforts to get the process back on track.

Q: What is Dennis Ross doing now?

A: Ambassador Ross continued to meet with the Israeli and Palestinian leadership. Along
with Amb. Indyk, he attended today the funeral of former Israeli President Chaim Herzog.
He will return to Washington over the weekend.

(NOTE: in addition to his public statement issued yesterday, President Clinton sent

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condolences to Mrs. Herzog and to President Weizmann.)

Not going to get into the substance of Ross' talks. As we've said, the focus of his
current trip is to help stop the recent deterioration and lay the basis for the peace process
to advance.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release April 17, 1997

STATEMENT BY THE PRESIDENT

Death of Former Israeli President Chaim Herzog

I was informed this morning that former Israeli President, Chaim Herzog, had died after a long illness. I offer my heartfelt condolences to his family and to the people of Israel. Chaim Herzog
not only served the Israeli people with distinction as their President for ten years, he was a courageous soldier in the liberation
of Europe and a distinguished leader in the Israeli armed forces.

He will long be remembered for his years as a statesman and scholar
-- he personified a vibrant, emerging Israel, taking its place in the
community of nations.

# # #

CYPRUS/AEGEAN

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Meeting of the Three Ambassadors

(Re General Osterthaler's On-the-Record April 16 Remarks at American Hellenic Institute)

Q: Did the U.S. Ambassadors to Greece, Turkey and Cyprus meet in Zurich recently to discuss U.S. initiatives on Cyprus and the Aegean?

A: Our Ambassadors in the region get together on occasion to discuss developments and compare notes. This was one such meeting.

Q: Is a paper containing recommendations on its way to the President?

A: The President is kept regularly informed on developments in the region and on our current plans and activities in addressing the problems there. As a matter of policy, we do not comment on such communications.

Q: Are you tying our Cyprus initiative to progress on Aegean issues?

A: We do not link the two issues. Obviously, progress on one would facilitate progress on the other. The U.S. has made clear its commitment to pursuing solutions to these problems.

Q: General Osterthaler said you had not yet decided whether to pursue an initiative on Cyprus. Is there going to be an American initiative?

A: We are fully committed to promoting a durable, workable Cyprus settlement. Real progress toward a settlement, however depends on the will of the parties to achieve a settlement.

Q: Are you prepared to send American troops to participate in a new peacekeeping force on Cyprus?

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A: It is far too early in the Cyprus peace process to discuss detailed questions like that.

ALBANIA

Q: Any reaction to the arrival of the Multinational Protection Force (MPF) in Albania,
which began deploying on April 15?

A: We welcome deployment of the MPF to facilitate humanitarian and political assistance
efforts in Albania.

We commend the Government of Italy for accepting the important leadership role in
pulling the force together.

(If asked) The U.S. is not participating in the MPF.

DALAI LAMA

The Dalai Lama, religious leader of Tibetan Buddhists and Nobel laureate, is always a most
welcome visitor to the Untied States.

Americans have tremendous feelings of goodwill toward His Holiness and adherents of
Tibetan Buddhism in the United States and elsewhere.

The administration welcomes the Dalai Lama's visit and looks forward to discussions with
him.

He will be meeting members of the administration, but at what level and with whom has not
been decided.

As a religiously diverse nation, we also welcome the

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contributions to our nation's spiritual
life of Americans who have embraced Tibetan Buddhism.

RUSSIA/NIS

Yeltsin Comments on NATO-Russia, Prospects for May "Summit"

Saw reports of Yeltsin meeting with Chancellor Kohl; welcome reaffirmation of Russian
interest in concluding soon NATO-Russia agreement, but as both Kohl and Yeltsin noted,
there are still elements to be discussed and settled in proposed charter.

NATO-Russia

Consultations with Russia continue; NATO Secretary General Solana met in Moscow again
this week, discussed contents of proposed agreement with Primakov.

On idea of holding late-May NATO-Russia `summit' to sign Charter, we're prepared to
consider it -- of course, first need to finish document, actually have agreement between
NATO and Russia -- before we can set date, make concrete plans for any event.

Plans for NATO enlargement also proceeding on schedule -- Madrid summit on track; will
issue first invitations to prospective new members at July 8-9 meeting.

Enlargement part of broader effort to build comprehensive European security system, which
includes strong NATO-Russia relationship. It is going forward in way that does not threaten
any nation's security, enhances stability in Europe.

In Helsinki, President and Yeltsin disagreed over enlargement but agreed to work together to
build cooperative NATO-Russia relationship.

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See Russia as partner of NATO in shaping more secure, stable and undivided Europe. That is
good for United States, Russia and Europe.

WT Story on Russian Arms Sales to Iran

We don't comment on the specifics of articles purporting to draw on intelligence information.

U.S. officials at the highest levels frequently discuss with the Russian Government our
opposition to the sale of advanced air defense systems to Iran; and we have received firm
assurances that such sales would not occur.

The USG monitors all international arms sales activity closely and follows up on any credible
information that illegal activities could occur.

General Items

Helsinki Summit and Aftermath, Way Forward in U.S.-Russia Relations

Welcomed Yeltsin's positive comments on summit results; Helsinki confirmed U.S.-Russian
intention to work together, work through tough issues. As Yeltsin said, "our choice is for
cooperation."

Yeltsin Claims G-7 to Become Full G-8?

Denver meeting will be Denver Summit of Eight; will build on increased Russian involvement;
Yeltsin to arrive and depart with others; will be one press conference by leaders of the Eight.

Seven will still discuss economic, financial matters; expect this to be small part of agenda.

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SAUDI ARABIA -- KHOBAR BOMBING

Q: Are we getting cooperation from Syria on the Khobar bombing investigation?

A: The investigation into the Khobar bombing is ongoing. We do not comment on
investigations in progress.

Regarding Syria, I'm not going to discuss the details of our diplomatic exchanges with
other governments, particularly when they involve a matter under investigation.

Q: Are the Saudis helping? What have we learned from the suspect detained by Canada?

A: As I've said before, we have gotten cooperation from the Saudis and we've been
assured at the highest levels of the Saudi Government that more cooperation will be
forthcoming.

As has been reported, Canada has detained an individual who may have information
about Khobar. I'd refer you to the FBI for any comment on that.

Q: But the Canadians charged this guy with participating in the bombing and the papers
they filed indicate he has links to Syria and Iran. Do you concur with the Canadian
assessment of his culpability? Does this mean we're going to finally take action against
Iran? Will it be military action?

A: Canada did make some specific allegations in the papers the Canadian government filed
with its own courts. As you know, we, too, have an investigation ongoing.

At this time in our own investigation, it is neither necessary nor appropriate to make
specific public charges or allegations. The FBI, the agency in our government that is in

COPY

charge of this investigation and the agency that has been working with Canada, will follow
all leads and will take them to their appropriate conclusion.

We are treating this as a criminal, law enforcement investigation. I'm not going to
speculate about the outcome of the investigation or any actions that outcome might
require.

Q: So you're ruling out any military action against Iran based on the clear and convincing
evidence Canada's authorities have submitted to their courts?

A: I'm declining to speculate on the outcome of the case. Nothing more, nothing less.

BOSNIA

Radovan Karadzic (Baltimore Sun)

Karadzic was removed from office and remains banned from any public or political role under
an agreement with Republika Srpska. We continue to monitor the situation and will insist that
Republika Srpska live up to their agreement. We remain concerned about his potential
influence and will not be satisfied until he is brought to
justice in the Hague.

War Criminals

We continue to remain deeply concerned with the slow progress on war crimes front in
Bosnia. We're examining variety of ways we can help the Tribunal to bring indicted war
criminals to justice. We have made no decisions on how to assist the Tribunal. We are
reviewing many different options.

If pressed about sending teams of special police or commandos to arrest war criminals:

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We have been examining several options to assist and enhance the ability of the Tribunal to bring indicted war criminals into custody. One option may be to establish some sort of capability to execute the court's arrest warrants. We are studying the feasibility of these options but have made no decisions yet.

Train and Equip Program (CNN)

The international Train and Equip program is successfully helping to establish a stable military balance in Bosnia, which is one of the keys to establishing a lasting peace in the region.

The T&E program continues to facilitate concrete progress in the formation of joint Federation defense structures that will be critical to strengthening the Bosniak-Croat Federation.

Agreement on Central Bank and Currency

We are encouraged by the parties agreement to a central currency bank and a single currency valid for all transactions in Bosnia. The new Bosnia currency will be the "convertible marka" linked 1:1 to the German Deutsch Mark and fully backed by foreign currency.

This marks another important step toward implementation of Dayton and the building of common institutions necessary for a functioning single Bosnian state.

Pope in Bosnia

Pope John Paul II delivered an inspiring message of reconciliation and peace to the people of Bosnia this weekend. We hope that all Bosnians take heart in the wisdom of his call for a unified Bosnia at peace.

We have seen reports that some explosives were found along one of the likely routes of the

COPY

Papal motorcade. We are thankful that SFOR and Bosnian authorities were able to ensure the Pope's safety during his visit to Sarajevo.

SFOR Mission Duration

We believe that SFOR's mission should be completed in 18 months. 18 months should give sufficient extra time needed to establish conditions to maintain security and stability without an outside military presence.

Kasich Legislation/Premature Withdrawal from Bosnia

We strongly urge that this legislation not be pursued. Passage of the proposed legislation and unilateral withdrawal of U.S. troops could lead to a resumption of the war in Bosnia, a serious crisis in the NATO alliance, and an abdication of U.S. credibility and leadership in Europe and around the world.

FRY/Republika Srpska Agreement

The decision of the FRY Assembly to ratify a cooperation agreement with the Serb Republic is a violation of the Dayton Agreement and is inconsistent with the Constitutions of Bosnia and Herzegovina and Republika Srpska.

The agreement includes provisions that are under the purview of the individual states and which could be in violation of the sovereignty and territorial integrity of Bosnia and Herzegovina. The agreement cannot take effect until it is ratified by the Bosnia-Herzogovina Assembly.

CHINA

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Conditional MFN

Q: Do you have any comment on Speaker Gingrich's comment that he favors only a
six-month extension of MFN for China?

A: We have not discussed this issue in detail with the Speaker as yet, so don't know his full
thinking.

[IF PRESSED] We have reviewed conditional MFN ideas in the past and do not
consider them to be desirable or practicable. These ideas would require a change in the
law. Moreover, we do not believe that we can advance our interests by isolating
ourselves from China.

Hong Kong

Concerned about any changes in Hong Kong's legal structure that restrict the civil liberties of
the citizens of Hong Kong.

Fundamental rights that Hong Kong citizens have enjoyed, including freedom of the press and
freedom of association, are essential elements of Hong Kong's "way of life," and of its
economic success.

Nature of relationship with China would certainly be affected by actions to curtail civil
liberties in Hong Kong.

Martin Lee

United States greatly admires Martin Lee's steadfast efforts on behalf of democracy,
individual rights, and the rule of law.

Mr. Lee has an appointment with the Vice President on Friday; the President will join that
meeting.

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UNHRC

[If asked about decision by certain EU countries not to co-sponsor resolution]

Decisions on resolutions are made by sovereign nations.

U.S. believes decisions [on votes?]should reflect assessment of the human rights situation in particular countries.

Our own judgment, which we have shared with our allies, is that the current human rights situation in China warrants a resolution.

CHINA

THE WHITE HOUSE

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

For Immediate Release
April 15,
1997

STATEMENT BY THE PRESS SECRETARY

United Nations Human Rights Commission Vote on China

The United States deeply regrets that today in Geneva, the United Nations Human Rights Commission approved a motion by China that prevented a resolution on that nation's human rights record from coming to a vote. This action is inconsistent with the fundamental principle the Commission is charged to defend: that how a nation treats its citizens is the legitimate concern of all mankind.

The United States has chosen to engage China across a broad range of issues because it is in

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our national interest to develop a positive and constructive relationship with a country that is home to a fifth of the world's population and is playing an increasingly important role in world affairs. At the same time, it should be clearly understood that we will continue to speak out on important issues where we disagree, and one of the most important of these issues is human rights.

By taking a stand against human rights abuses in China and around the world, we keep faith with those who champion these principles. We also maintain our leadership on human rights issues and express the deepest values of the American people.

# # #

TRIPS AND VISITORS

Vice President will see Hong Kong legislative council leader Martin Lee Friday 4/18.
President will join that meeting.

No one at WH/NSC is seeing Okinawa (Japan) Governor Ota. He has meetings at State and DOD.

Japanese Prime Minister Hashimoto will be here April 25 for an official working visit.

Chinese Foreign Minister Qian is here for meetings with Secretary Albright on 4/28-29. We expect him to see Berger and (we hope) the President.

Spanish President Aznar will be here April 30 for meeting and working lunch.

President's visit to Mexico postponed to May 6-7. Regional summit meetings in Bridgetown, Barbados and San Jose, Costa Rica will go forward as scheduled during the week of May 6-10.

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President will travel to Netherlands May 28 for U.S.-EU Summit and Marshall Plan
commemoration event. No details yet.

Denver Summit June 20-22.

POTUS will travel to Denmark in July in conjunction with the July 8-9 NATO Summit in
Madrid.

President's visits to Brazil, Argentina and Venezuela rescheduled to October 12-17.

APEC Summit in Vancouver, Canada November 24-25.

JAPAN

Q: Will the President raise the auto agreement in his meeting with Prime Minister
Hashimoto next week?

A: I am sure the economic relationship will be part of the agenda.

This Administration strongly supports this agreement and continued progress through its
full implementation.

JAPAN

THE WHITE HOUSE

Office of the Press Secretary

Embargoed for Transmission
or Release Until 8:30 p.m. EDT
Wednesday, April 16, 1997

COPY

STATEMENT BY THE PRESS SECRETARY

Official Working Visit by Japanese Prime Minister Hashimoto

In response to an invitation from the President, Japanese Prime Minister Hashimoto will make his first official working visit to Washington April 25.

The President and the Prime Minister intend to discuss a full range
of bilateral and international issues.

The President paid a State Visit to Tokyo in April 1996. Prime Minister Hashimoto and the President have met on several other occasions, most recently at the November 1996 APEC Leaders Meeting in
Manila.

# # #

NORTHERN IRELAND

Mitchell Resignation as SAPASS for Economic Initiatives in Ireland

[Background: It has not been made public yet but Senator Mitchell has submitted a letter to
POTUS resigning his position as Special Advisor to the President and Secretary of State for
Economic Initiatives in Ireland -- a position he has held since late 1994. Ideally, we would prefer
to announce it at same time his successor is named, which will take a few weeks.]

Yes, Senator Mitchell has decided to give up position as Special Advisor to President and

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Secretary of State for Economic Initiatives in Northern Ireland. Will of course continue as
chair of Belfast peace talks; in fact, understand his decision to resign the economic job based
on need to devote his time to the talks.

We are moving to select a successor to Senator Mitchell to oversee Administration support
for economic initiatives. Creating jobs through investment and trade is key to underpinning
Northern Ireland peace process over long term.

Shooting of Woman Police Officer in Derry

Abhor this callous crime; extend sympathy to family and hope/pray for officer's recovery.

IRA violence must stiffen resolve of those committed to democracy and peace. Men of
violence should not be allowed to determine future of Northern Ireland.

Any Chance of IRA Cease-fire?

Impossible to know. Continue to call for immediate, unequivocal cease-fire. Way forward
can only be through negotiations, not senseless violence.

Start of Marching Season

Pleased that Easter Monday parade went off smoothly. Commend those who took
courageous decision to avoid confrontation.

Hope people of goodwill in Northern Ireland will work together to avoid clashes and
bitterness in this year's marching season.

Bomb at Sinn Fein Office

Condemn this attempted attack, as we condemn all acts of violence.

Urge loyalists to return to observing cease-fire; not precipitate downward spiral of violence
that can only harm all people of Northern Ireland.

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Continued IRA Violence

Strongly condemn continued IRA violence in Northern Ireland and in Britain, urge immediate, unequivocal cease-fire.

Belfast peace talks (now in recess until June) have best chance of long-term success if they are inclusive (that is, if Sinn Fein participates) but that can only happen after IRA cease-fire.

On Whether Ira Needs to Disarm Before Joining Talks

Vice President did not address this point, but U.S., like British and Irish governments, have accepted the report issued last year by Senator Mitchell and his colleagues, which suggested decommissioning of arms in parallel with talks.

Murder of Catholic Father of Nine in Belfast

If asked about the murder of a Catholic father of nine in Belfast, possibly by loyalist gunmen:

WH horrified by this brutal slaying, condemns it in strongest terms.

Do not know who was responsible; police are investigating.

[If pressed]: Have no way of knowing yet whether loyalists were involved, but are watching closely. Condemn it utterly, whoever did it.

Berger/Steinberg Phone Calls

NSA Berger and DNSA Steinberg have been in touch with British and Irish officials and with party leaders to discuss situation in Northern Ireland, exchange views on how to move process forward.

If asked whether one of them spoke with Adams: Remain engaged in process; not going to comment further on details of who/when.

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GULF WAR ILLNESSES

What is the significance of CIA's recently-released Khamisiyah white paper?
CIA's white paper places approximately 40 just-declassified documents related to Khamisiyah
into context and complements DOD's "Khamisiyah case narrative" released in FEB 97.
My understanding is that the white paper and accompanying documents do not change the
essence of what we know about what happened at Khamisiyah that might be related to
undiagnosed Gulf War illnesses. Moreover, the white paper is distinct from the forthcoming
CIA IG report which has not yet been released.
The white paper does, however, highlight certain intelligence community shortfalls and
"lessons learned" from an analytical perspective, and I understand CIA is addressing these.

What about the statement in the CIA white paper that the CIA briefed the NSC staff in JAN 96
on the Khamisiyah evidence?
The CIA white paper (and one of the accompanying documents containing briefing slides)
reflects the classified CIA brief the NSC staff received in JAN 96.
During the briefing -- which focused on the CIA's declassification initiative and ongoing
study of potential exposures -- the staff was told that information had come to light about the
possibility of chemical munitions storage and agent release at the Khamisiyah facility. This
was briefed as preliminary information, and the NSC staff noted at the close of the brief that
CIA needed to pursue this possibility aggressively together with DOD.
Subsequent CIA and DOD efforts to investigate this concern eventually led to the JUN 96
DOD announcement of Khamisiyah.

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The CIA Khamisiyah white paper mentions that an AUG 91 "highly-classified" intelligence assessment discussing chemical munitions storage at Khamisiyah was circulated among the entire national security team. Does this mean that the Bush Administration knew about the possibility of exposure of U.S. forces soon after the Gulf War?
We have no information indicating that the Bush Administration knew of this possibility.
To my knowledge, the assessment you are referring to focused on the issue of whether Khamisiyah was a known chemical munitions storage site, and did not even reflect the issue of the possible exposure of U.S. forces.

How does the CIA explain these 40 or so documents coming out now, months after we had various assurances that the Agency had done its best on behalf of Gulf War veterans?
First, it's important to note that earlier statements were based on what was known at the time they were made. And the continuing DOD and CIA investigative efforts have identified new information, changing what we know over time.
Finally, while these documents do not change our substantive understanding of the possible exposure of U.S. forces at Khamisiyah, they do indicate certain intelligence community shortfalls and "lessons learned" which CIA intends to act on.

The intelligence community admits making mistakes in its handling of the Gulf War illnesses investigation, and this latest batch of 40 or so documents clearly should have come out much sooner. With much of the related activity occurring during George Tenet's tenure at CIA, does the Director-designate retain the President's full confidence?
Absolutely.
The CIA has contributed a tremendous amount to our knowledge about chemical weapons in the Gulf War theater and specifically about exposure incidents that might be related to undiagnosed Gulf War illnesses.
George Tenet is fully supportive of the President's commitment to get out all the facts. and

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has increased the level of resources devoted to the Gulf War illnesses problem when new information has highlighted the need to do so.

What do you see as the way forward on GWI issues?
Given the scope of the investigative efforts underway, there seems little doubt we'll learn of additional information which should have been made public sooner. However, such developments should be understood in a broader context:
Most, if not all, of the new information appears unlikely to change our fundamental assessment of what happened out there that might have adversely impacted the health of our veterans.
This new information is coming out precisely because of the "openness" process the President directed and remains fully committed to.
All of the information being developed will be used to improve policies so as to be better prepared for future deployments.
Finally, while all of this investigative activity is underway, we are concurrently working very hard to further improve the quality of our medical care and research programs.

Should more veterans be warned now about Khamisiyah?
We believe that the notification letters already sent by the DOD last NOV and DEC cover the overwhelming majority of those veterans who might have been affected... And all Gulf War veterans concerned about the possible adverse health effects of service in the Gulf theater are eligible for and have been strongly urged to take full advantage of free medical exams and subsequent health care, if needed -- this eligibility has been widely communicated by public service announcements and many other means.
We should not lose sight of the fact that there remain no documented cases of soldiers reporting acute symptoms at the time, nor is there any clear-cut evidence of a link between low-level exposures and the undiagnosed illnesses -- that research continues, however.
Significant uncertainties remain in terms of both source data

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and most appropriate modeling
approach; CIA and DOD are working together to resolve these expeditiously.
No one who has been involved in researching the Khamisiyah incident believes that the "worst
case" scenarios are very credible.
Finally, even the "worst case" scenarios focus on the possibility of low-level chemical
exposures, and it is important to remember that there was no evidence at the time of more
significant acute symptoms.

Do these "intelligence failures" -- specifically, getting an appropriate warning to troops in the field
during the Gulf War and failing to uncover the possibility of chemical exposure at Khamisiyah for
more than five years -- indicate that the intelligence community and/or its relationship to the
military need to be reconsidered?
At this juncture, I would say no. Mistakes were clearly made during this process, these
mistakes have been acknowledged, and the agencies involved will seek to develop appropriate
"lessons learned" for implementation.
Beyond that, we need to await the outcome of the CIA IG and various other ongoing
investigations to determine whether any other actions may be appropriate.

What action has been taken in response to the initiatives announced during the roll-out of the
PAC (Presidential Advisory Committee) report in early JAN 97?
We've accomplished a great deal since the PAC submitted its report.
Leading examples:
Secretary Brown prepared a recommendation -- which the President has accepted --
to initiate rulemaking to extend the compensation eligibility period for Gulf War
veterans with undiagnosed illnesses to DEC 31, 2001. This measure has been
strongly supported by Gulf War veterans and members of Congress.
The Secretaries of DOD, HHS and VA have developed an integrated Action Plan to
implement the PAC recommendations from its final report.

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Finally, as the PAC recommended, we have initiated a Presidential Review Directive (PRD) to address "Health Preparedness for and Readjustment of Veterans and Their Families After Future Deployments." This is the key prospective piece which will ensure that we act on the "lessons learned" to better safeguard the health of soldiers in future deployments.

What has the Administration done for Gulf War veterans who are sick?
Through the dedicated efforts of DOD and VA personnel, veterans are receiving the care they need for Gulf War illnesses, whether diagnosed or undiagnosed. Overall, to date -- (1) DOD & VA toll-free help lines; (2) 80,000+ free medical exams; (3) 26,000+ compensation claims approved; (4) special legislation paying disability for Gulf veterans with undiagnosed illnesses, with an extension of the presumptive period for undiagnosed illness compensation forthcoming soon; (5) thousands of pages declassified; and (6) 90+ federally-sponsored research projects underway.

NAZI ASSETS

CONTINGENCY PRESS GUIDANCE: Following is contingency press guidance on the decision to delay by 1-2 weeks the target date for release of the historians' report on the postwar USG role in distributing Nazi gold and assets. The main Administration spokesman on this issue is U/S Stu Eizenstat.

The team of historians and others who have been working to assess a huge amount of historical material discovered they needed a little more time than originally anticipated.. This short delay will ensure that we can provide our best possible understanding at this point of the events in question.

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If asked about the President's role:

The President cares deeply about this issue. The historians' report is being prepared at his behest, under the direction of U/S Eizenstat.

If pressed:

The President will of course see the report when it is completed.

FAST TRACK

Q: It has been reported that the President is planning to delay his request for fast track authority to accommodate the budget process. Is that true? Does this signal Administration retreat on fast track? Has Gephardt scared the President off?

A: Not at all. The President is still firmly committed to seeking fast track authority to open foreign markets. It is critical if we want to continue creating good jobs for American workers.

Every President since Ford has had fast track authority for key periods, and the reasons for it now are more compelling than ever. Over 11 million U.S. jobs now depend on exports, and these jobs pay 13-16 percent more than the average U.S. job. Today, 95 percent of the world's consumers live outside the U.S., and the vast majority of those consumers live in the emerging and fastest growing markets of Latin America and Asia. We simply must continue to open these markets for U.S. exports if we are to succeed in the global economy.

We cannot afford inaction. If we are not seizing opportunities to break down trade barriers and open foreign markets, we can be sure other countries

COPY

will act -- to the
benefit of their companies and their workers.

The United States has nothing to fear. We are the most competitive large economy in
the world as judged by independent experts. But our ability to define the nature of our
trade relationships will in significant measure determine our leadership role in the next
century. Fast track authority is the most important factor determining these
relationships.

As you know, we have been consulting with Congress to develop bipartisan support for
this legislation. We think that is the best way to build a
strong foundation for this effort.
We will continue to consult with Congress as to the substance, tactics and timing of the
fast track initiative.

Q: It has been reported that the Administration is weighing the dropping of labor and
environmental goals from fast track trade authority legislation, a move certain to infuriate
labor unions. Is this true?

A: As we have stated before, our goal is to build the broadest possible support for the fast
track legislation. To that end, Ambassador Barshefsky and others have been consulting
actively with members of Congress representing all points of view on this subject, and
with all interested parties, including organized labor. We will continue to do so with the
goal of enacting legislation that receives broad support.

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M S M a i l

DATE-TIME 19 April 97 09:43

FROM Johnson, David T.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: 1430 April 18 POTUS Guidance [UNCLASSIFIED]

TO Bass, Peter E.
Cicio, Kristen K.
Hall, Wilma G.
Helweg, M. Diana
Kale, Dora A.
Kerrick, Donald L.
Millison, Cathy L.
Veit, Katherine M.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Dora: this is the final potus guidance we used yesterday. you should place it atop the materials you already have. thx.

From: Wozniak, Natalie S.
To: @NSA - Natl Security Advisor
CC: /R, Record at A1; @PRESS - Public Affairs
Subject: 1430 April 18 POTUS Guidance [UNCLASSIFIED]
Date: Friday, April 18, 1997 02:21 PM

[[PREZ0418.DOC : 2399 in PREZ0418.DOC]]

ATTACHMENT FILE DATE 18 April 97 14:20

ATTACHMENT FILE NAME PREZ0418.DOC

18 APR 97 1430

PRESIDENTIAL PRESS GUIDANCE

FRIDAY, APRIL 18, 1997

1. Middle East Peace Process

2. Martin Lee -- Hong Kong

COPY

3. Foreign Affairs Reorganization

4. Gulf War Illnesses

MIDDLE EAST PEACE PROCESS

Netanyahu

Do you have anything to say about the possibility of the Israelis Prime Minister being
indicted this weekend.?

□ Obviously inappropriate for me to comment on an internal Israeli matter.

(NOTE: Avoid saying this is a "political" issue.)

Does this sink your efforts to revive the MEPP?

□ No, we are continuing our efforts to get the process back on track.

What is Dennis Ross doing now?

□ Ambassador Ross continued meetings with Israeli and Palestinian leadership. Along
with Amb. Indyk, he attended today the funeral of former Israeli President Chaim
Herzog.

He will return to Washington over the weekend.

□ Not going to get into the substance of Ross' talks. As we've said, the focus of his
current trip is to help stop the recent deterioration and lay the basis for the peace
process to advance.

MARTIN LEE/HONG KONG

Why did it take you so long to agree to meet with Martin Lee? Why not in the Oval? Did
you fear offending the PRC? What are you going to do to protect rights, freedoms of

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Hong Kong after July 1? Don't you need to speak our forcefully on that now?

□ Vice President and I had a good meeting with Martin Lee.

□ Agreed that fundamental rights that Hong Kong citizens have enjoyed are essential elements of Hong Kong's "way of life," and of its economic success, and that they should be maintained as promised in the Joint Declaration.

□ I'm concerned about some recent Chinese decisions regarding civil and political rights in Hong Kong; Vice President and Secretary of State recently communicated our views to Chinese government.

□ Will continue to watch closely. Hong Kong's continued success important to Hong Kong, China, and the U.S. That success depends on how China handles the reversion, how it respects civil, political rights of Hong Kong's citizens.

□ Engine that moves Hong Kong is free flow of information; can't stifle that without stifling Hong Kong's economy.

□ Secretary Albright's plans to be in Hong Kong July 1 symbol of our interest, concern about U.S. interests in Hong Kong.

FOREIGN AFFAIRS AGENCIES REORGANIZATION

What have you decided on State reorganization?

□ Plan to fully integrate ACDA into State within one year and USIA over two years; AID remain a distinct agency, but will be placed under the Secretary of State and, within two years, will share certain administrative functions with State.

□ State will undertake a new round of reinvention, prompted by the need to incorporate new organizations and to manage new responsibilities. Goal is to make the new, integrated State Department more effective and efficient and better able to defend

COPY

American interests and promote American values abroad.

□ Part of Vice President's reinventing government initiative, been under study for a long
time. Will place arms control, sustainable development, and public diplomacy where
they belong: at the heart of our foreign policy, within a reinvented Department of State.
No better time to make these changes than now, with a new administration, new
Congress, new Secretary of State.

Is this a quid pro quo for CWC? For Albright's easy confirmation? For UN arrears?

□ No. There is no linkage. I am confident that the Senate will see the wisdom of CWC in
its own right.

GULF WAR ILLNESSES

Colin Powell's said yesterday he knew of no senior commander who heard from the CIA
that there might be chemical munitions at Khamisiyah prior to the demolitions there and
were he still in office he would be "raping and pillaging throughout the intelligence and
operational communities to get to the bottom of this"?

□ I'm not satisfied either and won't be until all the facts are given to our vets. No issue
more important to me than how we treat our Vets. I knew from the outset that there
was something wrong here. And I've been determined to get to the bottom of it.

□ It's concern that led me to create the Presidential Advisory Commission on Gulf War
Illnesses. It's their work that has forced our military and intelligence agencies to
come to terms with this and to provide the resources that are bringing to light the
information we now have.

□ No one should doubt that I'm not going to rest until we get to the bottom of this. We've
got six different DOD and CIA investigative activities underway;

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if it takes more, there
will be more.

□ Whatever we find out, I want to make one point very clear: we will treat our Vet's
undiagnosed illnesses and we will compensate veterans who are disabled even if we
can't find out why they are sick.

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M S M a i l

DATE-TIME	29 April 97 14:41
FROM	Lindsay, James M.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Another Scrub[UNCLASSIFIED]
TO	Wechsler, William F.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	[[REORGTP4.DOC : 3624 in REORGTP4.DOC]] Will, I again call on your expertise and skill. Jim
ATTACHMENT FILE DATE	29 April 97 14:40
ATTACHMENT FILE NAME	REORGTP4.DOC

Talking Points on Reorganization

□ I decided to propose a far-reaching reorganization of State, ACDA,
AID and USIA because we need to improve the efficiency and effectiveness of the foreign affairs agencies.

□ I am pleased that my plan enjoys the complete support of the Secretary of State and the heads of ACDA, AID and USIA.

□ The reorganization will be implemented over the course of two years. The broad outlines of the plan are as follows:

--ACDA will be integrated within one year under the Under Secretary of State for Arms Control and International Security Affairs. This new Under Secretary will also carry the responsibility of being my senior adviser for Arms Control, Nonproliferation and Disarmament.

--USIA will be integrated with State over two years under a new Under Secretary of State for Public Diplomacy.

--AID will remain a distinct agency but be brought under the

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direct authority of the Secretary of State. Some AID support services will be integrated with State's over two years.

--The State Department substantially reinvent how it operates.

□ The Secretary of State, in close consultation with ACDA, AID and USIA, will now use the next 120 days to develop a detailed blueprint for implementing this reorganization.

□ My plan balances the need for greater policy coherence and effectiveness with the need to preserve the special missions and skills of the three smaller agencies. It will give us a streamlined policy-making process that is better suited to meeting
the new foreign policy challenges.

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MSMail

DATE-TIME	01 May 97 12:49
FROM	Lindsay, James M.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: TPs for POTUS Retreat [UNCLASSIFIED]
TO	Samore, Gary S.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

Gary,

Here are the talking points you requested.

Jim

From: Lindsay, James M.
To: Davis, William K.
CC: /R, Record at A1; @GLOBAL - Global Affairs; @LEGISLAT-Legislative Affairs
Subject: TPs for POTUS Retreat [UNCLASSIFIED]
Date: Tuesday, April 29, 1997 03:37 PM

[[150TPS.DOC : 3165 in 150TPS.DOC]][[UNARTPS4.DOC : 3166 in UNARTPS4.DOC
]][[REORGTP4.DOC : 3167 in REORGTP4.DOC]]

Will,

Attached are the updated talking points Bill requested on UN Arrears, Resources, and Reorganization.

Jim

ATTACHMENT FILE DATE	29 April 97 14:32
ATTACHMENT FILE NAME	150TPS.DOC

Talking Points on 150 Resources

□ Foreign affairs programs are a very small part of the federal

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budget -- only about 1 percent of total spending. But that 1 percent is one of the most important parts of the budget.

□ Foreign affairs spending helps us avoid wars and save lives; it helps us stem the inflow of illegal drugs; it helps us in the war on terrorism; it promotes democracy and other American values; and
it stimulates American exports and jobs.

□ America's spending on international affairs programs has fallen by
roughly 20 percent in real terms over the past four years. This steep decline has diminished our ability to influence events overseas, raised serious questions about our willingness to remain
engaged in the international arena and cost us opportunities to promote American exports and jobs.

□ Some people call for cutting international affairs spending even further. But the truth is that further reductions will only create bigger problems for us down the road.

□ My budget calls for increasing international affairs spending by $1.4 billion. This funding increase will enable us to sustain American global leadership and promote democracy and security in important places such as Eastern Europe.

□ My budget request also will enable us to clear our arrears at international financial institutions -- which include the International Monetary Fund (IMF) and the Multilateral Development
Banks (MDBs). These organizations are the linchpins of U.S. international economic leadership, and deserve our strong support.

□ We must also provide our exporters with the support they need to compete. Our trade finance agencies -- Ex-Im Bank, OPIC and the Trade and Development Agency need to be reauthorized and fully funded this year. These specialized agencies level the international playing field for American companies. All of our major trading partners rely heavily on their trade finance and investment agencies to win critical contracts in emerging markets.
Unilaterally disarming when trade competition is as tough as it has ever been, is not in America's interests.

ATTACHMENT FILE DATE 29 April 97 14:12

COPY

ATTACHMENT FILE NAME UNARTPS4.DOC

Talking Points on UN Arrears

□ The UN serves American interests in areas ranging from refugee assistance, to disease control, to air traffic control. Its peacekeepers promote American interests around the globe including the Balkans and the Middle East.

□ I am committed to American leadership in the UN and to paying our financial obligations in full -- but I also know we must insist on real reform in the organization.

□ My proposal, as contained in the budget request, is straightforward:

□ We would commit to get the UN and other agencies to reduce future U.S. assessments to roughly the amount that Congress approved in the past two years, with no new arrears.

□ We could achieve this funding level only with substantial reform at the UN and other international agencies, including budget cuts and lower U.S. assessment rates.

□ With Congress's support, the USG would offer an advance appropriation of sufficient funding to cover our arrears, but it would not be made available until FY 1999 and would be disbursed only if our agreed upon benchmarks were met.

□ Early Congressional action on this proposal would give our diplomats the leverage they need in difficult negotiations that are now underway on UN budgets. Many nations do not believe American promises to repay our arrears -- they've heard it before. They need to see something on the table before they will agree to reform.

□ Reaching agreement with the Congress on a UN arrears plan is an important priority for my Administration. I'm pleased that the Albright-Lott Task Force has made progress on the issue, though I am disappointed that Chairman Helms is seeking to bring that process to a premature halt. I need your help to ensure that Congress does not produce a reform package that contains so many benchmarks that it's unworkable.

COPY

□ Thank you for your support on this important issue. Together, we
can agree on a sensible and workable proposal that gets us out of debt, keeps us out of debt, achieves real UN reforms and serves our taxpayers well.

ATTACHMENT FILE DATE 29 April 97 15:34

ATTACHMENT FILE NAME REORGTP4.DOC

Talking Points on Reorganization

□ I decided to propose a far-reaching reorganization of State, ACDA,
AID and USIA because we need to improve the efficiency and effectiveness of the foreign affairs agencies.

□ My plan balances the need for greater policy coherence and effectiveness with the need to preserve the special missions and skills of the three smaller agencies. It will give us a streamlined policy-making process that is better suited to meeting
the new foreign policy challenges.

□ The reorganization will be implemented over the course of two years. The broad outlines of the plan are as follows:

--ACDA will be integrated within one year under the Under Secretary of State for Arms Control and International Security Affairs. This new Under Secretary will also carry the responsibility of being my senior adviser for Arms Control, Nonproliferation and Disarmament.

--USIA will be integrated with State over two years under a new Under Secretary of State for Public Diplomacy.

--AID will remain a distinct agency but be brought under the direct authority of the Secretary of State. Some AID support services will be integrated with State's over two years.

--The State Department substantially reinvent how it operates.

□ The Secretary of State, in close consultation with ACDA, AID and USIA, will now use the next 120 days to develop a detailed blueprint for implementing reorganization. We will work closely with you to enact the necessary legislative changes and to ensure that reorganization proceeds smoothly.

COPY

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MSMail

DATE-TIME	13 May 97 18:03
FROM	Ragan, Richard F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Kerrick Meeting [UNCLASSIFIED]
TO	Wechsler, William F.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

Willie don't know if jim is around and I need this ASAP. Can you concur for him?

From: Ragan, Richard F.
To: Lindsay, James M.
CC: /R, Record at A1
Subject: Kerrick Meeting [UNCLASSIFIED]
Date: Tuesday, May 13, 1997 05:39 PM

[[PDKERR.DOC : 4608 in PDKERR.DOC]]

Jim

I drew the short straw and am pulling Matt Lorin duty so I your clearance yesterday ---- one reorg. point.

ATTACHMENT FILE DATE	13 May 97 17:26
ATTACHMENT FILE NAME	PDKERR.DOC 3313

March 13, 1997

INFORMATION

MEMORANDUM FOR DONALD KERRICK

COPY

THROUGH: ERIC SCHWARTZ

FROM: RICHARD RAGAN

SUBJECT: Your Meeting with Lew Manilow, Chairman of the U.S. Advisory Commission on Public Diplomacy

You will be meeting with Mr. Lew Manilow, Chairman of the U.S. Advisory Commission on Public Diplomacy, 1:15 p.m. on May 14 in your office -- you hosted an earlier March meeting with three members of the Advisory Commission and Matt Lorin. As you know, Mr. Manilow requested the meeting because he was unable to make the earlier meeting. Your goal should be to convey strong support for Public Diplomacy, acknowledge the important role of the Commission, and direct them to begin working through the Department of State (Jamie Rubin in Public Affairs).

Background on the Commission: Now in its 49th year, the Commission is responsible for assessing the public diplomacy policies and programs of United States Information Agency (USIA), other foreign affairs agencies and U.S. missions abroad. Loosely defined, public diplomacy is the communication of U.S. interests and ideals beyond governments to foreign publics. Activities most often associated with public diplomacy are: informational and cultural activities at U.S. missions abroad, international exchange of persons, radio and television broadcasting, foreign public opinion research and public funding for non-governmental activities (National Endowment for Democracy, East-West Center).

Background on USIA: Created in 1953, USIA is the USG's primary public diplomacy agency and has a budget of approximately $1.5 billion. USIA is prohibited by the Smith-Mundt Act from disseminating its products domestically. USIA operates approximately 200 posts in 148+ countries. Organizationally, these posts are divided into six geographic regions: East Asia & Pacific; Africa; North Africa, Near

COPY

East, and South Asia; American Republics; West Europe and Canada; East Europe and New Independent States. Each region is represented
in Washington by an Area Director.

Possible Issues of Concern to Mr. Manilow:

□ A Recent Commission Report: He may want to discuss a recent report, A New Diplomacy for the Information Age, in which they suggest the information revolution coupled with the global transition toward democracy demands a "new diplomacy." Perhaps, most importantly, they argue that citizens are changing their governments and influencing what governments can do more than at any time in history. As a result, while traditional state diplomacy is still essential, policies and negotiated agreements will succeed only if they have the support of the public both at home and abroad (Report at Tab A).

□ Enhancing USIA's links to U.S. Foreign Policy Objectives: Mr. Manilow will likely discuss commission recommendations to significantly enhance USIA channels of communication to the NSC as
well as technology upgrades including the establishment of a global digital information network that would provide for real time, multi-lingual video conferencing (Topical Speech at Tab B).

□ Reorganization: Mr. Manilow might express concern over the proposed merger of USIA into State. He would likely remind you that USIA was established as an independent agency because, in the
past, its programs were compromised for short term political objectives.

COPY

Talking Points

□ As I mentioned to your colleagues in March, the National Security
Advisor believes this issue deserves senior Administration attention. And I would add that Secretary Albright shares that view.

□ Agree with your general assessment and the need to more aggressively and effectively engage foreign audiences.

□ Also, agree that this Administration must "turn the corner" on the
application of information technology both to our state diplomacy and our citizen diplomacy.

□ Am interested in discrete recommendations of projects that can immediately impact on our current foreign policy objectives.

□ With President's announcement to reorganize our foreign policy agencies, think it is important that you share the same the State Department.

□ Think reorganization offers us an important opportunity to mainstream critical public diplomacy activities. Would be happy to
call Jamie Rubin, who will likely be handling these issues for Secretary Albright, and recommend that he meet with you.

Concurrences by: James Lindsay

Attachment
Tab A "A New Diplomacy for the Information Age"
Tab B "Public Diplomacy: Rethinking an Old Concept"

COPY

M S M a i l

DATE-TIME 22 May 97 16:32

FROM Ragan, Richard F.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Letter to SRB [UNCLASSIFIED]

TO Lindsay, James M.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

I hate this $!#^ e-mail system because you can't open your attached files for review think this is it

[[3550-SR4.DOC : 4126 in 3550-SR4.DOC]][[3550MM4.DOC : 4127 in 3550MM4.DOC]]

From: Lindsay, James M.
To: Ragan, Richard F.
CC: /R, Record at A1
Subject: RE: Letter to SRB [UNCLASSIFIED]
Date: Thursday, May 22, 1997 04:19 PM

Richard,

Since I'm a Doctor I get confused easily. The file you returned has a different name but otherwise it's identical. Did you have changes?

Jim

From: Ragan, Richard F.
To: Lindsay, James M.
CC: /R, Record at A1
Subject: RE: Letter to SRB [UNCLASSIFIED]
Date: Thursday, May 22, 1997 04:00 PM

<<Attached File: 3550-SR2.DOC>>
<<Attached File: 3550MM1.DOC>>

thanks for the creative liberty --- since you are a Dr. I'll understand if you don't accept

---

From: Lindsay, James M.

COPY

To: Davis, William K.; Ragan, Richard F.
CC: /N, NonRecord at A1; /R, Record at A1; @DEMOCRACY - Dem/Human Affairs;
@LEGISLAT-Legislative Affairs
Subject: Letter to SRB [UNCLASSIFIED]
Date: Thursday, May 22, 1997 02:44 PM

<<Attached File: 3550-SRB.DOC>>
<<Attached File: 3550MM.DOC>>

Will and Richard,

You are down for clearance on package 3550, a letter to SRB from the Alliance for International Educational and Cultural Exchange. Feel free to wordsmith.

Regards,

Jim

ATTACHMENT FILE DATE 22 May 97 16:30

ATTACHMENT FILE NAME 3550-SR4.DOC
3550

May 22, 1997

ACTION

MEMORANDUM FOR SAMUEL BERGER

THROUGH: RICHARD A. CLARKE

FROM: JAMES M. LINDSAY

SUBJECT: Letter from the Alliance for International Educational and Cultural Exchange

Michael McCarry and Dan Davidson of the Alliance for International
Educational and Cultural Exchange wrote you to say that the Alliance

COPY

is ready to work with the Administration to make the restructuring of
the foreign policy agencies a success. Your response thanks the Alliance for its support and reiterates the Administration's commitment to ensuring that sustainable development and public diplomacy remain central to U.S. foreign policy.

Concurrence by: Will Davis Richard Ragan

RECOMMENDATION

That you sign the letters at Tab A.

Attachments
Tab A Letters to Michael McCarry and Dan Davidson
Tab B Incoming Correspondence

ATTACHMENT FILE DATE 22 May 97 16:31

ATTACHMENT FILE NAME 3550MM4.DOC

Dear Mr. McCarry:

Thank you for your letter regarding the reorganization of our foreign affairs agencies and
your support to help make
the restructuring an unqualified success.

The President's reorganization proposal is a bold
plan that responds to the dramatic changes we have witnessed in the international arena over the
past decade and
to the new challenges facing
the United States today. This restructuring will
preserve and enhance the core missions of both USAID and USIA. The result will enhance the critical missions of sustainable development and

COPY

public diplomacy and ensure that they are at the
forefront of U.S. foreign policy.

Thank you for your interest in this matter.

Sincerely,

Samuel R. Berger
Assistant to the President for
National Security Affairs

Mr. Michael McCarry
Executive Director
Alliance for International Educational
and Cultural Exchange
1828 L Street
Suite 901
Washington, D.C. 20036

COPY

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Baker, Jane E. to Blinken, Antony J. et al. re: John Hilley (9 pages)	02/17/1996	P5
002. email	Davis, William K. to Lindsay, James M., re: Kerrick Nonpaper (7 pages)	03/06/1997	P1/b(1), P5
003. email	Davis to Lindsay, re: ASAP Reorg Memo to SRB (3 pages)	03/18/1997	P1/b(1), P5
004. email	Davis to Lindsay, re: Reorg Next Steps (2 pages)	04/15/1997	P1/b(1), P5
005. email	Wechsler, William F. to Davis, Willliam K. re: Reorg Roll Out (4 pages)	04/17/1997	P5
006. email	Wechsler to Baldwin, Kenneth, et. Al., re: Reorganization (13 pages)	04/18/1997	P1/b(1), P5
007. email	Wechsler to Lindsay re: Fact Sheet (4 pages)	04/21/1997	P5
008. email	Burrell, Christina L. to Friedrich, M. K. et al. re: Points for the POTUS (18 pages)	04/30/1997	P5
009. email	Davis to Lindsay re: Letter to SRB (4 pages)	05/22/1997	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Non-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 605000

FOLDER TITLE:
[02/09/1996 - 05/22/1997]

Eric Holzer
2006-0208-F
eh190

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

MSMail

DATE-TIME	17 February 96 16:21
FROM	Baker, Jane E.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: John Hilley [UNCLASSIFIED]
TO	Blinken, Antony J. Naplan, Steven J. Schuker, Jill A.
CARBON_COPY	Baker, Jane E. Baldwin, Kenneth Danvers, William C. Friedrich, M. K. Hilliard, Brenda I. Joshi, M. Kay Kessinger, Jodi Millison, Cathy L.

TEXT_BODY

NOTE FROM NANCY SODERBERG:

Jill/Steve/Tony Blinken:
See Below -- A Useful overview.

To Jill/Steve: Let's add Danver's calendar to yours - please send me updated calendar for 11:00am Tuesday Meeting.

_____
From: Danvers, William C.
To: @UP - APNSA Special Assistants; @NSA - Nat'l Security Advisor; Soderberg, Nancy E.
CC: /R, Record at A1; @LEGISLAT-Legislative Affairs
Subject: John Hilley [UNCLASSIFIED]
Date: Friday, February 16, 1996 04:36 PM

[[HILLEY.DOC : 4182 in HILLEY.DOC]][[TIMELINE.DOC : 4183 in TIMELINE.DOC
]]

Note for Tony, Sandy and Nancy:

Per our conversation with John Hilley the other day, attached is a legislative timeline and summary of key legislative issues that we may face in this session. In addition, we have attached a list of House Republicans to whom he may want to make courtesy calls.

COPY

Please let me know as soon as you can if this is OK to send to John.

Thanks.

ATTACHMENT FILE DATE 16 February 96 16:35

ATTACHMENT FILE NAME HILLEY.DOC

Courtesy Calls for John Hilley

Member

John Kasich (R-OH)
Chairman of Budget Committee. Supports B-2 decision by POTUS. After he relinquishes Budget chair, he'll be in line to be a chair of HCONS subcommittee. Could also make a run at full committee--very popular with freshmen and sophomore Republicans.

Herbert Bateman (R-VA)
Chairman HCONS Readiness Subcommittee. Wants to expand NATO.

Curt Weldon (R-PA)
Chairman HCONS R&D Subcommittee. Former college professor--expert on Russia/NIS. Pro National Missile Defense, but reasonable in how we get there.

Jim Longley (R-ME)
Cohen-type Republican. Marine Reserve LTColonel. Somewhat helpful on Bosnia. Very involved in defense/foreign policy issues.

Dave Hobson (R-OH)
On Def Approps Subcommittee. Supports lowering DOD funding. A bright, involved Member.

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Sherry Boehlert(R-NY)
Moderate Republican. Leader of moderate Republicans along with Chris Shays.

Henry Hyde (R-IL)
House Judiciary Chair. Spokesperson for traditional House conservatives on foreign affairs issues. Anti-terrorism and Immigration bills pending before his committee. Wants to repeal War Powers.

Sonny Callahan (R-AL)
Chairs Foreign Ops Approps Subcommittee. Has been helpful in limiting cuts to 150 account. Helpful on Bosnia. Works closely with Livingston.

Doug Bereuter (R-NE)
Moderate. Chairman of HIRC Asia Subcommittee. Active on Asian issues. Also involved with North Atlantic Assembly. Opposed us on Bosnia. Works independent of the Republican Leadership.

Peter Torkildsen
(R-MA)
Moderate HCONS Member. Leading the House effort to repeal HIV amendment in DOD Bill.

Jennifer Dunn (R-WA)
On Ways and Means. Runs the influential Wed. Breakfast Club, a group that has provided us with an opportunity to get our message out on Bosnia, NMD, B2, foreign policy issues. Works closely with leadership.

Chris Shays (R-CT)
Leader of the Moderate Repubs. Has respect of leadership for his straight

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talk and fairness.

Frank Wolf (R-VA)
Conservative. Leading human rights activist in the Republican Party. Particularly concerned about China and Chechyna.

David Dreier (R-CA)
Conservative. Active on trade issues, helpful on China MFN.

Jim Kolbe (R-AZ)
Moderate. Helpful on trade issues.

Steve Gunderson (R-WI)
Moderate. Working hard to help us out with HIV repeal.

Amo Houghton (R-NY)
Moderate. Supported us on Bosnia.

Susan Molinari (R-NY)
Moderate. Thoughtful and reasonable. Lead a CODEL to Bosnia prior to vote.

Bob Livingston (R-LA)
Has been very helpful in securing 150 funds. Intelligent, conservative and reasonable. Interested in Russia and ABM Treaty.

ATTACHMENT FILE DATE 16 February 96 16:26

ATTACHMENT FILE NAME TIMELINE.DOC

NOTIONAL TIMELINE OF MAJOR FOREIGN POLICY CONGRESSIONAL EVENTS

COPY

FEBRUARY

- 21st: Bosnia and Jordan Supps sent to Hill
- briefings/consults continue on UN Reform/arrears

MARCH
- 1st: Counternarcotics certifications announced
- 4th: SecDef/CJSC Posture hearings begin
- 5th: Release of State Dept. Human Rights Report
- Conference on Helms/Burton Cuba legislation
- Iran/Libya sanctions legislation moves in House
- 15th: CR expires (includes State Dept.)
- 18th: President's Budget to Hill/Hearings begin
- CWC Hearings before SFRC w/SecState, SecDef
- State Auth./Reorganization bill to Conference
- Legislation to Abrogate ABM Treaty to SASC & HCONS
- EAA Markup by HIRC

APRIL
- 1st: Waiver for State Auth. requirement expires (if CJS Conf. Rpt. enacted)
- Budget Resolution debated/hearings continue
- Possible DOD Authorization Markups by HCONS & SASC
- 30th: CWC discharged from SFRC if not yet reported

MAY
- Possible DOD Auth. bill to House & Senate floors
- FY `97 Foreign Operations Bill marked up in House
- Possible DOD Appropriations Bill marked up in House

JUNE
- China MFN waiver must be renewed
- DOD Authorization Conference
- DOD Appropriations to House floor

JULY
- Likely floor consideration of MFN legislation
- DOD Auth. Conference Report on House & Senate floors
- DOD Approps. Bill to Conference/Conf. Rpt. to floors
- Possible floor consideration of Law of Sea Treaty

AUG. - Recess

SEPTEMBER
- final action on DOD, CJS, For.Ops Approps. bills

OCTOBER - 4th: Congress target adjourn

MAJOR ISSUES FOR 104TH CONGRESS - 2ND SESSION

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Foreign Policy

First Tier

Bosnia - Securing assistance for reconstruction efforts, including a $200 million supplemental/rescission shifting 050 funds to the 150 account. Will need a lot of high level work; any major bumps in the road may be used for partisan purposes; pressure from Dole to be aggressive on equip & train and support for War Crimes Tribunal.

China - MFN battle will be extremely difficult, but it will not be the only China battle we face; can also expect legislation on visas for Taiwan leaders, Taiwan accession to United Nations and WTO; Congress will watch closely all Chinese transgressions in areas such as proliferation, human rights, and threats to Taiwan's security to accuse the Administration of placing economic concerns above all else.

150 Resources - The `97 President's Budget will request an increase for Function 150 over painfully low `96 levels; however, the request will be more than $2B above the $17.1B figure for 150 in the `96 Budget Resolution. Many groups and some key Senate Democrats will watch closely to see if the Administration is willing to make a serious fight for international programs.

Haiti - Even though our troops are withdrawing, Republicans will continue to try to find ways to undermine our success in Haiti. They will hold up assistance, and hold hearings to press for resolution of investigations into political murders.

Middle East - We need $140 million in supplemental funds for Jordan's F-16s (to be offset by a DOD rescission) plus $30 million as part of our FY 97 budget request; we will also face significant aid demands from Israel if it reaches peace with Syria. We will also likely see attempts by some in Congress to block any efforts to send US troops to the Golan Heights as part of an international peace monitoring effort.

Cuba - Helms/Burton legislation will go to conference in early March. Senate version is acceptable; House bill is not. Probably will be some pressure to bring the conference report to the floors before the March 12th Florida primary.

United Nations Reform/Arrears Clearance - We owe approximately $1B to the UN. Some in Congress are willing to help us find the money

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given we press for serious reforms at the UN (budget cuts, agreement to consult with Congress before we support new UN peacekeeping missions). Difficult to imagine a "grand bargain" on UN reform and arrears clearage going anywhere without a budget agreement.

Second Tier

Mexico - The Hill is active on several fronts with regard to Mexico, including NAFTA, narcotics, immigration, and the peso bailout. Senators Feinstein and D'Amato have introduced legislation targeting these issues. Mexico will continue to be a prime political target during the election season.

Iran/Libya Sanctions - Senate passed bill. We support Iran sanctions (worked with D'Amato on compromise), but would like to change Libya portion of bill to make it more effective. House will take bill up in March and will make Iran provision tougher and less palatable. Probably will not change Libya (we will have to work with Senate on Libya).

Vietnam - Congress will watch every step we take on the lengthy path toward increasing economic ties with Vietnam including any move to waive Jackson-Vanik.

Ireland - Republicans could try to tarnish any claims we have to helping the peace process along. Action-forcing events could be our annual budget request for the International Fund for Ireland in the Foreign Ops bill, possible move to close Sinn Fein office in U.S.

and an effort to deny Gerry Adams a visa.

Russia/NIS - Action on this is usually played out via the foreign aid process; Republicans will continue to condition aid to Russia on issues such as the reactor sale to Iran, Chechnya, and the slow pace of reform. Countries such as Ukraine and Armenia will receive hefty Republican earmarks as "bulwarks" against a resurgent Russia.

State Dept. Authorization/Reorganization - House and Senate bills await an extremely complicated conference (perhaps as early as March); before Congressional Dems are willing to seriously engage, they (and we concur) want the Repubs. to offer viable compromises on abortion/family planning issues and reach a package on funding/reorganization of the foreign affairs agencies that is no more onerous than the Senate's version (i.e. one that does NOT mandate abolishing AID, ACDA, or USIA).

Anti-terrorism Legislation - President sent it to Congress and pressed for it in the State of the Union but it is mired in the House in disputes between moderate and conservative Republicans regarding civil rights.

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Defense/Arms Control

050 Funding - Republicans will again attempt to add funds to DOD Topline. They will suggest that we are hollowing the defense budget because we will request less than they do this year, despite the fact that we increase defense spending in the out years of our budget. Likely points of tension in this year's budget where Republicans will add funds will be procurement and R&D, not O&M. Probable plus ups by Congress could include: B2 and other aircraft programs, as well as additional equipment for the Guard and Reserves. There may also be an effort to add money for the Army as a result of the belief that the army needs funds for Army modernization.

Contingency Deployment - Continuation of 95 arguments. Republicans think that non-defense missions erode DOD ability to train/equip for formal missions. DOD position is to take on all POTUS-directed missions, but want Congressional funding agreed to up front or troop readiness may suffer.

C-17 - DOD will request multi-year procurement this Spring, probably using a supplemental/rescission as the legislative vehicle. Don't expect a big fight.

B-2 - This fight is NOT over. Defense Democrats and Republicans are disappointed with our decision and will seek to add $800 million in FY 97. Votes on this are close in both houses. DOD/Uniformed Services fully support the President's decision.

CWC - SFRC will hold hearings in March. CWC will be sent to the floor (as agreed by UC) on April 30 unless Helms reports it out sooner. We expect the SFCR to report it out favorably, but with a fight. Floor action in May/June timeframe. Once it gets to the floor, we believe we have the votes to ratify. The real danger is from possible "killer" amendments that would impose conditions making it difficult to impossible for us to ratify the CWC.

ABM - The Republicans will likely introduce and pass legislation to deploy a 50 State National Missile Defense (NMD) by 2003, thus effectively putting us on a collision course with the ABM. Part of a continuous effort to make the President look soft on national missile defense (NMD).

Theater Missile Defense (TMD) - The Republicans will fight our

efforts to stretch out the THAAD program and save $2 billion in the process. They will also try to add even more money for Navy Upper Tier. Our policy is to equalize funding for THAD and Navy Upper Tier so we can be in a position to choose between one or the other

COPY

by the middle of the next decade.

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M S M a i l

DATE-TIME 17 April 97 12:23

FROM Wechsler, William F.

CLASSIFICATION UNCLASSIFIED

SUBJECT reorg roll out [UNCLASSIFIED]

TO Davis, William K.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Will, still no word from Kerrick, but I thought I'd quickly write up a fact sheet on reorganization, assuming POTUS does what we think he'll do. Can you tak a quick look at it? Thanks. r, Will
p.s. needless to say, close hold.

[[FCTSHEET.DOC : 3138 in FCTSHEET.DOC]]

ATTACHMENT FILE DATE 17 April 97 12:20

ATTACHMENT FILE NAME FCTSHEET.DOC

REINVENTING STATE, ACDA, USIA, AND AID

"The era of big government is over." -- Bill Clinton

President Clinton's plan brings an end to bureaucracies originally designed for the Cold War, streamlines the executive branch's policy-making process, and enhances our nation's ability to meet the growing foreign policy challenges of the 21st century. It puts matters of international arms control, development, and public diplomacy where they belong, at the heart of our foreign policy within a reinvented Department of State. It incorporates key lessons from the private sector, where business executives have proved that sound management can allow organizations to do more in an era of scarce resources.

The Plan:

□ The Arms Control and Disarmament Agency will be fully integrated with the State Department within one year. ACDA's unique technical and legal expertise and its critical

COPY

verification and compliance programs will be preserved and merged along with the arms control functions now handled elsewhere in State, all under the office of the Under Secretary for Arms Control and International Security Affairs.

□ The United States Information Agency will be integrated within two years, with the Director of USIA initially being double-hatted as the new Under Secretary of State for Public Diplomacy. In year one, the legislative and public affairs staffs of the two agencies will be integrated; in year two, USIA's overseas press experts will be integrated. The distinctiveness and editorial integrity of Voice of America and the broadcast agencies will be preserved.

□ The Agency for International Development will remain a separate and distinct agency, but will share certain functions with State and will be placed under the direct authority of the Secretary of State. Within two years, AID will integrate its public affairs and certain administrative offices. The International Development Cooperation Agency, created in 1979, will be abolished. During the third year, the Secretary of State and the AID Administrator will assess AID's new management procedures and cooperate on further reforms that would eliminate duplication between AID and State's Global Affairs.

□ The State Department will undertake a new round of reinvention, prompted by the need to incorporate new organizations and to manage new responsibilities. This reinvention will make the new State Department more effective and efficient and better able to defend American interests and promote American values abroad.

□ A "Reform Czar" will be appointed by the Secretary of State, in close consultation with ACDA, AID and USIA. Within 120 days, a detailed blueprint for merging and streamlining the foreign affairs agencies will be developed.

The President's plan was the result of a long and deliberative process under the leadership of Vice President Gore. This reorganization plan enjoys the

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complete support of the Secretary of State and the heads of ACDA, AID and USIA. In developing this plan, the Vice President worked from three guiding principles:

□ The programs of ACDA, USIA, and AID must be preserved. Sustainable development, nonproliferation, and public diplomacy are now more central than ever to American foreign policy; our institutional arrangements should reflect that. Moreover, there is no better time than the present to launch this process, out the outset of a new term , a new Congress, and with a new Secretary of State.

□ Complexities must be fully acknowledged. Reinvention and integration should take into account the central an continuing importance of reforming the State Department, the relative complexity of the smaller agencies and anticipated level of difficulty in merging and integrating them, and the need to preserve the unique skills and capabilities inherent in each of the agencies.

□ Partisanship must stop at the water's edge. The need for integration in the foreign policy agencies is also recognized by key members of Congress. Their views and expertise on these matters should inform our process. Our ability to work together with the Congress on this endeavor should encourage our bipartisan approach toward foreign policy matters.

After much deliberations, the plan the Vice President devised strikes a sound balance between the need for greater policy coherence and effectiveness with the necessity of preserving the special missions and skills of the three smaller agencies. To deny integration altogether would forfeit the long-term savings from merging the four agencies' support services, streamlining administration, and reducing overhead costs. To integrate more fully, more rapidly would risk wholly subordinating arms control, public diplomacy, development and humanitarian interests to other foreign policy goals.

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MSMail

DATE-TIME	21 April 97 09:56
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: fact sheet [UNCLASSIFIED]
TO	Lindsay, James M.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

From: Wechsler, William F.
To: @NSA - Natl Security Advisor
CC: /R, Record at A1
Subject: fact sheet [UNCLASSIFIED]
Date: Friday, April 18, 1997 10:04 AM

[[FCTSHEET.DOC : 2305 in FCTSHEET.DOC]]

NOTE FOR SANDY

In his meeting with you, Brian Atwood will raise the issue of the attached fact sheet.

This fact sheet is cleared by everybody, except one issue remains between State and AID. State wants the bracketed language included and the italicized language excluded. State (Jamie Rubin, Craig Johnstone) say they will not clear unless these changes are made. Atwood says he won't clear if these changes are made.

My recommendation is that you accept State's language, because it comes directly from "Option C" in the paper for the President. r, Will

ATTACHMENT FILE DATE	18 April 97 9:36
ATTACHMENT FILE NAME	FCTSHEET.DOC

REINVENTING STATE, ACDA, USIA, AND AID

"The era of big government is over." -- Bill Clinton

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President Clinton's plan brings an end to bureaucracies originally designed for the Cold War, streamlines the executive branch's policy-making process, and enhances our nation's ability to meet the growing foreign policy challenges of the 21st century. It puts matters of international arms control, sustainable development, and public diplomacy where they belong, at the heart of our foreign policy within a reinvented Department of State. It incorporates key lessons from the private sector.

The Plan:

□ The State Department will undertake a new round of internal reinvention to incorporate new organizations and to manage new responsibilities. This reinvention will make the new State Department more effective and efficient and better able to defend American interests and promote American values abroad.

□ The Arms Control and Disarmament Agency will be fully integrated with State within one year by merging both agencies' related arms control and nonproliferation functions. The ACDA Director will be double-hatted as the Under Secretary of State for Arms Control and International Security Affairs, and then the two positions will be merged as Under Secretary/Senior Advisor to the President and Secretary of State, which will be able to communicate with the President through the Secretary of State. ACDA's unique advocacy role will be preserved and the policy process supporting those efforts will be strengthened through additional interagency responsibilities. Along with ACDA's technical and policy expertise, its verification, compliance, and legal functions will be preserved.

□ The United States Information Agency and the State Department will be integrated over a two year period. During that process, the Director of USIA will be double-hatted as the new Under Secretary of State for Public Diplomacy. This process will likely begin with an integration of related functions, such as legislative and public affairs; after that, the integration process will turn toward USIA's overseas press expertise and State's press

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offices. The distinctiveness and editorial integrity of Voice of America and the broadcast agencies will be respected. A new bureau will be created within the State Department to handle cultural and exchange issues.

□ The Agency for International Development will remain a distinct agency, but will share certain administrative functions with State and will report to and be under the foreign policy guidance [and will be under the direct authority] of the Secretary of State, [akin to the relationship of DSAA to the Secretary of Defense]. Within two years, AID will integrate its press office and certain administrative functions. The International Development Cooperation Agency, created in 1979, will be abolished. [After two years, the Secretary of State and AID administrator will recommend what further steps might be taken to eliminate duplication.]

The President's plan was the result of a long and deliberative process under the leadership of Vice President Gore. This reorganization plan enjoys the support of the Secretary of State and the heads of ACDA, AID and USIA. In developing this plan, the Vice President worked from three guiding principles:

□ The programs of ACDA, USIA, and AID must be preserved. Sustainable development, nonproliferation, and public diplomacy are now more central than ever to American foreign policy; our institutional arrangements should reflect that. Moreover, there is no better time than the present to launch this process, at the outset of a new term , a new Congress, and with a new Secretary of State.

□ Complexities must be fully acknowledged. Reinvention and integration should take into account the central and continuing importance of reform of all of the agencies, including the State Department, the relative complexity of the smaller agencies and anticipated level of difficulty in merging and integrating them, and the need to preserve the unique skills and capabilities inherent in each of the agencies. Any reorganization plan should be designed

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around our greatest strength -- the abilities and expertise of the dedicated public servants who work in those agencies.

□ The Executive and Legislative Branches must cooperate on foreign affairs. The need for reorganization in the foreign policy agencies is also recognized by key members of Congress. Their views and expertise on these matters should inform our process. Our ability to work together with the Congress on this endeavor should encourage our bipartisan approach toward foreign policy matters.

After much deliberation, the plan the Vice President devised strikes a sound balance between the need for greater policy coherence and effectiveness with the necessity of preserving the special missions and skills of the three smaller agencies.

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M S M a i l

DATE-TIME	30 April 97 15:11
FROM	Burrell, Christina L.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Points for POTUS [UNCLASSIFIED]
TO	Friedrich, M. K. Hilliard, Brenda I. Joshi, M. Kay Millison, Cathy L. Poole, Jennifer C.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	For Jennifer [[NATOPTS.DOC : 3841 in NATOPTS.DOC]][[RESOURC.DOC : 3842 in RESOURC.DOC]][[UNARREAR.DOC : 3843 in UNARREAR.DOC]][[REORGAN.DOC : 3844 in REORGAN.DOC]][[CHINA429.DOC : 3845 in CHINA429.DOC]] [[KOREA2.DOC : 3846 in KOREA2.DOC]][[CRYPT.DOC : 3847 in CRYPT.DOC]][[BOSUP.DOC : 3848 in BOSUP.DOC]][[RUSSIA.DOC : 3849 in RUSSIA.DOC]][[PARTNER.DOC : 3850 in PARTNER.DOC]][[FAST.DOC : 3851 in FAST.DOC]]
ATTACHMENT FILE DATE	30 April 97 9:31
ATTACHMENT FILE NAME	NATOPTS.DOC

EUROPEAN SECURITY/NATO ENLARGEMENT

□ NATO enlargement a top priority for second term. Key test of American leadership. Will require Senate ratification; House support, including of current and new security commitments.

□ European security a vital interest; via NATO, NATO enlargement and
NATO-Russia, we have the chance now, for first time in history, to build secure, undivided and democratic Europe.

□ NATO enlargement will project stability and security to all of Europe; safeguard and strengthen region's democratic and free

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market
transformation.

□ NATO-Russia relationship -- via Charter, formal consultative mechanism -- can bring Russia into emerging security system.

□ Helsinki showed way forward on NATO-Russia on track without sacrificing enlargement, which is moving forward on schedule.

□ Won't let Russian pressure spook us. Had we taken initial Russian
"no" in 1989-90, Germany would not be reunited today. Won't bring Russia in by keeping other democracies out.

□ Prospect of NATO membership already strengthening democratic forces
in CEE, weakening nationalists, promoting cooperation and resolution of regional disputes (e.g. Hungary-Romania).

Costs/Robust NATO

□ Current threat low. Robust defense of new members possible through
reinforcement, together with modernization of new members' own forces.

□ Therefore, NATO has concluded there is no need to permanently station new substantial NATO combat forces; no intention/need/reason
to station nuclear forces in new members.

□ Costs to U.S. thus affordable: $150-200M per year. Costs to new members also affordable -- as CEE gov'ts already said.

□ New NATO members will be valuable, committed members. IFOR -- where Poles, Czechs, others have combat troops; Hungary supplying bases -- shows that CEE will pitch in.

Why not EU enlargement vice NATO?

□ EU, NATO enlargement part of same historic process. Both important, not mutually exclusive.

□ EU not equipped to be lead organization for European security and integration, as Bosnia has demonstrated. Key to long-term stability is U.S. engagement and leadership in Europe, which comes only through NATO.

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American people don't support

□ Americans not isolationist. 62% of Americans support NATO enlargement to Poland, Czech, Hungary; 68% would favor defending Poland from attack, including U.S. with other NATO troops.

Why enlarge NATO absent a threat?

□ We need NATO enlargement for the same reason we need NATO: it's America's core alliance in an uncertain world. We cannot foresee all threats, but know that preparedness can deter them, and can through enlargement extend same stability to Central Europe that Western Europe has enjoyed for last 45 years.

□ Failure to enlarge NATO would be betrayal of our own traditions and
America's role throughout the 20th century. Must not exclude countries that have demonstrated commitment to defend our common values and to share in common burdens.

ATTACHMENT FILE DATE 30 April 97 9:32

ATTACHMENT FILE NAME RESOURC.DOC

150 RESOURCES

□ Foreign affairs programs are a very small part of the federal budget -- only about 1 percent of total spending. But that 1 percent is one of the most important parts of the budget.

□ Foreign affairs spending helps us avoid wars and save lives; it helps us stem the inflow of illegal drugs; it helps us in the war on terrorism; it promotes democracy and other American values; and
it stimulates American exports and jobs.

□ America's spending on international affairs programs has fallen by
roughly 20 percent in real terms over the past four years. This steep decline has diminished our ability to influence events overseas, raised serious questions about our willingness to remain
engaged in the international arena and cost us opportunities to promote American exports and jobs.

□ Some people call for cutting international affairs spending even

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further. But the truth is that further reductions will only create bigger problems for us down the road.

□ My budget calls for increasing international affairs spending by $1.4 billion. This funding increase will enable us to sustain American global leadership and promote democracy and security in important places such as Eastern Europe.

□ My budget request also will enable us to clear our arrears at international financial institutions -- which include the International Monetary Fund (IMF) and the Multilateral Development
Banks (MDBs). These organizations are the linchpins of U.S. international economic leadership, and deserve our strong support.

□ We must also provide our exporters with the support they need to compete. Our trade finance agencies -- Ex-Im Bank, OPIC and the Trade and Development Agency need to be reauthorized and fully funded this year. These specialized agencies level the international playing field for American companies. All of our major trading partners rely heavily on their trade finance and investment agencies to win critical contracts in emerging markets.
Unilaterally disarming when trade competition is as tough as it has ever been, is not in America's interests.

ATTACHMENT FILE DATE 30 April 97 9:32

ATTACHMENT FILE NAME UNARREAR.DOC

UN ARREARS

□ The UN serves American interests in areas ranging from refugee assistance, to disease control, to air traffic control. Its peacekeepers promote American interests around the globe including
the Balkans and the Middle East.

□ I am committed to American leadership in the UN and to paying our
financial obligations in full -- but I also know we must insist on
real reform in the organization.

□ My proposal, as contained in the budget request, is

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straightforward:

□ We would commit to get the UN and other agencies to reduce future
U.S. assessments to roughly the amount that Congress approved in the past two years, with no new arrears.

□ We could achieve this funding level only with substantial reform at the UN and other international agencies, including budget cuts and lower U.S. assessment rates.

□ With Congress's support, the USG would offer an advance appropriation of sufficient funding to cover our arrears, but it would not be made available until FY 1999 and would be disbursed only if our agreed upon benchmarks were met.

□ Early Congressional action on this proposal would give our diplomats the leverage they need in difficult negotiations that are
now underway on UN budgets. Many nations do not believe American promises to repay our arrears -- they've heard it before. They need to see something on the table before they will agree to reform.

□ Reaching agreement with the Congress on a UN arrears plan is an important priority for my Administration. I'm pleased that the Albright-Lott Task Force has made progress on the issue, though I am disappointed that Chairman Helms is seeking to bring that process to a premature halt. I need your help to ensure that Congress does not produce a reform package that contains so many benchmarks that it's unworkable.

□ Thank you for your support on this important issue. Together, we
can agree on a sensible and workable proposal that gets us out of debt, keeps us out of debt, achieves real UN reforms and serves our taxpayers well.

ATTACHMENT FILE DATE 30 April 97 9:33

ATTACHMENT FILE NAME REOREGAN.DOC

REORGANIZATION

□ I decided to propose a far-reaching reorganization of State, ACDA,
AID and USIA because we need to improve the efficiency and effectiveness of the foreign affairs agencies.

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□ My plan balances the need for greater policy coherence and effectiveness with the need to preserve the special missions and skills of the three smaller agencies. It will give us a streamlined policy-making process that is better suited to meeting
the new foreign policy challenges.

□ The reorganization will be implemented over the course of two years. The broad outlines of the plan are as follows:

--ACDA will be integrated within one year under the Under Secretary of State for Arms Control and International Security Affairs. This new Under Secretary will also carry the responsibility of being my senior adviser for Arms Control, Nonproliferation and Disarmament.

--USIA will be integrated with State over two years under a new Under Secretary of State for Public Diplomacy.

--AID will remain a distinct agency but be brought under the direct authority of the Secretary of State. Some AID support services will be integrated with State's over two years.

--The State Department substantially reinvent how it operates.

□ The Secretary of State, in close consultation with ACDA, AID and USIA, will now use the next 120 days to develop a detailed blueprint for implementing reorganization. We will work closely with you to enact the necessary legislative changes and to ensure that reorganization proceeds smoothly.

ATTACHMENT FILE DATE 30 April 97 9:34

ATTACHMENT FILE NAME CHINA429.DOC

CHINA

□ China is at a critical turning point. The manner in which we and others
engage China in the months ahead will help determine whether China becomes
a destabilizing threat or a constructive force in Asia and the world.

□ Substantial U.S. interests are at stake: we need China's

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cooperation in
curbing proliferation of WMD; securing permanent peace on the Korean
peninsula requires Chinese participation in four way talks with the North
and South; China will become the world's largest economy within 15 years
and we want access to that growing market for U.S. exports.

□ Each of these interests is best served by a stable, open, prosperous China
that increasingly embraces international trade and nonproliferation rules,
cooperates in regional and global peacekeeping and security initiatives,
and expands the rule of law and respect for the basic rights of its people.

□ This year we continue to engage China on a number of fronts; several come to
a head at about the same time: UN Human Rights Commission resolution in
Geneva, MFN renewal, and Hong Kong reversion. Working with Congress we can
manage our interests with China soberly and prudently. Engagement does not
mean endorsement.

_ Human Rights: We continue to stand up for those in China who stand
for freedom and human rights. We supported UNHRC review of China's
human rights situation, and we will continue to speak out throughout
the year.

_ Hong Kong. The future of Hong Kong remains a serious concern as we
approach July 1. We are working with allies to ensure China understands the types of actions that would allow Hong Kong's political and economic way of life to continue, and would win the international community's respect and confidence.

_ Trade. We expect China to follow international trade rules and norms,
and to live up to its commitments to us. We support WTO membership
for China, but only on commercially meaningful terms. When China violates trade agreements with us, we will take firm action.

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_ Nonproliferation. We continue to elicit Chinese support in combating proliferation, and are pressing China to tighten its export controls and cease its cooperation with and transfers of weapons technology to such states as Iran.

□ But we must speak with one voice. It weakens our efforts to influence China's behavior if the signals we send appear confused and conflicting. It is important Congress avoid precipitous action that undermines our interests.

□ Failure to extend MFN would undermine all of our interests, and reverse thirty years of bipartisan China policy. MFN revocation would curtail contacts with the Chinese people; prompt increased Chinese sales of destabilizing weapons; harm Taiwan's economy; and slash Hong Kong's trade by over $30 billion.

_ IF DEFICIT IS RAISED: By negotiating and enforcing tough market access agreements, we give American exporters an opportunity to compete aggressively in China. Have had some success; we are selling more to China than at any time in the past; exports up over 60% over last four years, increasing faster than exports to other major markets.

□ Curbing our contact with China because of concerns about Hong Kong's future eliminates an important access point to Beijing decision-makers.

□ Similarly staking all of our China policy solely on human rights concerns makes human rights a bilateral issue, weakening our ability to keep the international spotlight on China's human rights record, and to keep faith with those in China who work to promote universal rights and freedoms.

□ Certainly China still falls far short in key areas of human

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rights,
nonproliferation and market openness. But our efforts to integrate China
into global disciplines is promoting a genuine evolution within China.

_Chinese are deprived of fundamental rights (speech, association, religion), but they enjoy greater freedom of movement, better jobs,
and freedom to choose where to live and where to seek an education.
China has supported the NPT and CWC. China is reforming economically,
raising living standards and introducing transparency and respect for
the rule of law.

□ Our policy is working and I urge you to help sustain it as you examine the
merits of MFN, evaluate the soundness of Hong Kong's future and communicate
the importance of improving human rights.

ATTACHMENT FILE DATE 30 April 97 9:36

ATTACHMENT FILE NAME KOREA2.DOC

KOREA

What is the status of North Korea's nuclear program?

□ With help of our allies South Korea and Japan, reached agreement with North Korea on framework that freezes production of nuclear material and eventually eliminates North Korea's nuclear program.

□ KEDO, an international consortium of contributors, oversees process. Funding for KEDO and light water reactor project essential to achieving non-nuclear Korean peninsula. Overwhelming
bulk of funding picked up by Japan, South Korea. Look to

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Congress
to supply funds to sustain U.S. participation in critical endeavor. (FYI: asking for $30 million in FY 98 budget.)

What are we doing about the signs of starvation in North Korea?

□ The North Koreans face severe food shortages; UN estimate shortfall between 1-2 million tons. We contributed $15 million to the latest international humanitarian appeal for assistance -- a total of $25 million this year.Distribution of assistance monitored by World Food Program. Confident food aid is being delivered to those most in need, particularly children.
Appreciate
Congressional support for maintaining the U.S. tradition of not using food as a tool to advance a particular political agenda.

What is the status of the four party peace talks?

□ Had hoped that North Korea would be ready to accept proposal for four-party peace talks I proposed with President Kim last April. Meeting with North Koreans last week disappointing. Aniticipate further working level talks in the next couple of weeks. North seeking diplomatic relations, sanction lifting and guarantees of food aid before peace talks.

□ Also seeking progress on MIA's, missile proliferation.

ATTACHMENT FILE DATE 30 April 97 8:43

ATTACHMENT FILE NAME CRYPT.DOC

ENCRYPTION

Summary

Senator Leahy, Senator Kerrey, and others may raise the topic of encryption. Leahy has cosponsored with Senator Burns two bills to
drastically reduce export controls on encryption technology. We oppose these bills, and will shortly transmit an Administration draft
bill. Leahy may, however, be a potential ally; Senator Kerrey is another more likely possibility. We look forward to working with either and other Members.

Background

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Thanks to advances in encryption technology, anyone can scramble phone calls, emails, or computer files so that no one but the recipient can understand them.

Because of encryption's potential use for military and subversive activities, the U.S. government controls its export. U.S. computer companies want to sell very strong encryption overseas and have complained loudly about continued export controls.

The Administration's approach promotes the use of "key recovery," an industry-developed technique which permits a copy of a user's encryption key to be stored and accessible by users or by government entities only under strict conditions.

To get buy-in for key recovery from industry, we are permitting the export of strong encryption products in exchange for commitments to produce key recovery products. But we are unwilling to suffer the public safety and national security consequences of a drastic decontrol of the export of encryption products, which would be the result of the Leahy-sponsored legislation.

To further promote key recovery, we are considering transmitting draft legislation to the Hill, possibly in the near future. This legislation would encourage, but not require, the use of key recovery products within the U.S.

Most recently, Senator Kerrey has indicated an interest in taking over the legislative agenda for the encryption issue, and he has asked us to work with him. We are meeting with him on 30 April to discuss the issue further.

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□ While critical to the growth of commerce and protection of privacy
on the Internet, very strong encryption can also harm the public by making it impossible for law enforcement and national security to understand lawfully intercepted messages and seized electronic evidence.

□ Our approach promotes the use of strong encryption while protecting public safety by encouraging "key recovery," an industry-developed technique which permits a copy of a user's encryption key to be stored and accessible by users or by government entities only under strict conditions.

□ A balanced encryption policy will promote four objectives: the growth of electronic commerce, the protection of privacy, continued competitiveness of U.S. products, and the public safety.

□ We are considering transmitting to the Congress a draft bill that
is balanced and that focuses on providing the industry with incentives to develop and use key recovery systems rather than require it. We look forward to working with members of Congress to
promote a balanced approach to this very complex issue.

ATTACHMENT FILE DATE 30 April 97 11:50

ATTACHMENT FILE NAME BOSUP.DOC
BOSNIA

□ Continue to work on difficult challenge of building lasting peace in Bosnia. Must not forget
the enormous progress we have made.

□ Summer of 1995, bloodiest conflict in Europe since World War II still raged. Few believed
peace was possible, many questioned NATO's purpose in the post-Cold War era.

□ Since then, U.S. diplomatic leadership produced Dayton Accords, and a revitalized NATO has
helped consolidate peace, providing foundation for difficult long-term challenges of political
reconciliation and economic reconstruction.

□ Efforts in Bosnia have exceeded many expectations:

- Military aspects of Dayton implemented with no combat

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casualties; national elections
successfully held in September; joint national institutions
created; more than 200,000
refugees have returned.

- U.S.-led Train and Equip program is helping build a stable
military balance in Bosnia and
facilitating formation of joint Federation defense structures.

- Much progress on economic reconstruction, especially in
Bosniak-Croat Federation.
Today, Sarajevo bustling with reconstruction activities and
hundreds of cafes, shops,
restaurants, banks, and other commercial endeavors have opened
their doors.

□ Long way to go: Must do more to help rebuild economy, create
jobs, stimulate investment.
Need greater cooperation from parties on freedom of movement and
return of refugees,
displaced persons. Need greater political support for new
political institutions.

□ Bosnian people, with help of international civilian groups, must
assume primary responsibility
for building own future.

□ SFOR will continue to provide stability and confidence needed
for Bosnian people to continue
toward these goals. 18 months should give sufficient extra time
needed on these issues
needed to ensure a self-sustaining peace, permit withdrawal of
U.S. ground forces in
mid-1998.

□ Early unilateral withdrawal of U.S. troops would endanger all
progress we have made since
Dayton. Could lead to resumption of the war in Bosnia, serious
crisis in NATO, and erosion
of U.S. credibility and leadership in Europe and around world.

□ Strongly urge your support for our efforts in Bosnia. Stability
in Europe is central to U.S.
interests, as is preserving U.S. leadership of a strong,
effective NATO as it embarks on
enlargement and new partnership with Russia.

BOSNIA SUPPLEMENTAL

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□ Staying the course in Bosnia is not without cost. We are currently asking for just under $2 billion in supplemental DOD funding, primarily for Bosnia. Congressional approval of this supplemental request will ensure that the military can complete our work in Bosnia with minimum detriment to readiness or procurement accounts. It will also uphold America's commitments to our Allies and the members of the Partnership for Peace, who have provided almost three-quarters of the troops in SFOR.

□ The cost of contingency operations, such as Bosnia, can have significant and immediate impact on the readiness of US military forces because funding must be provided from other programs in the Operations and Support (O&S) account.

□ To avoid to rapid a decline in current readiness, contingency operations can also require transfer of funds from other accounts, typically the procurement accounts. Migration of funds from procurement to O&S can and has led to deferred modernization, increased costs, and ultimately less capability.

□ Approval of the Bosnia supplemental is thus critical for maintaining the current readiness of US forces and relieving the pressure on procurement funding so that modernization of the US military for the 21st century can be put back on track.

ATTACHMENT FILE DATE 30 April 97 12:12

ATTACHMENT FILE NAME RUSSIA.DOC

RUSSIA

Aren't the reformers fighting an uphill battle?

□ Yeltsin back in charge. New team has potential to take on economic problems that overshadow everything else in Russia.

□ Yeltsin showed at Helsinki ready to tackle tough issues and make decisions.

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□ Russian reform -- and bilateral relations - likely be bumpy road,
but overall direction positive.

□ As we continue to support reform, will also maintain commitment to
sovereignty and independence of other NIS, like Ukraine.

Wasn't Helsinki just an agreement to disagree on NATO?

□ Summit re-energized U.S.-Russian relations.

□ Turned corner on NATO enlargement. Russia opposed, but ready to develop NATO-Russia relationship. If we can get Charter nailed down, possibility of signing before Madrid.

□ Important progress on arms control: START, ABM/TMD.

□ Defined path to stimulate trade and investment; will bolster reform in Russia and mean new jobs for Americans.

Why are you asking for more money in your FY 98 budget for assistance to the NIS?

□ Bipartisan support critical, especially for FY 98 Partnership for
Freedom request. Funding for Russia, NIS will promote trade and investment, lock in reforms, expand people-to-people contacts that
will forge important ties with tomorrow's leaders.

ATTACHMENT FILE DATE 30 April 97 12:13

ATTACHMENT FILE NAME PARTNER.DOC

PARTNERSHIP FOR FREEDOM

What have we gotten out of our assistance to the NIS?

□ Assistance working: two-thirds NIS under democratically elected leaders in emerging market economies; and two-thirds of Russia's economy now privatized. U.S. assistance can make change endure.

Why this new Partnership for Freedom initiative? What are the goals?

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□ Entrenching democracy, market economies advances overarching national interest in seeing NIS develop as partners of America; $900 million under Partnership for Freedom real investment in peace
and security that merits bipartisan support.

□ Priority one is to tackle barriers to investment, fight crime, lock in economic reform, open region's vast resources to American business. Our efforts can leverage billions of dollars in trade and investment, which means jobs for Americans at home.

□ Priority two is to bolster generational change, strengthen democracy; want to double people-to-people exchanges and support American foundations, volunteer groups to build civil society, focus on grass roots.

Convinced after Helsinki time is ripe; Yeltsin committed to bold reform agenda; leaders of Ukraine, Georgia, other NIS committed to
make reform irreversible

ATTACHMENT FILE DATE 30 April 97 12:43

ATTACHMENT FILE NAME FAST.DOC

FAST-TRACK

Why do you need fast track authority?

□ Every President since Ford has had fast track authority for key periods with bipartisan support. That is because Congress has consistently recognized the President must have authority to break
down foreign trade barriers.

□ That authority is even more essential today. The rapidly expanding global economy is an inescapable fact of our time. Over
the past 50 years, global trade has increased 90-fold Today, 11 million American jobs are supported by exports, including one in five manufacturing jobs. These are good jobs, paying 13-16% more than the average wage. Over the next decade, global trade is expected to grow at three times the rate of the U.S. economy. In a
world where over 95% of the world's consumers live outside the U.S., we have only one choice: we must export.

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□ If we don't act, our competitors will. MERCOSUR is a developing customs union with ambitions to expand to all of South America; the EU has begun a process to reach free trade with MERCOSUR; China has targeted Mexico, Argentina, Brazil, Chile and Venezuela as "strategic priorities"; Japan has undertaken high-level efforts in Asia and Latin America. The cost of our inaction is high. Canada's free trade agreement with Chile helped cause Canada's Northern Talcum to win a $180 million telecommunications contract over three U.S. companies - in part because it could avoid paying $20 million worth of duties.

How can we and why should we compete with developing nations who pay their workers less and don't meet the same tough labor and environmental standards?

□ The U.S. is perfectly positioned to seize these opportunities. We have nothing to fear. The U.S. economy is the envy of the world. We have enjoyed the longest period of sustained growth of all of our G-7 partners. Over the last four years, we have created 12 million new jobs, while rest of the G-7 nations combined created 600,000. We have the lowest budget deficit as a percent of GDP of all the G-7 nations. We are once again the world's largest exporter, the largest producer of semiconductors, the largest producer of automobiles.

□ And these agreements offer us virtually one-way trade benefits. When the Uruguay Round is phased in, our tariffs will average 2.8%. Other countries are far higher: India (31%); Thailand and Turkey (26%); Chile and Indonesia (11%). These are virtually one-way deals.

□ We face a critical choice: whether to seize the initiative or have it seized from us. We can recognize that the American economy is the model for the world, continue to open foreign markets and seize the initiative when it comes to international competition. Or we can convince ourselves - against the evidence - that we are on the wrong track, that we cannot succeed and that we should not move forward. The choice is that clear - and that important. I ask you to work with me in helping us move forward.

What will you use fast track for? What are the potential benefits?

□ The potential gains are great if we seize them.

COPY

Multilateral. For over 50 years, the U.S. has led the world in opening global markets. We can continue that process today. New WTO negotiations will permit us to further reduce key barriers, such as: 1) Agriculture ($526 billion global market); and 2) Services (a $1.2 trillion global services market where U.S. firms exported more than $220 billion in 1996). Talks in intellectual property and others areas are also important.

Sectoral. The recent Information Technology Agreement cut tariffs
on $500 billion of trade in semiconductors, computers, telecommunications equipment and software, $5 billion tax cut for American exports. With fast track, we can tear down more barriers
in areas like computer software, medical equipment and environmental technology, areas where America leads the world.

Regional. Continuing regional initiatives present vast opportunities: 1) Latin America and the Caribbean, the fastest growing market for U.S. exports in 1996; and 2) Asia, containing the fastest growing economies in the world, with nearly 3 billion people. Other efforts with Europe, Africa and other regions.

What about labor and environmental standards?

We need to work out our differences. I know that there are strong
feelings on the labor and environment issues - and we need to work
those out in a bipartisan fashion. I have asked Ambassador Barshefsky to lead that effort. But we must work through those and
move forward.

COPY

MSMail

DATE-TIME 22 May 97 15:39

FROM Davis, William K.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Letter to SRB [UNCLASSIFIED]

TO Lindsay, James M.

CARBON_COPY
Baldwin, Kenneth
Beers, Rand R.
Bendick, Gordon L.
Boynton, Peter J.
Burrell, Christina L.
Clarke, Richard A.
Danvers, William C.
Davis, William K.
Orr, Robert C.
Rice, Susan E.
Rosa, Frederick M.
Roundtree, Beverly J.
Schwartz, Eric P.
Sheehan, Michael A.
Simon, Steven N.
Verville, Elizabeth G.
Wechsler, William F.

TEXT_BODY

one wordsmith to the letter - other than that I clear

From: Lindsay, James M.
To: Davis, William K.; Ragan, Richard F.
CC: /N, NonRecord at A1; /R, Record at A1; @DEMOCRACY - Dem/Human Affairs;
@LEGISLAT-Legislative Affairs
Subject: Letter to SRB [UNCLASSIFIED]
Date: Thursday, May 22, 1997 02:44 PM

[[3550-SRB.DOC : 3845 in 3550-SRB.DOC]][[3550MM.DOC : 3846 in 3550MM.DOC
]]

Will and Richard,

You are down for clearance on package 3550, a letter to SRB from the Alliance for International Educational and Cultural Exchange. Feel free to wordsmith.

COPY

Regards,

Jim

ATTACHMENT FILE DATE 22 May 97 14:40

ATTACHMENT FILE NAME 3550-SRB.DOC
3550

May 22, 1997

ACTION

MEMORANDUM FOR SAMUEL BERGER

THROUGH: RICHARD A. CLARKE

FROM: JAMES M. LINDSAY

SUBJECT: Letter from the Alliance for International Educational and Cultural Exchange

Michael McCarry and Dan Davidson of the Alliance for International
Educational and Cultural Exchange wrote you to say that the Alliance
is ready to work with the Administration to make the restructuring of
the foreign policy agencies a success. Your response thanks the Alliance for its support and reiterates the Administration's commitment to ensuring that sustainable development and public diplomacy remain central to U.S. foreign policy.

Concurrence by: Will Davis

RECOMMENDATION

That you sign the letters at Tab A.

COPY

Attachments
Tab A Letters to Michael McCarry and Dan Davidson
Tab B Incoming Correspondence

ATTACHMENT FILE DATE 22 May 97 15:39

ATTACHMENT FILE NAME 3550MM.DOC

Dear Mr. McCarry:

Thank you for your letter regarding the reorganization of our foreign affairs agencies and for your pledge to work to help make the restructuring an unqualified success.

The President's reorganization proposal is a bold plan that responds to the dramatic changes we have witnessed over the past decade in the international environment and in the substantive challenges facing the United States. This restructuring will preserve and enhance the core missions of both USAID and USIA. The result will advance the critical missions of sustainable development and public diplomacy and ensure that they are at the forefront of U.S. foreign policy.

Thank you for your interest in this matter.

Sincerely,

Samuel R. Berger
Assistant to the President for
National Security Affairs

COPY

Mr. Michael McCarry
Executive Director
Alliance for International Educational
and Cultural Exchange
1828 L Street
Suite 901
Washington, D.C. 20036

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Wise, William M. to Beardsley, Tyler S. re: [Draft Letter Concerning Restructuring of Foreign Affairs Agencies] (4 pages)	02/17/1995	P5
002. email	Funches, Christina L. to Andricos, George M. et al. re: Points for Tony (3 pages)	02/17/1995	P5
003. email	Froman, Michael B. to Danvers, Williams C. re: Legislative Update (2 pages)	04/17/1995	P5
004. email	Funches to Hilty, JoAnne M. re: FYI. Per Request from Tyler Beardsley (4 pages)	03/13/1995	P5
005. email	Blinken, Antony J. to Baker, Jane E. et al. re: Hill Talking Points (6 pages)	07/06/1995	P5
006. email	Blinken to Boorstin, Robert O. & Danvers re: [Fact Sheet] (5 pages)	07/25/1995	P5
007. email	Blinken to Tyler, John T., re: Helms Bill Fact Sheet (5 pages)	07/25/1995	P1/b(1), P5
008. email	Clarke, Richard A. to Halperin, Morton H., re: S.908 (2 pages)	08/15/1995	P1/b(1), P5
009. email	Burrell, Christina L. to Andricos re: Urgent Action (8 pages)	09/26/1995	P5
010. email	Burrell to Danvers re: Halperin Package (5 pages)	09/27/1995	P5
011. email	Kelly, Sandra L. to Moody, Angelyn D. re: Halperin Package (8 pages)	09/27/1995	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
MSMail-Non-Record (Sept 94-Sept 97) ([USIA near reorganiz*...])
OA/Box Number: 605000

FOLDER TITLE:
[12/13/1994 - 09/27/1995]

Eric Holzer
2006-0208-F
eh189

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

MS Mail

DATE-TIME	17 February 95 13:26
FROM	Wise, William M.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	[UNCLASSIFIED]
TO	Beardsley, Tyler S.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	[[NPR2.DOC : 3337 in NPR2.DOC]]
ATTACHMENT FILE DATE	15 February 95 20:3
ATTACHMENT FILE NAME	NPR2.DOC

Dear Mr Chairman:

The issue of restructuring our foreign affairs agencies has sparked considerable interest recently. I am writing to describe our efforts, through the National Performance Review, to make needed reforms in the organization and management of these agencies and in the programs they implement. In particular, I want to ensure that you have my views on the question of whether to consolidate the Agency for International Development, Arms Control and Disarmament Agency, and United States Information Agency in the State Department.

Two years ago President Clinton charged me with undertaking the most thorough review of the federal government in our history. I have been working since that time to "reinvent" our government, to make it work better and cost less. The first phase of this effort resulted in organizational and operational changes in the way government departments and agencies, including the foreign affairs agencies, do business.

The President recently asked me to embark on a second phase of the National Performance Review. I am now in the process of reviewing every federal program to determine whether it is needed and, if so, whether it should be a federal, state/local, or private sector responsibility. I intend then to concentrate on making changes in federal programs to reduce costs and increase effectiveness.

One of my first actions in phase two was to examine thoroughly the

COPY

proposal raised in the Administration to consolidate AID, ACDA, and USIA in the State Department. I concluded that the basic missions of these agencies are important federal functions. The question was: could the missions be pursued more effectively and at less cost by fusing these agencies into a single super-agency or by maintaining them as separate entities under the foreign policy guidance of the Secretary of State.

I determined that this and future presidents ought to have at their disposal agencies that permit a clear conceptual and managerial focus on arms control, developmental assistance, and public diplomacy. These agencies have to be kept lean and efficient, and their activities have to be kept in harmony. However, I found that the idea of absorbing AID, ACDA and USIA into a single, large foreign affairs super-department risked creating a super-bureaucracy. It violated the basic principles of "reinvention": cut red tape and cut back to basics.

I found that consolidation by itself would not produce significant savings. Real savings will result from hard decisions about what we no longer need to do, what can be eliminated, what can be privatized. I found that, by focusing on specific areas, we have the opportunity to realize significant savings without incurring the costs of a large scale reorganization. Therefore, I've ordered that we assess the need for programs, eliminate overlap and duplication, and establish common services wherever that makes sense.

I also weighed the potential disruption that merging these agencies into the State Department would impose on the conduct of foreign affairs and the strains it would place on the State Department's management capacity. I found such a merger would undermine the very substantial "reinvention" activities being undertaken by each of these agencies and recently begun by State. Since the agencies are already preparing to merge those functions

that are truly common, any further steps toward consolidation would interfere with the achievement of cost savings that "reinvention" promises. We need to spur these "reinvention" processes on rather than abandon them to build a new structure. In short, I reached the same conclusion that so many private companies have reached: "moving boxes" is no substitute for real change.

My review of the consolidation proposal is only the beginning of phase two of the "reinvention" process. I want to share with you my game plan for the immediate future.

First, I have asked each of the agencies to go beyond the reforms mandated in the first phase of the National Performance Review: to

COPY

streamline further their operations, accelerate their own reinvention, and achieve cost savings and more effective performance. As initial steps, the four agencies will:

-- Cut unnecessary layers and duplicative functions in headquarters operations, such as congressional relations, public affairs, and politico-military policy functions in the Department of State; merge the State and USIA Inspectors General; consolidate bureaus; and undertake other changes identified by the Department's Strategic Management Initiative.

-- Close overseas posts where they are no longer needed or not cost-effective. (We will close a total of 27 AID posts, 32 State Department posts, and five USIA posts.)

-- Eliminate unnecessary programs and programs that the private sector can now finance, like USIA's English language radio broadcasting to Western Europe.

-- Establish common administrative services in a number of management areas.

Second, I have asked the President's Management Council to undertake a rapid review of the overseas presence of all US Government agencies, with the goal of streamlining overseas operations, reducing the cost of administrative services for agencies operating overseas, and making better use of information systems and communications technology.

Third, I have directed the National Performance Review to examine immediately programs for arms control, disaster relief and refugees, and public affairs in order to identify and eliminate, where advisable, areas of overlap and duplication.

Fourth, I have also instructed the National Performance Review to complete by Spring 1995 a detailed review of the foreign affairs agencies' personnel management systems and programs for promoting democracy, sustainable development and trade to eliminate overlap and duplication.

Building on our experience of two years in reinventing government, I expect these activities to produce both new thinking about old problems and significant efficiencies and savings. As I announced two weeks ago, I anticipate that our management and program reviews of the foreign affairs agencies will produce $5 billion in savings over five years, as indicated in the President's budget. Equally important, this approach -- maintaining the ability to pursue unique missions, while "reinventing" and improving the ways we do it -- will create a foreign affairs structure for the 21st century.

COPY

I know that you support the Administration's objective of modernizing the foreign affairs establishment and giving President Clinton and his successors the tools they need to conduct

international relations in a complex, rapidly changing, but still dangerous world. I will be providing you additional details as our management and program reviews proceed. I ask that you give careful consideration to our work in this area. I look forward to working with you to find common ground on these issues.

2/15/95-1920

COPY

MSMail

DATE-TIME	17 February 95 17:14
FROM	Funches, Christina L.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Points for Tony [UNCLASSIFIED]
TO	Andricos, George M. Danvers, William C. Funches, Christina L.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	[[POINTS.DOC : 4450 in POINTS.DOC]]
ATTACHMENT FILE DATE	17 February 95 17:13
ATTACHMENT FILE NAME	POINTS.DOC

TALKING POINTS

-- I would like to thank the members of the various coalitions represented here today, especially the members of the Freedom Support Act Coalition, the Coalition to Protect the 150 Account and InterAction for joining us today. I know some of you have come from out of town for this program. I see some familiar faces in the room, colleagues with whom I have worked in various settings and on numerous issues over the years. Now we are all coming together because we share a deep interest in preserving America's leadership in the world.

-- As you all are aware, the President sent to the Congress the Administration's budget request for Fiscal Year 1996 two weeks ago. It included a request for $21.2 billion for international affairs. The President, I, and our Department and Agency representatives here believe that these funds and the programs they represent, are absolutely critical to our nation's national security agenda. America's international agenda, its ability to lead, depends on the following institutions and public and private agencies, which working together shape, our role in the world:

-- the multilateral institutions which the United

COPY

States helped create to ensure global cooperation and burden sharing, and through which we must continue to be engaged around the world;

-- our diplomatic corps and the Department in which they serve on behalf of the President and the American people;

-- our Agency for International Development whose long-term sustainable development and humanitarian response mission is central to our foreign policy, and;

-- the private voluntary, religious, cooperative, ethnic and civic, for-profit and other organizations that often work side by side our governmental institutions.

-- The President's request for the programs funded under the 150 Account represents what America must invest to maintain leadership in the world and advance a number of mutually reinforcing goals:

-- Prosperity for America - promotion of trade and investment opportunities for our country's business sector.
-- Democracy and Human Rights - stability and civil society reflect our ideals and will help develop future markets and increased trade.

-- Promoting Sustainable Development - through multilateral and bilateral channels, promoting broad based economic growth, addressing unsustainable population growth, environmental degradation, mass movements of refugees and endemic poverty.

-- Promoting Peace - international peacekeeping.

-- Providing Humanitarian Assistance - America's response to disasters and making possible the resumption of sustainable development.

-- I know there has been great concern among many of your organizations regarding proposals in the Congress either to reduce dramatically the budgets for international affairs and foreign assistance or to restructure or merge together the foreign affairs agencies.

-- Let me be clear about the President's commitment to the budget request we have submitted to the Congress for funding of our nation's international affairs. The President and we

COPY

gathered here believe that our request is designed to address America's request is in the interests of all Americans and we will vigorously oppose any effort to reduce our financial or structural ability to protect these interests or to meet such commitments.

-- The agency consolidation issue was given very serious consideration by the Vice President in the context of the National Performance Review exercise and decided a few weeks ago. Let me assure you that this Administration has concluded that merger of USAID, ACDA, USIA and State into a single department would not be in the best interests of our country, would harm the ability of these very different gencies to perform their vital missions and would hamper the reforms already underway. I want to say only one more thing about this, that the President and this Administration will oppose any effort in the Congress to micromanage our foreign affairs programs or to reconfigure their structure.

-- I want you to know that this Administration is seeking to develop a positive relationship with the new leadership in the Congress and we strive in foreign policy for a bipartisan consensus. However, we will fight for the programs I have outlined and for the resources they require to meet our foreign policy goals.

COPY

MSMail

DATE-TIME	17 April 95 10:06
FROM	Froman, Michael B.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Subject: RE: Legislative update [UNCLASSIFIED]
TO	Danvers, William C.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

Has the EAA meeting with Chris Henkin been set up?

From: Danvers, William C.
To: @UP - APNSA Special Assistants; @NSA - Nat'l Security Advisor
CC: /R, Record at A1; @LEGISLAT-Legislative Affairs; @NSC - NSC Staff; @VP -
VP Natl Security Affairs
Subject: Legislative update [UNCLASSIFIED]
Date: Thursday, April 13, 1995 07:19 PM

Note for Tony, Sandy and Nancy:

On the daily NPR call, USIA confirms what we learned yesterday, that Gilman intends to propose that the Administration submit back to the Hill a reorganization plan that would include consolidation of all the foreign affairs agencies. AID was told by a key HAC staffer that we should not have our own bill to compete with Helms and that we should make an effort to slow down the process of passing a new bill. I understand that the VP will be talking with agency heads on this and related issues on Monday. Mark up could begin as early as the first week in May.

Dole's staffer called Bob Bell today requesting a meeting to discuss arms control issues that will be taken up at the summit. I spoke to State about this, and we decided to hold off on the briefing until the week after next. By then we should have a clearer picture of whether there will be a bipartisan CODEL going, and we can arrange a series of meetings on the summit for the leadership and those participating.
It will also give us some time to decide how best to approach the meeting, since it is likely that anything said will immediately become public (despite assurances to the contrary). Bob will also likely be meeting with Nunn, Levin and Biden to discuss ABM when they get back into session.

On the 150 front, I understand that R House staffers from HIRC, HAC and Budget are meeting today to discuss cuts to the 150 account. As I mentioned last night, HAC and HIRC are considering much more modest cuts--

COPY

$1.5 billion--- than the cuts reported being considered by Budget-- approximately $4.6 billion. We will try to get a read out of the meeting. It was further underscored to us today that a DoD (Perry, Shali or both) call to the Speaker on the 150 account could be of real help. I contacted Margy about this, asking her to see if it could happen.

We will accompany Dan Poneman in a meeting with Chris Hanken on the EAA on
Monday. Apparently Rep. Roth wants to move a bill sooner rather than later. We will have to decide how we want to approach State and DoD on this issue. Commerce wants a bill and will likely be quite cooperative. Maybe Dan, Bob Kyle and I could meet with Sandy (sooner rather than later) to discuss how to handle interagency politics so that we will be able to move the process forward.

I will be off tomorrow. Mike Andricos will be covering.

COPY

M S M a i l

DATE-TIME	13 March 95 14:28
FROM	Funches, Christina L.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FYI. Per request from Tyler Beardsley [UNCLASSIFIED]
TO	Hilty, JoAnne M.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	[[NPRLTR.DOC : 3642 in NPRLTR.DOC]]
ATTACHMENT FILE DATE	13 March 95 14:27
ATTACHMENT FILE NAME	NPRLTR.DOC

February 21, 1995

The Honorable Thomas A. Daschle
Democratic Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

The issue of restructuring our foreign affairs agencies has sparked considerable interest recently. I am writing to describe our efforts, through the National Performance Review, to make needed reforms in the organization and management of these agencies and in the programs they implement. In particular, I want to ensure that you have my views on the question of whether to consolidate the Agency for International Development, Arms Control and Disarmament Agency, and United States Information Agency into the State Department.

Two years ago President Clinton charged me with undertaking the most thorough review of the federal government in our history. I have been working since that time to "reinvent" our government, to make it work better and cost less. The first phase of this effort

COPY

resulted in organizational and operational changes in the way government departments and agencies, including the foreign affairs agencies, do business.

The President recently asked me to embark on a second phase of the National Performance Review. I am now in the process of reviewing every federal program to determine whether it is needed and, if so, whether it should be a federal, state/local, or private sector responsibility. I intend then to concentrate on making changes in federal programs to reduce costs and increase effectiveness.

One of my first actions in phase two was to examine thoroughly the proposal raised in the Administration to consolidate AID, ACDA, and USIA in the State Department. I concluded that the basic missions of these agencies are important federal functions. The question was: could the missions be pursued more effectively and at less cost by fusing these agencies into a single super-agency or by maintaining them as separate entities under the foreign policy guidance of the Secretary of State.

I determined that this and future presidents ought to have at their disposal distinct agencies that permit a clear conceptual and managerial focus on arms control, developmental assistance, and public diplomacy. These agencies have to be kept lean and efficient, and their activities have to be kept in harmony. However, I found that the idea of absorbing AID, ACDA and USIA into a single, large foreign affairs super-department risked creating a super-bureaucracy. It violated the basic principles of "reinvention": cut red tape and cut back to basics.

I found that consolidation by itself would not produce significant savings. Real savings will result from hard decisions about what we no longer need to do, what can be eliminated, what can be privatized. I found that, by focusing on specific areas, we have the opportunity to realize significant savings without incurring the costs of a large scale reorganization. Therefore, I've ordered

that we assess the need for programs, eliminate overlap and duplication, and establish common services wherever that makes sense.

I also weighed the potential disruption that merging these agencies into the State Department would impose on the conduct of foreign affairs and the strains it would place on the State Department's management capacity. I found such a merger would undermine the very substantial "reinvention" activities being undertaken by each of these agencies and recently begun by State. Since the agencies are already preparing to merge those administrative support functions that are truly common, any further steps toward consolidation would interfere with the achievement of cost savings that "reinvention" promises. We need to spur these

COPY

"reinvention" processes on rather than abandon them to build a new structure. In short, I reached the same conclusion that so many private companies have reached: "moving boxes" is no substitute for real change.

My review of the consolidation proposal is only the beginning of phase two of the "reinvention" process. I want to share with you my game plan for the immediate future.

First, I have asked each of the agencies to go beyond the reforms mandated in the first phase of the National Performance Review: to streamline further their operations, accelerate their own reinvention, and achieve cost savings and more effective performance. As initial steps, the four agencies will:

-- Cut unnecessary layers and duplicative functions in headquarters operations, such as congressional relations, public affairs, and politico-military policy functions in the Department of State; merge the State and USIA Inspectors General; consolidate bureaus; and undertake other changes identified by the Department's Strategic Management Initiative.

-- Close overseas posts where they are no longer needed or not cost-effective. (We will close a total of 27 AID posts, 32 State Department posts, and five USIA posts.)

-- Eliminate unnecessary programs and programs that the private sector can now finance, like USIA's English language radio broadcasting to Western Europe.

-- Establish common administrative services in a number of management areas.

Second, I have asked the President's Management Council to undertake a rapid review of the overseas presence of all US Government agencies, with the goal of streamlining overseas operations, reducing the cost of administrative services for agencies operating overseas, and making better use of information systems and communications technology.

Third, I have directed the National Performance Review to examine immediately programs for arms control, disaster relief and refugees, and public affairs in order to identify and eliminate, where advisable, areas of overlap and duplication.

Fourth, I have also instructed the National Performance Review to complete by Spring 1995 a detailed review of the foreign affairs agencies' personnel management systems and programs for promoting democracy, sustainable development and trade to eliminate overlap and duplication.

COPY

Building on our experience of two years in reinventing government, I expect these activities to produce both new thinking about old

problems and significant efficiencies and savings. As I announced two weeks ago, I anticipate that our management and program reviews of the foreign affairs agencies will produce $5 billion in savings over five years, as indicated in the President's budget. Equally important, this approach -- maintaining the ability to pursue unique missions, while "reinventing" and improving the ways we do it -- will create a foreign affairs structure for the 21st century.

I know that you support the Administration's objective of modernizing the foreign affairs establishment and giving President Clinton and his successors the tools they need to conduct international relations in a complex, rapidly changing, but still dangerous world. I will be providing you additional details as our management and program reviews proceed. I ask that you give careful consideration to our work in this area. I look forward to working with you to find common ground on these issues.

Sincerely,

Al Gore

COPY

MSMail

DATE-TIME	06 July 95 12:05
FROM	Blinken, Antony J.
CLASSIFICATION	******** CLASSIFICATION NOT FOUND ********
SUBJECT	Hill Talking Points
TO	Baker, Jane E. Cicio, Kristen K. Darby, Melanie B. Dohse, Fred J. Emery, Mary C. Gray, Wendy Hall, Wilma G. Harmon, Joyce A. Hawkins, Ardenia R. Joshi, M. Kay Millison, Cathy L. Sens, Andrew D. Veit, Katherine M.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	[[POTUSTP.DOC : 3115 in POTUSTP.DOC]]Sandy -- I've shortened and re-worked the attached talking points for the POTUS meeting with Hill leaders. Blinken.
ATTACHMENT FILE DATE	6 July 95 12:2
ATTACHMENT FILE NAME	POTUSTP.DOC

TALKING POINTS

ù Thank you for coming this afternoon. I'm glad that our shared interest in looking
ahead on
foreign policy has brought us together for this discussion.

ù This is a defining moment for America's foreign policy. The decisions we make in
the months
ahead will chart our policy course into the next century. So I think its important to step back

COPY

and look at the big picture.

ù Some people believe that with the Cold War won, we can retreat from the world and
find
shelter from its problems behind a Fortress America. I think all of us would agree

that the
new challenges we face -- the proliferation of weapons of mass destruction; terroris
m and
organized crime; ethnic and religious conflicts; environmental degradation and mass

migrations; and a world economy that pushes nations closer together -- have no respe
ct
for borders. We must rise to these challenges today, or pay for our neglect tomorro
w.

ù Others see in every injustice in the world a just cause for American intervention.
But especially
in this era of finite resources, we have an obligation to match clear cut interests to our
idealism.

ù My administration has navigated between the extremes of indiscriminate interventio
n and
irresponsible isolationism. That means not making each and every one of the world's

problems our own. But it also means recognizing that, to meet the obligations and se
ize the
opportunities of our era, America must continue to lead -- just as we did after Worl
d War II
and during the Cold War.

ù In turn, American leadership requires the resources to lead, and a spirit of bi-pa rtisanship for
that leadership to be effective. When we've had the resources to get the job done a
nd a
sense of shared purpose, we've increased the security and prosperity of every Americ
an.

COPY

You can see that in our assistance to Russia and the other NIS states; in our passin
g GATT
and NAFTA; in our work to give the people of Haiti a second chance at democracy; and
in
many other efforts.

ù I am concerned that some of the legislation now before Congress would jeopardize t
hose
achievements and harm our ability to continue to make the American people more safe
and
secure. It would deny us the resources we need to lead. And it would turn the on-
g
oing
discussion we must have about our foreign policy into a counter-productive partisan

shouting match -- a contest that will benefit none us, and will harm the interests o
f our
people.

ù Let me touch on some specific concerns about the legislation:

Resources & the President's Prerogative to Conduct Foreign Policy

ù I am especially concerned by proposals that would deny us the resources we need to
lead and
cripple the President's authority to conduct foreign policy.

ù The proposed resource cuts are shortsighted and dangerous. As it is, we spend les
s of our
GDP on aid than any other major industrial country -- just over 1 percent. And we
all know

that it is a lot less costly -- in terms of money spent and lives lost -- to rely on foreign aid and
diplomacy now than it is to send in our troops later. Yes, there is a price to be pa
id for
leadership. But the return on our investment -- in terms of increased security and

greater prosperity for the American people -- more than makes up for the cost. Wha
t we
can't afford to do is cut back further.

COPY

ù The attack on the President's constitutional prerogative to conduct foreign policy is also unacceptable. No President -- Democrat or Republican -- could accept these restrictions because they threaten the President's ability to protect and promote American interests. The legislation would tell the President which countries he may or may not deal with. If it had been in effect last year, it would have prevented us from concluding the deal with North Korea to dismantle its nuclear program. The legislation would limit the President's arsenal of foreign policy tools by handcuffing our ability to take part in and lead U.N. operations -- forcing a choice in the face of a crisis between acting alone...or not at all. In short, the legislation puts Congress in the business of micro-managing foreign policy. And that's a business it should not be in.

ù The legislation would also unilaterally reorganize the foreign affairs agencies by abolishing ACDA, AID and USIA. I agree wholeheartedly that leadership does not mean throwing money at problems. Our effort to reinvent government is just as important for the foreign affairs agencies as it is for domestic programs. We are committed to continuing the downsizing we have already begun seriously and successfully at ACDA, AID, and USIA. But

reorganization for its own sake -- without any purpose other than to gut government,

and without any plan for how this work of these agencies will be done once they are abolished -- doesn't make sense. Our approach is responsible and effective. It's the one we should

COPY

follow.

ù So let me be clear: I will veto the legislation now before Congress if it comes t o my desk in its current form. I ask you to do everything in your power to give me a bill I can sign -- a bill that maintains our resources, protects the President's authority to conduct foreign polic y, and reflects a bipartisan spirit that serves America's interests.

Russia and the other New Independent States (NIS)

ù I am also deeply concerned by efforts in Congress to undermine our aid to Russia a nd the other NIS.

ù Nothing is more important to the long term security of our country than the succe ssful transformation of Russia and the other former Soviet republics into democracies that

respect the rule of law and the rights of their people. A resurgent, revanchist Rus sia could put at risk much of what we won during the Cold War. A democratic and free Russia c an become a responsible partner on issues and in regions where we have important nation al interests.

ù Look at what we've already achieved. For the first time since the dawn of the nuc lear age, no Russian missiles are pointed at our people and the Russians are joining us in disman tling thousands of weapons. Belarus, Kazakhstan and Ukraine have agreed to give up the weapons left on their land when the Soviet Union fell apart. We're working with all these countries and more to safeguard nuclear materials and keep them away from organized

criminals and terrorists. And remarkably, more than half of Russia's economy is

COPY

now
in
private hands.

ù We have a lot of tough issues to work through with Russia such as Chechnya and the
potential
Iran reactor sale. Last week, the Vice President met with Prime Minister Chernomyrd
in in
Moscow and made progress of these and other concerns.

ù But if we are to continue to take advantage of the historic opportunity to bring t he NIS fully
into the democratic fold and to work out peacefully the issues that divide us, we mu
st
continue to support the forces of reform in the NIS and we must stay engaged.

COPY

MSMail

DATE-TIME	25 July 95 15:16
FROM	Blinken, Antony J.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	[UNCLASSIFIED]
TO	Boorstin, Robert O. Danvers, William C.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	[[VETOFACT.DOC : 3931 in VETOFACT.DOC]] I've cut and organized the fact sheet a bit. It's still got disproportionately more on reorganization. Also, there are no specifics re. the funding cuts -- do we have any + their impact??
ATTACHMENT FILE DATE	25 July 95 15:14
ATTACHMENT FILE NAME	VETOFACT.DOC

THE WHITE HOUSE
Office of the Press Secretary

FACT SHEET

The Foreign Relations Revitalization Act (S. 908)

S. 908 is a frontal assault on the President's ability to conduct foreign policy and exercise international leadership. The legislation:

ù Attacks the President's constitutional authority to conduct foreign policy by banning or severely restricting diplomatic relations with key countries and hindering our ability to build or take part in international coalitions;

COPY

ù Abolishes three important agencies -- the Agency for International Development (AI
D), the Arms Control
and Disarmament Agency (ACDA) and the U.S. Information Agency (USIA) -- despite the

Administration's serious and successful efforts to streamline these agencies;

ù Slashes the international affairs budget -- which already is just 1.3 percent of o ur total federal budget --
which we depend on to fight the spread of nuclear weapons; combat terrorists, drug t
raffickers and
international criminals; open new markets for our exports; and support the forces of
peace, human
rights and democracy around the world.

S.908 endorses a view of U.S. leadership in the world that is diminished, short-sigh
ted and dangerous. Because of
reduced funding levels, numerous unnecessary constraints on the President's responsi
bility for conducting foreign
affairs, and the elimination of three vital agencies, if it were presented to the Pr esident in its present form, the
President's key foreign policy advisors would all recommend that it be vetoed.

SPECIFICALLY:

S. 908 Undermines the President's Authority to Conduct Foreign Policy

ù S. 908 would impede U.S. efforts to stop North Korea's nuclear program by purporti
ng to preclude any
U.S. diplomatic activity in North Korea.

ù S. 908 would make significant portions of our contributions to the U.N. subject to
unrealistic Presidential
certifications regarding the office of the U.N. Inspector General. These certificat ion requirements would
be impossible to meet and greatly limit the ability of the U.S. to respond multilate rally to international
concerns.

ù S. 908 would prohibit U.S. contributions to UNPROFOR pending a number of

COPY

arbitrary
and rigid
certification requirements, undermining the ability of the President to adjust fundi ng and support to
changing events in the region.

ù S. 908 would force changes in U.S. refugee policy by providing that an individual
who fears that he or she
will be subjected to persecution for resisting an abortion or sterilization will be eligible for asylum. Such a
provision could pose a serious threat to U.S. borders, limiting the President's abil ity to respond to boat
migration and potentially triggering a major influx of new refugees into the United
States.

ù S. 908 contains several provisions that would interfere with our delicate relation s with China, including
one that would prohibit the importation of any product from China unless the Secreta
ry of the Treasury
and the importer certify that it is not the product of forced labor. This provision would be impossible to
enforce without a total disruption of close to $40 billion worth of trade.

ù S. 908 would add unneeded reporting requirements and additional layers of bureaucr
acy to foreign affairs
operations.

S. 908 dictates a dramatic reorganization of the entire foreign policy structure of the United States without any
evidence or study to support such a move.

ù S. 908 would merge ACDA into the State Department, resulting in higher costs ($10
million, according to a
Congressional Research Service study) and elimination of an independent voice on arm
s control which has
been so important to Presidents for the last 30 years -- a view shared by national security experts General
Goodpaster, Ambassador Nitze and 28 Nobel laureates. Maintaining a lean ACDA with a
core budget of less
than $50 million is a national security bargain. That reality is reflected in the $

COPY

100 billion saved by the
implementation of arms control treaties negotiated by ACDA.

ù S. 908 would merge USIA into the State Department, severely hampering the openness
, the ability to respond
quickly to rapidly changing world events, and the independence in reporting, analysi
s and comment that are
critical to public diplomacy -- a view shared by dozens of prominent Americans rangi
ng from Edwin
Feulner, Jr. and Jeanne Kirkpatrick to Geraldine Ferraro and Andrew Young. Under S.
908, there are no
demonstrable savings to consolidating USIA under the StateDepartment.

ù S. 908 would abolish USAID and close all but a token few of its missions, virtuall
y eliminating America's
specialized field presence for development around the world. The costs in terms of
lost economic
opportunity, unrealized development potential, and the loss of ability to further U.
S. national interests
would be significant. The Foreign Relations Revitalization Act would eliminate the d
evelopment mission of the
U.S. government as a foreign policy tool by splintering responsibility for developme
nt programs across
multiple Under Secretaries and Assistant Secretaries of State. Under this managemen
t structure, no single
person or office would be charged with coordination or strategic planning for develo
pment.

The proposed reorganization has been trumpeted as an efficiency move, yet the only r
eal saving
to be obtained would be achieved by slashing programs, closing missions and eliminat
ing
personnel and programs vital to the national interest.

The Administration has strongly and consistently opposed the consolidation of the fo
reign affairs

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agencies. Earlier this year after careful review, the Vice President determined tha t consolidation
does not make sense because it would sacrifice each agency's unique international mi
ssion without
real gain. Instead, the administration proposed and put into effect a reform plan. Under the plan
the streamlined agencies will reduce staff by 4,700 positions, cut bureaucratic laye
rs, and establish common
administrative services. To date, these agencies have achieved over $500 million in
cost savings with more staff
and cost reductions to come. In contrast, S. 908 would result in a super-bureaucrac
y that would be unwieldy and
ineffective.

COPY

MSMail

DATE-TIME	26 September 95 15:00
FROM	Burrell, Christina L.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Urgent Action [UNCLASSIFIED]
TO	Andricos, George M.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	

fyi

From: Cooper, Kathleen H.
To: Bell, Robert G.; Clarke, Richard A.; Danvers, William C.
CC: /R, Record at A1; Burrell, Christina L.; Kelly, Sandra L.; Lindsey, Wanda D.
Subject: Urgent Action [UNCLASSIFIED]
Date: Tuesday, September 26, 1995 02:16 PM

[[6787-1A.DOC : 3884 in 6787-1A.DOC]][[6787-2A.DOC : 3885 in 6787-2A.DOC
]][[6787-3A.DOC : 3886 in 6787-3A.DOC]]

Senator Helms has followed up his meeting with the President on the consolidation issue with a letter saying that he was waiting to hear back from the President.

I am sending you the attached package for coordination. Obviously several parts of the White House, including OVP and OMB, will need to be consulted before the package can go to the President.

Tony has asked that all packages related to consolidation be kept out of the system and be very tightly held. I would, therefore, appreciate your holding this memo closely and e-mailing your comments/concurrence to me. Thanks.

ATTACHMENT FILE DATE	26 September 95 14:14
ATTACHMENT FILE NAME	6787-1A.DOC
	6787

COPY

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D R A F T

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

There has been one subsequent meeting between Helm's staff and the interagency (State, USAID, ACDA, USIA and NSC) legislative affairs experts. That meeting was limited to discussion about procedures, i.e. deal with restrictions on presidential prerogatives first, then the numbers and then with the consolidation issue. Since then the context has changed.

ù Jesse Helms won a 57-43 vote on tabling his amendment to force consolidation -- he then withdrew his amendment.

ù Bob Dole is now involved: Sheila Burke is calling Pat Griffin

ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated; and in the context of debate, he was not willing to offer a sense of the Congress amendment that we should get back to them with our plan.

ù Issue has been raised by Leon Panetta at his staff meeting: his feeling is that we have to solve the problem. (He provided guidance that cut across the bow of the Vice President--who is the key player for the Administration on consolidation.)

COPY

ù We can no longer rely on "hanging tough." Helms will keep coming at us on CJS or Reconciliation and he is gathering Democratic support.

ù The heads of the Agencies are neuralgic about the consolidation of their agency...it's a set of rice bowl issues for them.

ù We have had a solid hang tough--all for one and one for all--position for months, which is identified with the Vice President. When we shift from that position, the Republicans will trumpet victory.

We need to control the process from the center and deliver a

concise message to the Agency heads to attenuate outright revolt. The Vice President will need to call Christopher, Atwood, Duffey and Holum and tell them what the White House decision is.

If we work carefully within the EXOP we should be able to execute a gameplan that protects Agencies' interests for as long as possible, and more importantly, protects the prerogatives of both the President and the Vice President.

Leon Fuerth has raised with the Vice President the need to move from the position of "Hang Tough" to that of agreeing to examine the Agencies' duplications and overlaps in the projected budget context and commit to getting back to the Congress before we send up the FY 1997 budget. This may help us avoid the "Sophie's Choice" option of publicly having to choose one Agency for elimination (Kerry's solution).

If you and the Vice President approve this approach, the Vice President needs to call the heads of Agencies and tell them:

- The situation has changed. We do not want to be forced to veto the Foreign Ops B
ill, CJS or
reconciliation because of mandated consolidation that leaves us with no choices.
We now need to talk seriously with Helms, Dole and Kerry;

- We will work within the changed budget context and within NPR Channels;

- We will take a hard look and develop a plan that we can offer the Congress when we submit the FY 97 budget;

Our end game is simple:

ù Avoid forced, mandated consolidation;

COPY

ù Use the budget context to force a hard look at the reinvention of the foreign affairs agencies and move toward acceptance of the position developed through the NPR review of the four agencies;

By taking control of the process at the center, we should ultimately be able to gain agreement with Helms to mutate the consolidation issue to a report to the Congress in time for inclusion in the budget submission for Fiscal Year 1997.

A small team led by Leon Fuerth (plus Mort Halperin and Gordon Adams) could manage the discussions with Senator Helms. The idea would be to hang tough initially, obtain commitment to some progress with ambassadorial appointments and other, normal committee business, and agree to a Presidential report on re-engineering the four agencies.

Meanwhile we also can answer Senator Helms' letter to the President.

Concurrence by: Richard Clarke; Bill Danvers; Bob Bell

RECOMMENDATION

That you support the process suggested above and encourage the Vice President to call the Agency heads and then have a team headed by Leon Fuerth deal with the Congress.

Approve_____ Disapprove_____

That you forward the attached memorandum to the President with a letter from the President to Senator Helms.

Approve _____ Disapprove _____

Attachments
Tab I Memorandum for the President
Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 26 September 95 14:15

ATTACHMENT FILE NAME 6787-2A.DOC

COPY

6787

LIMITED ACCESS

cc: Vice President

Chief of Staff

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE ET. AL.

SUBJECT: Response to Sen. Helms Letter of September 8, 1995

Purpose

To respond to Senator Jesse Helm's offer to work with us on the issue of "reorganizing the State Department" (and the other foreign affairs agencies) and discuss how we deal with the pressure to consolidate the foreign affairs agencies.

Background

Following your meeting with him, Senator Helms wrote you on September 8th, offering to work with us and the State Department on the State Department Bill (i.e. on the issue of consolidation of the foreign affairs agencies). There has also been a follow-up meeting with Helm's staff and interagency legislative affairs representatives on procedural matters. Since then the situation has changed:

ù Jesse Helms won a 57-43 vote on tabling his amendment to force consolidation -- he then withdrew his amendment.

ù Bob Dole is now involved.

ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated; and in the context of debate, he was not willing to offer a sense of the Congress amendment that we should get back to them with our plan.

ù We can no longer rely on "hanging tough." Helms will keep

COPY

coming at us on CJS or Reconciliation and he is gathering Democratic support. He may have a deal with Kerry and Dole to put consolidation into the Foreign Ops bill in Conference.

ù The heads of the Agencies are neuralgic about the consolidation of their agency...it's a set of rice bowl issues for them.

ù We have had a solid hang tough--all for one and one for all--position for months, which is identified with the Administration and especially with the Vice President.

We have an opportunity to make some progress. Senator Helms may be ready to negotiate seriously; however, there is a lack of unanimity within the Administration, particularly, over consolidation

issues. To protect your interests, the White House/NPR needs to be responsible for dealing with Senator Helms.

We need to "hang tough" for now. This is necessary to avoid open revolt by the Agencies and to avoid a Republican victory dance over our having agreed to "consolidation." In fact, lower appropriations numbers for Agency operating expenses and our own quest to balance the budget will probably stimulate significant re-engineering of the Agencies. It is better that we take the credit for it.

We should be aim for agreement with Senator Helms to mutate the consolidation issue to a report to the Congress on efficiencies in government due to the reinvention of the foreign affairs agencies. This would be in time for inclusion in the budget submission for Fiscal Year 1997, and would enable us to manage the inevitable, budget driven consolidation process.

A small team led by Leon Fuerth (plus Mort Halperin and Gordon Adams) could manage any discussions with Senator Helms. We would see Senator Helms' agreement to proceed concurrently with his committee's normal business of confirming your Ambassadors and working with us on treaty ratification.

RECOMMENDATION

That Leon Fuerth lead a small team to talk with Senator Helms.

Approve _____

Disapprove _____

COPY

That you sign the attached letter to Senator Helms.

Attachments
Tab A Letter to Senator Jesse Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 26 September 95 12:24

ATTACHMENT FILE NAME 6787-3A.DOC

Dear Mr. Chairman:

When we met last August, I did mention that I would get back to you on your State Department Bill. Since then, I am pleased that the staffs have been able to get together and begin work on critical procedural matters.

In this context, it is naturally important for the Committee to resume its work with us on Ambassadorial confirmations and other committee business.

If you agree, I would propose that Leon Fuerth and a small group meet with you or your representatives and continue discussion on some of the issues raised in the foreign assistance authorization bill.

I continue to believe that it is critical for this nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America's world leadership strong.

Sincerely,

The Honorable Jesse Helms
United States Senate

COPY

Washington, D.C. 20510

COPY

MSMail

DATE-TIME	27 September 95 13:36
FROM	Burrell, Christina L.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Halperin Package [UNCLASSIFIED]
TO	Danvers, William C.
CARBON_COPY	NO CC's on THIS MESSAGE
TEXT_BODY	
	[[6787-1A.DOC : 3407 in 6787-1A.DOC]][[6787-2A.DOC : 3408 in 6787-2A.DOC]][[6787-3A.DOC : 3409 in 6787-3A.DOC]]
ATTACHMENT FILE DATE	27 September 95 13:20
ATTACHMENT FILE NAME	6787-1A.DOC
	6787
	LIMITED ACCESS

D R A F T

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the

COPY

President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

There has been one subsequent meeting between Helms' staff and the interagency (State, USAID, ACDA, USIA and NSC) legislative affairs offices. That meeting was limited to discussion about procedures, i.e. deal with restrictions on presidential prerogatives first, then the numbers and then with the consolidation issue. Since then the context has changed.

ù Jesse Helms won a 57-43 vote on tabling his amendment to force consolidation -- he then withdrew his amendment.

ù Bob Dole is now involved.

ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated.

ù Issue has been raised by Leon Panetta at his staff meeting: his feeling is that we have to solve the problem.

ù "Hanging tough is an increasingly difficult strategy." Helms will keep coming at us and he has some Democratic support.

ù The heads of the Agencies remain opposed to consolidation.

ù We have had a solid hang tough--all for one and one for all--position for months, which is identified with the Vice President. A shift from that position could move Helms to claim victory.

We need to decide how to proceed once we have an agreed upon position. We suggest that there be a VP-led meeting of concerned agency heads, bringing them on board. We should then get back to our Democrats in the Senate and House to let them know what we want to do. Finally, contact should be made with Helms and Gilman, presenting our proposal. The issue remains as to what our "proposal" will be. The most workable solution is to tell Helms and Gilman that we will get back to them with a specific

reorganization plan by a date certain.

Our end game is simple:

ù Respond to Helms;

ù Avoid forced, mandated consolidation; and

ù Use the budget context to force a hard look at the reinvention of the foreign affairs agencies and move toward acceptance

COPY

of the position developed through the NPR review of the four agencies.

We have attached a memo to the President (Tab I) and a letters from the President to Senator Helms (Tab A) reflecting this position.

Concurrence by: Richard Clarke; Bill Danvers; Bob Bell

Attachments
Tab I Memorandum for the President
Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 13:33

ATTACHMENT FILE NAME 6787-2A.DOC

6787

LIMITED ACCESS

cc: Vice President

Chief of Staff

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Response to Sen. Helms Letter of September 8, 1995

Purpose

To respond to Senator Jesse Helms' offer to work with us on the issue of "reorganizing the State Department" and the other foreign affairs agencies.

Background

COPY

Following your meeting with him, Senator Helms wrote you on September 8th, offering to work with us and the State Department on the State Department Bill (i.e. on the issue of consolidation of the foreign affairs agencies). There has also been a follow-up meeting with Helms' staff and interagency legislative affairs representatives on procedural matters. Since then the situation has changed:

ù Jesse Helms won a 57-43 vote on tabling an amendment he sponsored with Senator Dole to force consolidation last week during Senate consideration of the Foreign Operations Appropriations bill. He subsequently withdrew his amendment.

ù Senator Helms has stated publicly on several occasions that he is waiting for a response from you to your meeting with him and that he will hold up nominations and consideration of treaties, particularly START II and the Chemical Weapons Convention; nominations; and other Committee business until he has an up or down vote on his proposal.

ù There is some Democratic support for consolidation. Three Democrats voted against the motion to table the Helms amendment last week. Senator Kerry stated on the Senate floor that he is willing to see one of the agencies consolidated, a position he took during Senate Foreign Relations Committee deliberations on this issue.

On the other side of this issue, Agencies targeted by the Helms legislation continue to oppose any consolidation. There are also key Democrats who are willing to back us in our resistance to the Helms plan. We believe that in order to try to get the Foreign Relations Committee business moving again, we should respond to Senator Helms by telling him that we will present to Congress by a date certain a reorganization plan. This will allow us and our

supporters to be able to say that we have responded to the Senator and that he should now allow the SFRC to meet to conduct its business.

RECOMMENDATION

That you sign the attached letter to Senator Helms.

Attachments
Tab A Letter to Senator Jesse Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 13:16

COPY

ATTACHMENT FILE NAME 6787-3A.DOC

Dear Mr. Chairman:

I wanted to get back to you following our meeting to discuss your proposal to reorganize the foreign affairs agencies. Since then, I am pleased that representatives from the Administration have met with your staff as a follow on to that discussion.

I am asking the Vice President to submit to you and Representative Gilman a proposal that we will get back to you by a date certain our detailed plan for reorganizing the foreign affairs agencies.

As you know, I strongly believe that the organization of the federal government is the prerogative of the Executive branch, although I think it is important to take into consideration Congressional concerns and ideas as we complete this process.

I ask that in the interim the Committee resume its work with us on treaties such as START II and the Chemical Weapons Convention, Ambassadorial confirmations and other committee business.

I continue to believe that it is critical for this nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America's world leadership strong.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

COPY

MSMail

DATE-TIME 27 September 95 14:22

FROM Kelly, Sandra L.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Halperin Package [UNCLASSIFIED]

TO Moody, Angelyn D.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

[[6787-1A.DOC : 3665 in 6787-1A.DOC]]

From: Kelly, Sandra L.
To: Moody, Angelyn D.
CC: /N, NonRecord at A1
Subject: FW: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 02:17 PM

[[6787-2A.DOC : 3662 in 6787-2A.DOC]][[6787-3A.DOC : 3663 in 6787-3A.DOC
]][[6787-1A.BAK : 3664 in 6787-1A.BAK]]

per your request, change made to first document

From: Danvers, William C.
To: Bell, Robert G.; Clarke, Richard A.; Halperin, Morton H.
CC: /R, Record at A1; Cooper, Kathleen H.; Kelly, Sandra L.; Lindsey, Wanda D.; @LEGISLAT-Legislative Affairs
Subject: FW: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 01:49 PM

Some changes.

From: Burrell, Christina L.
To: Danvers, William C.
CC: /N, NonRecord at A1
Subject: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 01:36 PM

COPY

ATTACHMENT FILE DATE 27 September 95 13:33

ATTACHMENT FILE NAME 6787-2A.DOC

6787

LIMITED ACCESS

cc: Vice President

Chief of Staff

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Response to Sen. Helms Letter of September 8, 1995

Purpose

To respond to Senator Jesse Helms' offer to work with us on the issue of "reorganizing the State Department" and the other foreign affairs agencies.

Background

Following your meeting with him, Senator Helms wrote you on September 8th, offering to work with us and the State Department on the State Department Bill (i.e. on the issue of consolidation of the foreign affairs agencies). There has also been a follow-up meeting with Helms' staff and interagency legislative affairs representatives on procedural matters. Since then the situation has changed:

ù Jesse Helms won a 57-43 vote on tabling an amendment he sponsored with Senator Dole to force consolidation last week during Senate consideration of the Foreign Operations Appropriations bill. He subsequently withdrew his amendment.

COPY

ù Senator Helms has stated publicly on several occasions that he is waiting for a response from you to your meeting with him and that he will hold up nominations and consideration of treaties, particularly START II and the Chemical Weapons Convention; nominations; and other Committee business until he has an up or down vote on his proposal.

ù There is some Democratic support for consolidation. Three Democrats voted against the motion to table the Helms amendment last week. Senator Kerry stated on the Senate floor that he is willing to see one of the agencies consolidated, a position he took during Senate Foreign Relations Committee deliberations on this issue.

On the other side of this issue, Agencies targeted by the Helms legislation continue to oppose any consolidation. There are also key Democrats who are willing to back us in our resistance to the Helms plan. We believe that in order to try to get the Foreign Relations Committee business moving again, we should respond to Senator Helms by telling him that we will present to Congress by a date certain a reorganization plan. This will allow us and our

supporters to be able to say that we have responded to the Senator and that he should now allow the SFRC to meet to conduct its business.

RECOMMENDATION

That you sign the attached letter to Senator Helms.

Attachments
Tab A Letter to Senator Jesse Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE 27 September 95 13:16

ATTACHMENT FILE NAME 6787-3A.DOC

Dear Mr. Chairman:

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I am asking the Vice President to submit to you and

COPY

Representative Gilman a proposal that we will get back to you by a date certain our detailed plan for reorganizing the foreign affairs agencies.

As you know, I strongly believe that the organization of the federal government is the prerogative of the Executive branch, although I think it is important to take into consideration Congressional concerns and ideas as we complete this process.

I ask that in the interim the Committee resume its work with us on treaties such as START II and the Chemical Weapons Convention, Ambassadorial confirmations and other committee business.

I continue to believe that it is critical for this nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America's world leadership strong.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

ATTACHMENT FILE DATE 27 September 95 13:20

ATTACHMENT FILE NAME 6787-1A.BAK

6787

LIMITED ACCESS

D R A F T

COPY

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

There has been one subsequent meeting between Helms' staff and the interagency (State, USAID, ACDA, USIA and NSC) legislative affairs offices. That meeting was limited to discussion about procedures, i.e. deal with restrictions on presidential prerogatives first, then the numbers and then with the consolidation issue. Since then the context has changed.

ù Jesse Helms won a 57-43 vote on tabling his amendment to force consolidation -- he then withdrew his amendment.

ù Bob Dole is now involved.

ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated.

ù Issue has been raised by Leon Panetta at his staff meeting: his feeling is that we have to solve the problem.

ù "Hanging tough is an increasingly difficult strategy." Helms will keep coming at us and he has some Democratic support.

ù The heads of the Agencies remain opposed to consolidation.

ù We have had a solid hang tough--all for one and one for all--position for months, which is identified with the Vice President. A shift from that position could move Helms to claim victory.

We need to decide how to proceed once we have an agreed upon position. We suggest that there be a VP-led meeting of concerned agency heads, bringing them on board. We should then get back to our Democrats in the Senate and House to let them know what we want to do. Finally, contact should be made with Helms and Gilman, presenting our proposal. The issue remains as to what our "proposal" will be. The most workable solution is to tell Helms

COPY

and Gilman that we will get back to them with a specific reorganization plan by a date certain.

Our end game is simple:

ù Respond to Helms;

ù Avoid forced, mandated consolidation; and

ù Use the budget context to force a hard look at the reinvention of the foreign affairs agencies and move toward acceptance of the position developed through the NPR review of the four agencies.

We have attached a memo to the President (Tab I) and a letters from the President to Senator Helms (Tab A) reflecting this position.

Concurrence by: Richard Clarke; Bill Danvers; Bob Bell

Attachments
Tab I Memorandum for the President
Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

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Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

Withdrawal/Redaction Sheet
Clinton Library

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Freidrich, Mary K. to Malley, Robert re: Pillars (35 pages)	09/19/1997	P5
002. email	Wechsler, William F. to Jordan, Donald L. re: October 24, 1997 Reorganization Meeting (4 pages)	10/24/1997	P5
003. email	Kerrick, Donald L. to Cicio, Kristen K. et al. re: Reorganization Update (2 pages)	10/24/1997	P5
004. email	Hamel, Michael A. to Saunders, Richard M. and Jordan, Donald L., re: Info Memo on Reorg (4 pages)	10/29/1997	P1/b(1), P5
005. email	Jordan to Fuerth, Leon S. and Saunders, Richard M., re: Steinberg-Pickering Breakfast (5 pages)	10/30/1997	P1/b(1), P5
006. email	Wechsler to Jordan, re: As requested... (4 pages)	10/30/1997	P1/b(1), P5
007. email	Wechsler to Elkon , Nicloce L., et. al., re: Paper for Reorganization Mtg (5 pages)	10/31/1997	P1/b(1), P5
008. email	Rubin, Eric S. to Crowley, Philip J. et al. re: Second Term Accomplishments: Edited for Q/A Package (6 pages)	11/07/1997	P5
009. email	Luzzatto, Anne R. to Busick, Paul E. et al. re: Q&A (16 pages)	11/07/1997	P5
010. email	Blinken, Antony J. to Benjamin, Daniel re: Urgent: Second Term Accomplishments (6 pages)	11/14/1997	P5
011. email	Kerrick to Cicio et al. re: Reorganization of State, ACDA, USIA, and AID (2 pages)	11/24/1997	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

FOLDER TITLE:
[09/04/1997 - 11/24/1997]

Eric Holzer
2006-0208-F
eh191

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
012. email	Wechsler to Cicio et al. re: Reorganization Update (2 pages)	11/25/1997	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

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Exchange Mail

DATE-TIME	9/19/97 9:38:44 AM
FROM	Friedrich, Mary K.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Pillars [UNCLASSIFIED]
TO	Malley, Robert
CARBON_COPY	
TEXT_BODY	
TRANSLATED_ATTACHMENT	planning pillars.doc AMERICAN LEADERSHIP ABROAD

BUILDING BLOCKS OF PILLAR
DESCRIPTION
TIMELINE
BENEFITS
(e.g. Who does this help?
How does it help them?)
COSTS/FEASIBILITY
(e.g. What does it take to achieve? Who pays ($ or capital)? What is the
likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
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NATO Enlargement Ratification

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Secure Senate ratification for admitting Poland, Czech Republic and Hungary to
NATO.
Implement strategy on second group(s) of invitees

Introduce legislation early 1998; seek ratification by March-April. First new
members admitted Spring 1999 NATO summit in Washington.
Review timing for second group in 1999, possibly invite others to begin accession
talks.

Strengthens NATO to meet core mission of self-defense and to take on new missions
like peacekeeping.
Helps lock in gains of democracy, free markets in Central Europe and promotes
stability in part of world that sparked two world wars.
Ratification likely but not assured.
NATO direct costs are $9 to 12 billion for '97 through '09. US share is

estimated at $1.5 to 2 billion or $200 million per year for the next 13 years.
Allies pay about 50%; new members about 35%.
Additional costs of $8 to 10 billion for Allies and $10 to $13 billion for new
members for certain national force enhancements.
Will require serious effort by the President to convince individual Senators and
to rally support from American people.

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NATO Adaptation and Enhancing Cooperation/Integration

COPY

Continue internal NATO adaptation (command structure; Spanish, French integration
expand Euro role.)
Strengthen Partnership for Peace/EAPC; develop NATO-Russia & NATO-Ukraine
partnerships.
Strengthen integration of the Baltics and Southeastern Europe
Now through NATO ministerial in December, 1997.

Through 1998

Through 1998
Adaptation strengthens NATO's ability to meet core mission of self defense and
new missions like peacekeeping.
Outreach promotes integration and stability throughout Europe.

Adaptation on course. Spanish integration likely, French integration questionable.
Leads to more equitable defense burdensharing with Europe, thereby shoring up
domestic support for residual defense spending and our presence in Europe.
Dispute between France and U.S. may require occasional intervention by President

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COPY

POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Advance Self-Sustaining Peace in Bosnia
Support full implementation of Dayton Accords (including: bring war criminals to
justice, help refugees return, promote economic reconstruction, democratization,
arms reduction, support institutions.)
Complete SFOR mission on schedule. Decide on post-SFOR participation by U.S., if
any, to ensure implementation continues. Build public and congressional support
for continuing role.

Now through June 1998: use SFOR presence to push for full implementation of
Dayton.
Fall 1997 decide post SFOR presence, if any; sustain position in Congress.
Strengthen self-sustaining peace in Bosnia; save countless lives; preserve
stability at heart of Europe; help hundreds of thousands displaced persons return
home.
SFOR likely to complete mission on schedule. But ability to advance individual
components of Dayton uncertain - especially provisions on war criminals, refugee
return. Will require difficult policy decisions by President, agreement with
allies and could entail risks to troops.
Will be difficult to build public and Congressional support for post-SFOR
military presence by U.S., easier to garner support for out-of-country military
effort and/or continued economic, humanitarian assistance.
Cost? [Unknown]
Presidential involvement includes decision on post-SFOR Fall '97; if some U.S.
presence, major effort with Congress on funding/cutoff early '98.

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COSTS/FEASIBILITY
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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Push to improve ties btw. Greece & Turkey

Use current promising circumstances for major effort to improve bilateral ties,
building on momentum of Madrid agreement on principles to govern bilateral
relations; address core issue of dispute over continental shelf.
Initial push now through end of 1997.
Additional steps contemplated for 1998.

Opportunity to further defuse enduring and dangerous flashpoint for conflict in
Europe, promote productive ties between NATO allies
Uncertain. Recent steps forward encouraging but history of conflict sobering.
Would require high profile engagement by President only if agreement within
reach.

Advance Resolution to Cyprus Dispute
Capitalize on appointment of Presidential emissary, initiation of UN-sponsored
direct talks and EU engagement to bring parties to framework negotiations and
move them toward bizonal, bicommunal federation
From now until 1998, lay framework for comprehensive negotiations, as well as
focus on Aegean issues and the EU-Turkey relationship.

1999-2000: Implement settlement if achieved; otherwise continue efforts to narrow
differences.

Same as above.
Same as above.

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Deepen Turkey's integration with the West
Support democratic, secular leadership that can govern effectively within Turkey
and play a constructive role in the region; strengthen the US-Turkish bilateral
relationship; and anchor Turkey firmly in Europe.
From now until end of 1997, use possible POTUS-Yilmaz mtg and other opportunities
to strengthen security, political and econ aspects of bilateral relationship,
foster improved Turkey-EU ties, and address regional issues (e.g., Aegean, N-K,
Iraq).
1998-2000: focus on internal political reforms, maximizing economic opportunities
(e.g. energy, trade, investment) and further progress on resolving regional
problems.
Secure U.S. strategic, political and economic interests in an important country
at the crossroads of Europe, the Middle East, the Caucasus and Central Asia.
Increased broad and high-level engagement on a diplomatic, military and economic
level with Turkey, and diplomatic efforts with European allies, should yield
positive results.

Presidential involvement would be Modest. Possible Yilmaz Meting.

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Russia/NIS

Nurture U.S.-Russian relationship to advance democratic, market reform in Russia
and advance U.S. interests in arms control, trade, regional and global stability
Advance Minsk Group negotiations on Nagorno-Karabac toward goal of peace
agreement.

Play more active role in conflict resolution in Georgia/Abkhazia
Encourage free and fair elections throughout region

Ongoing

Intensified negotiations fall 1997 Target Phase I agreement by end of '97. Phase
II agreement by '98
Negotiations process led by UN during fall 1997

Russia: Parliament '99;President '00
Ukraine Parliament March '98; President Oct. 99
Most important transformation in world for U.S. interests.

Resolution of NK and Abkhazia conflicts promotes regional stablity and
cooperation in Caucasus and strengthens prospects of rapid energy development in
Caspain Basin.

COPY

Key to reinforcing principles of democracy and elections as basis for political
transition in NIS.

Presidential involvement would be absent crisis, modest, except for annual
summits (U.S./Moscow).

Prospects for peace are good.
Final push could require POTUS interventions.

Requires high-level diplomatic engagement on free and fair elections; as needed,
consider targeted technical assistance for electoral processes; minimal Presidential Involvement.

Support regional and international integration of NIS states, e.g. WTO, OECD,
NATO and IFIs.

Strengthen cooperation in science and technology
Begin in 1998
Promotes democracy by enhancing economic, political and military development.

S & T enterprise strengthened, providing economic stimulus and opportunities for
former defense scientists.
Requires broad and high-level diplomatic engagement and trade negotiations.

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Advance Engagement with China
Work to rebuild bipartisan consensus on engagement with China. Draw China into
world community to encourage economic and political change, respects for human
rights and non-proliferation norms.
Promote WTO accession , reduce trade deficit, permanent MFN, end to Tiananmen
sanctions in context of Chinese actions improving rights and performance on other
issues
Gain broad China conformity with non-proliferation regime and cut off arms sales
to rogue states (e.g Iran).
Stabilize PRC-Taiwan relationship through enhanced cross-strait ties.
Strengthen cooperation in science and technology.
Jiang State Visit: October 1997. POTUS return visit: late 1998 (T)
Annual summits thereafter?

Clean Energy Initiative; VP Forum on Env. and Devel.; Joint Commission
U.S. has profound stake in China's evolution as peaceful, open, stable country.

COPY

Americans will benefit from cooperation with China on trade, non-proliferation,
stability on Korean peninsula. Chinese will benefit from greater political
freedom, economic opportunity if China abides by international rules of conduct
on trade, nonproliferation, human rights, etc. China that turns inward is
destabilizing factor for Asia Pacific region.

Cooperative work b/n US and China - large economies, large producers of
greenhouse gases - will have significant impact on global problems such as
climate change.
In wake of MFN vote, opportunity to rebuild consensus on engagement and reverse
demonization of China. Key moments are state visits. Congressional effort
(permanent MFN, Tiananmen sanctions) only in context of significant Chinese
progress.

Serious POTUS leadership needed to convince public, Congress of benefits of
relationship despite difficulties.

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(e.g. How does it affect the party?)
Promote Peace and Stability on Korean Peninsula
Pursue Four-Party Peace Talks toward goal of peace between Koreas, normalize of

COPY

U.S.-DPRK relations.
Implement dismantling of frozen North Korean nuclear weapons program.
Seek limits on North Korean missile and CW program.
Continue to provide humanitarian assistance to avert famine

Talks: Fall 1997.

Nuclear dismantlement: Ongoing.

Ongoing

Ongoing
Cold War's last armed frontier, Korean peninsula remains dangerous flashpoint for
conflict, with 37,000 U.S. troops on frontline. Peace talks could finally defuse
danger, increase stability in Asia. Implementing nuclear agreement makes
unpredictable North Korea less dangerous to neighbors, region.

Helps ensure against massive population displacements and general disorder which
might result in irrational military action.
Preliminary negotiations for peace talks difficult but ongoing - chance parties
will agree to begin formal talks in fall. But highly volatile, given history.
Grave risk of instability in North due to economic collapse. Little POTUS
involvement likely.
Nuclear accord moving forward. $30 million/year US costs. Groundbreaking for
replacement light water reactor in August.

The overall food situation continues to deteriorate. Face continued need to
provide emergency assistance to avert famine. Have provided $60 million over
past three years.

COPY

Strengthen U.S.-Japan Partnership
Deepening security cooperation, resolving trade and economic issues and
enhancing science and technology cooperation will strengthen alliance that is
bulwark for regional stability and catalyst for regional growth.
Encourage Russian-Japanese Cooperation
Finish defense guidelines by 1997.
Trade and economics ongoing.

No defined timeline

Benefits people of both countries in increased security, economic opportunities.
Increases stability in volatile region going through profound change.

Reduces longstanding regional tensions and opens prospects for more constructive
cooperation among the Eight.

Trade deficit and macro-economic issues remain difficult; will become flashpoint
if U.S. economy weakens; guidelines pose some potential challenge for Hashimoto,
but should prove achievable. Roughly bi-annual summits with POTUS.

U.S. encouragement has already facilitated dialogue.

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(e.g. How does it affect the party?)
South Asia (India-Pakistan)
Use Secretary of State visit, POTUS trip to broaden dialogues; strengthening
bilateral ties; promote regional stability including non-proliferation, economic,
and regional security
SecState visit: 1997.
POTUS trip: 1998 (T)

Regional stability in too-long neglected South Asia; promotes trade and economic
development and strenghtens democracy.
POTUS visit 1998, with some prior involvement in lead up if serious initiatives
warrant.

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LEADER
FOR PEACE
Promote progress and international cooperation on democracy and human rights
Strengthen authority and resources of international human rights institutions
and compliance.

Ongoing
Strengthening High Commissioner will enhance UN's ability to monitor abuses and
thus alleviate suffering by victims; strengthening tribunals will help to promote
justice necessary for reconciliation and long term stability in post-conflict
societies; coordinating democracy promotion among the Eight will improve
collective efforts on promoting democratic transitions worldwide; ratification of
human rights treaties will bring our commitments into accord with our actions
and strengthen our international advocacy efforts on these issues; increased
reporting and advocacy on religious freedom issues will bring pressure to bear
against offending governments and encourage other democracies to make this issue
a greater priority.
Budget costs not substantial. High potential for US impact on High Commissioner
and War Crimes Tribunal. Will be more difficult to establish formalized
coordination of democracy promotion among the Eight. Given objections of Sen.
Helms, ratification of treaties dealing with women and children will be very
difficult, though there may be possibility to move on former if we can obtain
support from Republican Senators-women in particular. Increased efforts on
religious freedom issues will be helpful in augmenting international awareness
and curbing individual abuses. Minimal POTUS involvement.

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Pursue Middle East Peace Process
Restart meaningful Israeli-Palestinian cooperation and negotiations. Fully
implement interim accord and make progress on permanent status talks.
Pursue peace between Israel and Lebanon and Israel and Syria
Promote regional economic and political cooperation
Restart cooperation: Fall 1997.
Complete interim accord and progress on final status: 1998.
Progress with Lebanon and Syria: 1998-9.

MiddleEast/N.African Economic Summit: Doha 1997 (SecState to attend)
Move closer to resolution one of great conflicts of 20th century; avoid breakdown
in peace process that will have profound adverse consequences for U.S. in entire
region.
Israel/PA progress: Highly uncertain. Will require regular attention by the
President; high intensity/high risk involvement if peace process on verge of
collapse or breakthrough. Key first step is defusing present crisis and resuming
cooperation.
Israel/Lebanon; Israel/Syria: likely to take back seat to progress on Palestinian
track. President will need to be involved if there is an endgame

Continue to Support Haiti's Transition to Democracy.
Promote peaceful parliamentary elections, UN mission transition.
Work with GOH to improve security.
Support free presidential elections
Parliamentary election and UNMIH transition: through 1997.
Focus on security: 1998.
Presidential elections: 2000
Measurably improve lives of Haitian people (greater security, political freedom,
prospects for economic stability.) Sustain one of President's signature achievements.
Prevent return to refugee exodus and attendant costs to U.S..

COPY

Maintain stability in Caribbean
Haiti bogged down in political paralysis. Need to break election logjam.
Security somewhat more positive. Civilian police force major improvement. Need
to strengthen court system.
Congress fear that gains threatened, could help secure commitment to continued
assistance. Cost: $100 million per year including food aid.
Minimal POTUS involvement unless crisis.

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Pursue Settlement in Northern Ireland
Support British and Irish governments in effort to start all-party talks process
toward goal of final settlement.
Support economic development in Northern Ireland
All talks beginning Sept 1997; deadline May '98.

People of Northern Ireland and UK benefit from end to terrorism, possibility of
leading normal lives and ending inter-communal tensions.
U.S. contributes $20 million to International Fund for Ireland. Real agreement a
long-shot; Presidential visit could be necessary to clinch agreement.

Promote Peru-Ecuador Peace Process
As co-guarantor of Peru-Ecuador peace process, encourage parties to reach
definitive resolution of border dispute while avoiding arms race.
Seek resolution of border dispute by April 1998 Santiago Summit.
People of both countries benefit from absence of tension, increased stability,
improved climate for trade and investment, dampened arms race and reduced chance

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of conflict
Strengthens stability and integration, give U.S. stronger partners for dealing
with common problems like crime, drugs etc...
Chances are good for significant progress toward definitive resolution by next
April.
May be minor costs associated with supporting final peace agreement. Current US
supported PKO force is paid for by Peru and Ecuador.
Minimal POTUS Involvement.

Continue to Promote Peaceful Transition to Democracy in Cuba
Maintain economic embargo on Castro. Periodically Review Helms-Burton Title III
sanctions on foreign entities doing business in Cuba. Continue to reach out to
Cuban people.
Helms-Burton review every six months (October 1997; March, 1988.) Continuing
review of Cuba policy.
Democracy to last holdout in hemisphere would dramatically improve lives,
prospects for Cuban people. remove source of regional instability 100 miles from
U.S. Sudden collapse of Cuban regime or internal strife could cause major
instability, refugee crisis dramatically affecting southern U.S.
Continuing to suspend application of Helms-Burton Title III feasible if we can
show continued allied support for Cuban democracy, condemnation of human rights
abuses. Democratic transition unpredictable.
Public and private funding by the international community projected in event of
democratic transition estimated at $4-8B over six years.
Minimal POTUS involvement unless crisis.

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DESCRIPTION
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BENEFITS
(e.g. Who does this help?
How does it help them?)
COSTS/FEASIBILITY
(e.g. What does it take to achieve? Who pays ($ or capital)? What is the
likelihood it will occur?)

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Agent for Peace in Africa
In coordination with African & European states, work to promote implementation of
Angolan peace accords; political settlements and respect for human rights in
Great Lakes; constructive government in Congo; free and transparent elections in
Liberia; resolution to civil war in Sudan; free and fair elections in Kenya;
return to civilian government in Nigeria; Africa Trade and Investment Initiative.
POTUS trip in 1998 (T)
POTUS trip offers unique opportunity to advance U.S. interests in democracy and
economic development in Africa; educate American people to diversity, success
stories of Africa; long-term benefits in stability, humanitarian gains, trade and
investment.
Africa Trade and Investment Initiative could cost $200 million in the early
stages; will be difficult on Hill but strong CBC allies.
Minimal POTUS involvement (speech) until trips.

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Chemical Weapons Convention
Secure passage of implementing legislation.
Advance broader participation including Russia.
Fall 1997.
Brings U.S. law in line with all treaty requirements so we can fully implement
landmark agreement that bans production, use, transfer of poison gas. Troops and
citizens will be safer.
High probability of passage in the Fall. Minimal POTUS involvement.

Compre--hensive Test Ban Treaty
Submit for ratification to Senate historic treaty banning all nuclear testing by
explosions. Seek India's accession to treaty.
Submit: Fall 1997. Seek ratification by early 1998, entry into force by end of
1998.
Achieve goal set by Eisenhower, advanced by Kennedy to end nuclear testing for
all time. Will help prevent development of more sophisticated nuclear weapons,
and help prevent their spread.
Submission requires closure within administration on funding for stockpile
stewardship program (up to $500 million add on/years for 5 years.)
Ratification achievable, but likely to be more difficult than CWC. Substantial
POTUS involvement needed for ratifiication (e.g. CWC) but timing of Senate push
can be controlled.

START II
Encourage ratification by Russian Duma and complete protocol on extension
Fall 1997.
Ratification by Duma would put treaty into force, requiring U.S. and Russia to
reduce nuclear arsenals to and opening door for further reductions under START
III.
U.S. can have only modest influence on Duma decision. In Russia's hands.
Prospects highly uncertain. Occasional POTUS intervention with Yeltsin.

ABM/TMD
Agts. on ABM/TMD demarcation, ABM succession now completed.
Fall 1997
Would preserve cornerstone of arms control, allow research on

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defense vs. short
range missiles. Make troops, allies safer from theater missile attacks.
Will be highly contentious in Senate which must ratify. Should hold until Duma
ratifies START II; then major push, with some POTUS intervention.

START III

After START II ratification, negotiate START III.
Initiate negotiations 1998; ideally conclude 1999-2000.
Would reduce strategic nuclear arsenals 80% below Cold War levels; historic
achievement.
Depends upon Russian ratification of START II, which is uncertain. POTUS
decisions will be needed.

CFE Treaty
Conclude negotiations on an adapted "Conventional Forces in Europe" treaty.
1998
Success would promote stability throughout Europe by ensuring that verifiable
limits on conventional weapons are maintained into next century, as NATO
enlarges.

Requires agreement of all 30 CFE States Parties; implementation costs of new
treaty not likely to be significantly different from current treaty. All states
parties share goal of concluding in 1998. Little POTUS involvement.

Nuclear Weapons Free Zones
Send to Senate for ratification South Pacific and African Nuclear Weapons Free
Zones Treaties.
1998
Would help prevent proliferation of nuclear weapons to South Pacific and Africa.
Ratification likely, although there will be opposition. Little POTUS involvement

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Fissile Material Cutoff Convention
Begin negotiations on international treaty to end production of fissile materials
for nuclear weapons.
Start negotiations: 1999/2000.
Treaty would help prevent proliferation and cap existing nuclear weapons program.
Negotiations stalled due to Pakistani/Indian opposition. No POTUS involvement.

Plutonium Disposition
Reach agreement through G-7/ Russia, complete necessary R&D, build pilot plant to
convert plutonium from nuclear weapons to peaceful uses.
Lay out options: 1998.
Secure G/7-Russia agreement: 1998
Build plant: 2001.
Dispose of weapons plutonium reduce risk of proliferation and nuclear smuggling.
Delicate negotiations remain with Russia; prospects uncertain; no POTUS
involvement.

Biological Weapons
Strengthen compliance with Biological Weapons Convention to prevent use of
disease as weapon of war.
1998-1999.
Help prevent BW proliferation and threat to US and allies.
Negotiation difficult. Would require Senate ratification. POTUS involvement
only if needed at end.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Landmines
Negotiate ban on anti-personnel landmines and secure Senate ratification of
treaty.
Achieve Senate Ratification of CCW Amended Mines Protocol restricting use of
landmines
Expand USG humanitarian demining program

1997

1997

Ongoing
Would help end worldwide scourge of landmines which kill thousands every year.

Would help limit threat to civilians from landmine use through specific
protections, even as we pursue a global ban.

By helping return unproductive lands, the areas once again become inhabitable.
May require key September policy decision by President whether to sign Ottawa
treaty that may not meet all the requirements of U.S. military. POTUS

involvement in ratification effort (late '98 '99) would be significant. Cost
associated with development of alternatives.

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Budget is on the rise. However, technical advances must be achieved or
completion of the goal of returning all landmined areas will be distant.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Rogue States
Continue unilateral and multilateral efforts to contain Iran, Iraq, Libya -
especially ability to conduct terrorism and access to WMD; establish greater
convergence with allies.
Ongoing.
Prevent terrorism against citizens of democracies, including Americans. Advance
regional stability. Protect energy supply in Persian Gulf. Advance Middle East
peace process.
Will require persistent effort to keep allies behind multilateral sanctions;
POTUS involvement in decision-making, ongoing discussions with allies and crisis
management.

Energy Security
Take steps to ensure continued stable supply of energy from diversified sources
(e.g. Venezuela; Caspian Basin; Persian Gulf)
Ongoing
New Caspian reserves could provide 1-2 million barrels/day by 2000 in new oil
production.
POTUS visit to Venezuela in October will highlight this theme. Increased
importance of Caspian region suggests maintaining POTUS relationship with key

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players (e.g. Aliyev, Nazarbayev).

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Continue to Combat Terrorism

Reorganize and elevate USG anti-terrorism efforts.
Press arrest, extradition, prosecution of foreign terrorists who violate U.S.
law.
Improve ability to prevent terrorists from entering U.S., locate, expel.
Adopt ten major anti-terrorism conventions.
Secure funding to implement Gore Commission steps on aviation security.
Ensure adequate investment in and coordination of R&D efforts.
These are long term programs, most of which will continue through FY 2000
Protect Americans against increasingly likely terrorist attacks and assure them
that we are making "100% effort."
Reorganization planning underway.
Programs are feasible, but will not provide total protection against terrorist
attacks. Protection of infrastructure, especially cyber systems will be long
term and costly both to the USG and the private sector/public utilities whose
cooperation will be essential (Critical Infrastructure Committee, preparing
recommendations). Building local capabilities to cope with a WMD terrorist
attack will cost approx. $100m over 5 years. As technologies improve and
population increases, cost could grow. Minimal aviation security improvement
will cost $220 m over 4 years.
Preventing terrorists from entering the US will require additional

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resources for
INS; expelling terrorists will require new legislation.
POTUS involvement minimal except in event of terrorist action.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Continue Fight Against Drug Trafficking
Within Hemisphere, work with major drug-producing countries to develop and pursue
multi-lateral strategy against drugs; negotiate agreement with Panama for
multinational counter-narcotics center; establish U.S.-Mexico drug strategy.
Annually certify counter-narcotics cooperation.
Explore new United Nations anti-narcotics unit and possible P-8 Justice
Ministerial
Hemispheric goals: 1997-1998.
Report to Congress Sept. 1 on prospects of hemispheric alliance.
Annual certifications: January-March 1998, 1999, 2000.
Zedillo working visit in November will address drug strategy due by end of 1997.
Save countless lives in hemisphere and in U.S. lost to overdoses, drug-associated violence. Diminish corrosive effects of corruption that

undermines new democracies.
Absent unsustainable increase in federal budget for enforcement, crop substitution, ending drug trafficking impossible, dramatic supply reductions
difficult. Little POTUS involvement.

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POLITICAL RAMIFICATIONS
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Increase Cooperation Against Arms Trafficking
Negotiate, sign and ratify hemispheric convention against illegal arms trafficking.
Develop technical approaches so that sophisticated conventional weaponry
automatically disarms if it falls into wrong hands
Negotiate convention: 1997. Sign and ratify: 1998
Convention would save lives by helping reduce gun violence throughout hemisphere,
decrease number of legally sold weapons that wind up on black market in U.S.,
decrease number of weapons easily available to drug traffickers.
Very likely agreement will be signed. Ratification and implementation should be
manageable. Little POTUS involvement.

Increase Cooperation Against International Crime
Pass International Crime Control Act
Establish regional law enforcement academy in Panama similar to one in Budapest.
Extend Colombia anti-money laundering program to other nations.
Fall 1997 or winter 1998.

Regional academy: 1997

Will help train police forces throughout region in modern techniques, imbue
respect for human rights, promote cooperation and information sharing.

Cost: TK
Little POTUS involvement.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Increase Cooperation Against Corruption
Ratify Organization of American States Anti-Corruption Convention.
Ratification: 1999-2000
Will help combat corrosive effect of corruption on fragile democracies in
hemisphere.
No POTUS involvement.

Increase Cooperation on Migration to Promote Regional Stability
Seek legislation restoring ex-ante deportation rules for Central Americans and
certain others and/or undertake administrative action to ensure against mass
deportations to region.
Through end of 1997
Promote fairness for certain immigrant groups and enhance peace and stability in
region.
Same as above

Combat Illegal Migration
Implement and streamline new criminal deportation procedures
Now through end of 1997.
Help prevent criminals from remaining in U.S. Increase support for generous legal
migration laws.
Same as above.

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OPEN TRADING SYSTEM
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SYSTEM
Fast Track Trading Authority
Introduce and secure passage of legislation granting President fast track
authority to conclude trade agreements.
Introduce legislation September 1997. Seek votes starting in October, final
passage by end of 1997, early 1998.
Vital tool for sustaining record economic growth, 25% of which due to exports.
Passage uncertain but achievable. Will require difficult political decision on
labor and environment standards, major campaign. Heavy Presidential engagement.

Caribbean Basin Trade Enhancement Act
Make good POTUS/VPOTUSpledge to win Congressional passage of act to promote trade
and investment in Caribbean.
By end of 1997.
Important tool to promote increased U.S. trade with, investment in neighboring
Caribbean states. Spur their depressed economies, avoiding destabilizing
collapse, creating jobs, while making it easier for U.S. business to take
advantage of opportunities.
May be dead for '97. Final effort in fall. No POTUS involvement unless passage
on line.

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Free Trade Area of Americas
Negotiate free trade agreement with Chile once Fast Track secured - first step to
FTAA.
Start negotiations toward FTAA by 2005.
Chile: 1998
FTAA preparatory work: 1997.
Begin FTAA negotiations: Santiago Summit in April 1998.
Dramatic benefits to American workers, businesses that export by taking down
trade barriers throughout hemisphere (already leading market for U.S. exports.)
Will help create, sustain better paying jobs. Will also promote growth, wealth
in Latin America and so strengthen new democracies.
Both FTAA and Chile controversial. Tied up with Fast Track authority.
Step-by-step approach and long time line should make Chile FTA, FTAA feasible
politically in U.S. Passage of free trade agreement with Chile more problematic.
Some POTUS involvement with Congress on Chile.

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POLITICAL RAMIFICATIONS
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WTO Negotiations
Pursue Uruguay Round "built-in" agenda of future negotiations to liberalize trade
in key sectors - agriculture; services; government procurement; intellectual
property
Initiate negotiations: Agriculture (1999); Services(2000) But preliminary talks
could begin sooner if U.S. has Fast Track authority.
Would make trade more free, fair for American workers, business in sectors vital
to U.S. economy and/or where U.S. already world leader. Will create, sustain

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higher paying jobs and growth.
Dependent on President securing Fast Track authority.
Negotiations will be difficult but should be achievable. POTUS involvement
limited.

Open Asia-Pacific Markets Thru APEC

In working toward free trade in Asia Pacific by 2010/2020, will seek key sectoral
agreements (e.g. energy related technology; environmental technology; medical
equipment). APEC agreements could then become basis for global agreements in WTO
(e.g. ITA).
Annual APEC Summit: Vancouver '97; KL '98; New Zealand '99; Brunei '00.

Would make trade more free, fair for American workers, business in sectors vital
to U.S. economy and/or where U.S. already world leader. Will create, sustain
higher paying jobs and growth.
Negotiations difficult. POTUS involvement: annual APEC summit (Vancouver '97;
KL '98; New Zealand '99; Brunei '00).

NIS Economic Reform
Support development on new tax laws, commercial codes, financial markets key to
economic growth and opening economies to foreign investment

Pass Partnership for Freedom in 1997; 1999-2000 reforms assistance on investment
bottlenecks
Locks in nascent reforms in NIS, opens NIS markets to American exports, creates
conditions for American development of NIS resources, needed for NIS integration
into global markets.
Partnership for Freedom FY '98 request; $900 million; Senate mark $800 million;

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House mark $625 million need to preserve Senate level. Little POTUS involvement.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Russia/NIS accession to WTO
Help bring Russia and NIS into global marketplace.
1998: Russia Ukraine, Armenia, Georgia possible, all NIS on path to membership
As NIS adopts international standards for trade and investment, U.S. firms will
gain access to export markets and vast natural resources. Increased prosperity in
NIS will help democracy take hold.
Achievable. Gore-Chernomyrdin and Gore-Kuchma best vehicles to promote progress.
Little POTUS involvement.

China Accession to WTO
Complete negotiations with China to allow its accession to WTO on commercially
acceptable terms.
Between now and 2000 (1998 target).
Major benefits to U.S. workers, business as WTO accession requires China to
eliminate trade barriers. Important component of engagement policy that seeks to
draw China into world community.
Difficult but achievable if good agreement. Jiang Summit in D.C. and POTUS
return visit could catalyze progress. Some POTUS involvement on Hill necessary.

Africa Trade & Investment Initiative

Help secure passage of legislation to promote U.S. trade with and investment in
Africa.

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Early 1998.
Major benefits to American workers, business by increasing market share (now just
7%) in emerging African economies. By increasing African prosperity, will
strengthen stability and fragile democracies.
Strong chance for success given bipartisan support in Congress. $200 million in
the early stages. Little POTUS involvement.

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STRONG MILITARY, DPLOMACY
Maintain a Strong and Ready Military (QDR)
Implement QDR Report's blueprint for maintaining strong and ready military;
increase funding for force modernization; sustain R&D efforts to maintain
qualitative edge; take care of our men and women in uniform; work with Congress
to enact infrastructure, management and business practice reforms.
1997: Ensure FY-98 Auth and Approp bills support QDR plan.
1998: Ensure FY-99 Auth and Approp bills support QDR plan.
1999: Ensure FY-00 Auth and Approp bills support QDR plan.
By protecting and advancing peace and security, provide foundation for American
leadership and a stable environment for prosperity.
QDR plan is based on a fiscally-constrained defense budget consistent with the
balanced budget agreement, thus ensuring national security while supporting
efforts to reduce the deficit and the control national debt.
The QDR was based on a projection that the defense budget would

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remain level at
about $250 billion in constant FY-97 dollars.
The budget agreement that was reached between Congress and the Administration
provides slightly more than the QDR projected.
Achieving the modernization and readiness goals stated in the QDR Report is
feasible if Congress can be persuaded to support infrastructure, defense
management and business practice reforms
Little POTUS involvement.

Peacekeeping
Enhance capabilities of US, friends, allies, internt. orgs. for peacekeeping)

Would strengthen capacity of global (e.g UN) and regional (e.g. OAU, ACRF)
organizations to stem internal crises and expand peacekeeping burden sharing.
Gradual progress at UN possible; some support for African peacekeeping force.
Little POTUS involvement.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Gulf War Illness
Continue effort to discover causes for GWI, repair health of veterans, integrate
lessons learned into military planning.
Final PAC Report due 10/97.
Ongoing effort through 2000.
Help thousands of sick veterans discover cause of illness, find treatments.
Restore public confidence in DoD, military, USG. Ensure future recruitment does
not suffer. Sustain flexibility of military to deploy troops where and when

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necessary, improve defenses against disease. Reduce post-conflict/deployment
health problems.
Discovering cause highly uncertain given difficulty to date. Improvements in
treatment, planning more feasible. Will require continued low level POTUS/FLOTUS engagement; onus of action with Pentagon and VA.

United Nations
Encourage UN. reform, refocus on challenges of 21st century, strengthen security
council, including international campaign to achieve S.903 benchmarks, thereby
enabling payment of arrears.

S.903 benchmarks campaign - 1997.
Pay arrears: 1998 - 2000
UNGA opening, New York: Sept 97, 98, 99, 00.
Reform needed for UN efficiency, U.S. support.
Even with S.903, still roughly $400 million shortfall in arrears.
Little POTUS involvement beyond statements.

International Resources
Ensure passage of Foreign operations and CJS appropriations bills. Fall 1997.

President's budget request for function 150 is $19.45billion; Budget agreement
would allow for full funding. Individual appropriations bills still in play.
Presidential "enforcement" necessary.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Reorg. of State, USIA, AID, and ACDA
Reinvent our foreign affairs agencies to meet the needs of the 21st

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century.
Legislation should be passed this year. ACDA will integrate with State over one
year; USIA will integrate in two years; AID will integrate certain functions over
two years. State will reinvent itself.
Helps foreign policy makers by streamlining operations while preserving functions
of integrated agencies. Helps taxpayers by promoting efficiency.
Cost uncertain.
Little POTUS involvement.

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Exchange Mail

DATE-TIME 10/24/97 3:13:28 PM

FROM Wechsler, William F.

CLASSIFICATION UNCLASSIFIED

SUBJECT October 24, 1997 Reorganization Meeting [UNCLASSIFIED]

TO Jordan, Donald L.

CARBON_COPY

TEXT_BODY

TRANSLATED_ATTACHMENT Reorganization Memo.doc

October 24, 1997 Reorganization Meeting

The purpose of this meeting is to get an update on the status of the reorganization of State, ACDA, USIA, and AID. Pat Kennedy is expected to brief on both the process and the substance of the reorganization.

The last such meeting was in July. Since then, much work has been done. On August 25, Kennedy sent to Albright a long set of recommendations with much bracketed language indicating differences of opinions between the various agencies. Neither OVP nor NSC was provided with a copy of those recommendations. Albright has not yet made any decisions on those recommendations, preferring instead to wait until the necessary authorization language is passed by the Congress. In the meantime, she has sent out a memo describing her new relationship to the Assistant Secretaries and the new role of the Under Secretaries as State's "board of directors." Since then, informal discussions have continued at high levels, particularly between Talbott and Holum.

In discussing the reorganization process as Kennedy briefs, you may want to make the following points:

* What are the key issues remaining unresolved in your August 25 paper for

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Secretary Albright? Nobody want Sandy Berger or the President to be surprised by
any action down the road. I think Leon Fuerth and I should see a copy of that
paper before Albright makes her final decision.

* How many Assistant Secretaries will there be under T? Will INL be moved into
T? How many Assistant Secretaries will report to the new Under Secretary for
Public Diplomacy, two or three? Is there any thought of doing away with an
Assistant Secretary in P?

* I understand that although your paper has been in Albright's office since
August, informal discussions may be continuing. Are their issues still being
debated? Perhaps between Holum and Talbott?

* What are the next steps from here? Assuming the legislation is passed, when
does Albright address this issue? Are her decisions final or does she make a
recommendation to the President? What if the legislation does not pass?

PDD Requested by ACDA

As you know, a few weeks ago Holum gave Sandy a PDD that he wanted the President
to sign, thus going around the Kennedy-led process for providing recommendations
on implementing the President's decision on reorganization. As far as I know,
neither AID nor USIA is aware that Holum is attempting to get a PDD.

When I first showed Holum's PDD around the NSC (Defense, Nonproliferation, Legal,
Democracy) the result was extremely negative. Nobody on the NSC has any
recollection of any promise made to Holum about a PDD. OVP staff had the same
reaction. Nonetheless, there is a need to find an appropriate mechanism to
"enshrine" or "codify" the promises made to Holum while at the same

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time
protecting the scope of PDD-2 and protecting the President from setting
precedents about PDDs being used to discuss the inner workings of IWGs.

My solution is a three-tired approach, presented as one package. First, a change
in PDD-2 to move the word "non-proliferation" from NSC's purview to State and the
insertion of a line referring to the President's decision on reorganization and
stating that implementation details regarding interagency participation of the
new T will be in a memo to the PC from the National Security Advisor. Second,
such a letter, as detailed as Holum wants. Third, detailed Terms of Reference
blessed by the Deputies for the IWGs on Defense and Nonproliferation.

I have not yet run this compromise past the affected NSC offices. Thus far,
Holum's staff has rejected it. Bill Burns says Strobe has no opinion about the
mechanism for "enshrining" the decision, but will support Holum if he is not
satisfied. At this point, there are two courses of action. Either we continue
with no process, with Holum calling Sandy and Strobe on this issue, or we put
together a split recommendation memo for Sandy. I and OVP prefer the latter.
Thus far, Holum's staff has not agreed to participate in the drafting of a split
memo. You may want to make the following points:

* John, why wasn't the request for this PDD a part of the Kennedy-led process to
provide recommendations for implementation? Can we make it part of that process
and get a formal recommendation from the Secretary of State?

* We need a process to move forward on this. If there is a difference of opinion
between ACDA and some on the NSC staff, we need to send a split memo up to Sandy.
John, can I ask you to send language to Will Wechsler and work with him to draft
a split memo?

COPY

COPY

Exchange Mail

DATE-TIME 10/24/97 5:19:49 PM

FROM Kerrick, Donald L.

CLASSIFICATION UNCLASSIFIED

SUBJECT Reorganization Update [UNCLASSIFIED]

TO Cicio, Kristen K.
Friedrich, Mary K.
Helweg, M. Diana
Kale, Dora A.
Kerrick, Donald L.
Malley, Robert
Millison, Cathy L.
Quinn, Mary E.
Scott-Perez, Marilyn L.

CARBON_COPY

TEXT_BODY

Sandy and Jim;

Leon and I co-refereed a state/foreign affairs reorganization meeting today. Joe Duffey and John Holum were present. An AID second attended for Brian.

The good news: the reorganization is not modeled on the Dayton Accords after all and we may not end up with three entities in the State Federation. AID has no outstanding issues. ACDA only one. USIA remains biggest concern. Will send you a info memo next week on the state of play.

The not bad news, but uncertain news. Not clear from State on who will make final decisions on the few issues in dispute. If this subject comes up in talks with MKA, suggest you mention we need a final report from her with her recommendations on disputes, but POTUS needs say in final outcome.

Timelines: MKA has a draft report from the State task force and is in "discussions" with Atwood, Duffey, and Holum on ways to resolve. State prefers to wait until Congress approves legislation giving POTUS authority to carry out the reorganization before releasing the reorganization report. If Congress doesn't do that before recess, we will need to work ways to keep it alive over the break.

COPY

Holum issue. Last week you sent me a Holum draft of language to change the PDD memorializing his role. NSC staff has concerns about that move. Spoke with John who agrees to work with us on a memo to you presenting both sides of argument.

COPY

Exchange Mail

DATE-TIME 11/7/97 10:39:02 AM

FROM Rubin, Eric S.

CLASSIFICATION UNCLASSIFIED

SUBJECT Second Term Accomplishments: Edited for Q/A package [UNCLASSIFIED]

TO Crowley, Philip J.
Johnson, David T.
Luzzatto, Anne R.
Rubin, Eric S.
Wozniak, Natalie S.

CARBON_COPY

TEXT_BODY

TRANSLATED_ATTACHMENT

accomps_.doc
SECOND TERM ACCOMPLISHMENTS

What do you consider the major accomplishments of your second term so far?

I. BUILDING A PEACEFUL, UNDIVIDED, DEMOCRATIC EUROPE:

* At the Madrid Summit and in my visits to Warsaw and Bucharest, we reached a
milestone in realizing the vision of an undivided, democratic, peaceful Europe.
At Madrid, the Allies invited Poland, Hungary and the Czech Republic to join
NATO.

* Enlargement advances US national interest by enlarging the zone of stability in
Europe, strengthening our common security, and creating a peaceful and secure
environment for trade and economic growth in Central and Eastern Europe. NATO
also took important steps to adapt itself to new missions and to strengthen the
successful Partnership for Peace.

COPY

* I traveled to Helsinki and Paris to help forge a new security partnership
between the NATO Alliance and the Russian Federation. My meeting with Yeltsin
secured Russia's acceptance of NATO enlargement and built the foundation for the
historic signing of the NATO-Russia Founding Act in Paris.

* Through the Act, NATO and Russia will work together to strengthen stability in
all of Europe - consulting regularly and, where appropriate, acting jointly, as
in Bosnia.

* We launched an intensive campaign to reinvigorate the international effort in
implementing the Dayton Peace Accords. My foreign policy team has built on the
successes already taking in place Bosnia by targeting economic assistance to
localities and individuals that support Dayton principles; denying political
participation to officials who obstruct Dayton; and bringing indicted war
criminals to justice.
* Our continuing priorities in Europe are:
* Continuing to push for Senate ratification of NATO expansion and internal
adaptation, strengthening PFP, and building partnerships with Russia, Ukraine.
* Supporting full implementation of Dayton and completing SFOR's mission on
schedule.
* Improving ties between Greece and Turkey and moving the Cyprus peace process
forward.
* Continuing to promote Russian democracy, Western integration and our arms
control agenda with Moscow.

II. FORGING STABLE ASIA-PACIFIC COMMUNITY:

* We secured passage of normal trading status with China and strengthened the
bipartisan consensus on engagement with China. Engagement is in the national
interest of the American people. We are working to foster a stable, secure and
prosperous China that is a responsible member of the world

COPY

community and works in
partnership on common interests.

* We imposed a ban on new US investment in Burma, established an arms embargo,
and suspended all assistance to demonstrate our condemnation of Burma's
suppression of political freedom and our commitment to seeing Burma evolve into a
democratic, law abiding society.

* Our continuing priorities in Asia include:

* Working to rebuild a bipartisan consensus on engagement with China and draw
China into world community by encouraging economic and political change.
* Promoting peace on the Korean Peninsula (through Four Party Talks);
implementing the agreement to dismantle the frozen North Korean nuclear reactor.

III. REMAINING LEADING FORCE FOR PEACE AND PROSPERITY:

* During February and March, I hosted at the White House Prime Minister
Netanyahu, Chairman Arafat, President Mubarak and King Hussein as part of our
continuing work to keep the peace process on track, with the ultimate goal of
helping to forge a comprehensive peace in the Middle East.

* We brokered an agreement that advanced the Middle East Peace Process by
implementing the Israeli troop withdrawal from the West Bank town of Hebron.

* I visited Mexico and attended regional summits for Caribbean and Central
American heads of state on my first trip to our hemispheric neighbors, then
visited three key friendly nations in South America on my second trip. These
trips produced agreements on drugs, trade and regional security that help
integrate the hemisphere and increase the security and prosperity of all

Americans.

COPY

* Our continuing priorities include:

* Pursuing a comprehensive Middle East Peace Process
* Continuing to support Haiti's transition to democracy.
* Pursuing a lasting settlement in Northern Ireland
* Pursuing efforts to strengthen democracy and free markets in the Americas.

IV. MEETING NEW SECURITY THREATS:

* The Senate ratified the Chemical Weapons Convention, which bans the production, stockpiling and distribution of chemical weapons. The CWC treaty will strengthen America's national security by isolating those countries still developing chemical weapons and make the use of these dangerous weapons less likely.

* I hosted the leaders of seven industrial democracies in Denver at a summit that enhanced our cooperation on the new global challenges of the 21st century. We worked together in Denver with our closest partners to lay a strong foundation for our common security and prosperity, and took specific steps to fight terrorism, drug trafficking, the spread of infectious diseases and the spread of weapons of mass destruction.

* The Senate reaffirmed my decision to certify Mexico as an ally in our common fight against the scourge of drug trafficking.

* The FBI, CIA and other national security agencies successful pursued and arrested the suspect in the killings of two CIA employees. The strong cooperative effort of the nation's law enforcement agencies is a model for deterring international crimes.

* Key issues on our agenda for the coming months include:
* Secure Congressional passage of CTBT implementing legislation.
* Encourage ratification of START II by the Russian Duma.

V. BUILDING AN OPEN TRADING SYSTEM:

* We successfully negotiated a market access agreement to open

COPY

international
global information technology markets to US companies. This agreement
eliminated tariffs and unshackled $500 billion of trade in semiconductors,
computers, telecommunications equipment and software, amounting to a $5 billion
tax cut in tariffs on American exports.

* We launched an ambitious and innovative program aimed at spurring Africa's
integration into the global economy through promotion of increased trade and
investment.

* We laid the groundwork for continued progress toward free trade with Asian
nations in the period leading up to the APEC summit in Vancouver.

VI. KEEPING MILITARY STRONG AND DIPLOMACY FULLY FUNDED:

* My Administration succeeding in securing full funding for international
relations programs in the balanced budget agreement. This was the first time in
a decade that spending on foreign affairs did not decrease.

* To be more accountable and responsive to the challenges of the 21st century, I
proposed the consolidation of the government agencies charged with conducting US
foreign policy. We worked out a plan with the Congress to consolidate the State
Department, ACDA, USIA, and AID. This process will streamline decision-making,
make communications more efficient and strengthen the conduct of our foreign
policy.

* We and the Congressional leadership agreed on a package to pay off our arrears
to the U.N. and other international organizations. In conjunction with our
repayment plan, we also agreed on a reform plan to streamline and strengthen the
United Nations for the challenges of the next century.

* Key objectives for the future include:
* Implementing the Quadrennial Defense Review's recommendations.

COPY

* Securing U.N. arrears legislation and encourage U.N. reform.
* Continuing our reorganization of the foreign affairs agencies.

5

4

COPY

Exchange Mail

DATE-TIME	11/7/97 5:21:31 PM
FROM	Luzzatto, Anne R.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Q&A [UNCLASSIFIED]
TO	Busick, Paul E. Collier, Dorothy A. Heyl, Phillip J. Hill, Roseanne M. Rosa, Frederick M.
CARBON_COPY	
TEXT_BODY	
TRANSLATED_ATTACHMENT	prezmeet1.doc

PRESIDENTIAL PRESS GUIDANCE
FOREIGN POLICY ISSUES

FRIDAY, NOVEMBER 7, 1997

IRAQI NONCOMPLIANCE WITH UNSCOM INSPECTORS
BOSNIA
BURTON COMMITTEE
MIDDLE EAST PEACE
RUSSIA IRAN MISSILE COOPERATION
RUSSIA SUPERCOMPUTERS
TOTAL IRAN DEAL
GULF WAR ILLNESS REPORT
JIANG SUMMIT ACCOMPLISHMENTS
FOREIGN POLICY ACCOMPLISHMENTS

COPY

IRAQI NONCOMPLIANCE WITH UNSCOM

What happened in Baghdad? Are you sure UNSCOM isn't being sold down the river?
It sure looks like the mission has been an abject failure.

* We have made it very clear that Iraq must comply with the UN resolutions and
let UNSCOM get back to work.

* The mandate of the UN envoys was unambiguous -- they were to listen to Iraq's
position, present the Security Council's united view that Iraq must comply and
report to the Council.

* We expect UNSC to take this up on Monday and take firm stand.

* We expect full Iraqi compliance. I'm not going to speculate about what actions
we and others in the international community may take. Nothing has been ruled in
or out.

There are reports that France, Russia and Egypt all oppose military action.
Aren't there cracks in the coalition? How will you assure unanimity going
forward?

* Not one of our Security Council allies, after this event, argued for lifting
sanctions. Not one of our Security Council allies has suggested Iraq

COPY

has come
near enough to compliance to have sanctions lifted.

* There is bedrock unanimity on Iraq's need to comply.

* Our response has been to work closely with our Security Council colleagues.
This is what we will continue to do.

How long are you willing to wait? Would the US ever act unilaterally?

* We intend to continue to work closely with our Security Council allies in ways
that will force Iraq to reverse its unacceptable demands.

* I will not speculate on any actions we or the international community may take.
Nothing has been ruled in or out.

What is your position on Sadam's hiding of evidence and disabling surveillance
equipment?

* It's a direct challenge to the UN and a clear violation of the Security Council
resolutions - this is exactly why we need UNSCOM, and why it is important that
UNSCOM inspectors be able to do their job.

* The UN representatives went to Baghdad, to deliver a message -- to present to
the Iraqis the unequivocal Security Council consensus that they must comply. We
expect them to report Monday.

Aziz is saying that the inspection teams should not have US members because the
US hates Iraq and will never certify that Iraq is in compliance. How do you
respond?

* If Iraq has nothing to hide, they should let the teams do their job.

Aziz is saying that the U2 flights are being used by the US to plan air strikes
against Iraq - is this true?

COPY

* These U2 flights are in support of UNSCOM - they'll continue to fly for UNSCOM.

Aziz wants a visa to come to the UN to make Iraq's case - will you let him come?

* The U.S. traditionally has been prepared to grant visas in connection with work
of the Security Council But this should not be used as a stalling tactic.

Cohen is being quoted this morning on the wires as saying that "some action has
to be taken against Iraq." Do you think it will be necessary to use force?

* We expect the matter to be taken up in the UNSC Monday when we receive the
report of the envoys. There are a variety of options. We're ruling nothing in
and nothing out.

But what about the canceling of the Nimitz' port visit in the United Arab
Emirates? Are you trying to send a signal?

* It's a prudent decision under the circumstances. We did not want to take any
action that would reduce our options.

* Port calls are frequently adjusted to suit the circumstances.

* But it's important to remain focused on the diplomatic efforts to assure
compliance.

Turkish Prime Minister Yilmaz is quoted as saying we have asked to use Turkish
bases to strike Iraq?

* I'll let the Prime Minister speak for himself, but we have not asked for the
use of Turkish facilities.

BOSNIA

News reports suggest that your Administration has already
reached consensus on the need to keep US troops in Bosnia after the June 1998
SFOR mission is due to end. Is this true? Do you agree with this decision?

COPY

? We've made a lot of progress in Bosnia - now we're consulting with our allies
and with Congress on what we need to do to sustain that progress and keep the
process on track. The discussion with Congress on Tuesday night was extremely
thoughtful and I look forward to working with them as we develop our position.

Is there a consensus?

? I think there's a growing sense of the importance of keeping the process on
track - but we've made no decision on what role the United States should play
post June.

First you said you'd have the troops out of Bosnia in a year. Then you said 18
months. How do you expect to maintain the confidence of the American people that
you can have a credible exit strategy this time if you decide to stay?

* Our efforts to anticipate duration have always been made in good faith - but
it's important to relate duration to achieving our objectives. Experience has
taught us the risks of setting deadlines.
* As a result of progress over the last nine months, we now know what it takes to
make implementation work -- and we can begin to see what it will take to sustain
it.

* I am working now on concrete criteria for self-sustaining peace. The most
important of these is that we are able to achieve full compliance on the three
key instruments of suppression -- army, police, and media.
* Much progress has been made in each of these areas -- and we expect more in the
next eight months -- but we do not expect that peace will be self-sustaining by
June 1998.
* Even if circumstances change, our interests don't. It would be foolish to run
the risk of another war in Europe or undoing the genuine progress we have
achieved.

COPY

BURTON COMMITTEE

Rep. Burton has accused the White House of failing to cooperate with his request
for information about Charlie Trie. Did you ask Jiang about Trie?

* Requests for cooperation in the ongoing investigations concerning campaign
finance issues have been made to Chinese officials in China by both Vice
President Gore and Secretary of State Albright.

* During the state visit, I spoke to Jiang about the importance of Chinese
cooperation with these investigations.

* We intend to continue to push the Government of China to cooperate with these
investigations

MIDDLE EAST

Why should Secretary Albright meet with Bibi and Arafat next week when it appears
the peace process is dead?

* The two parties just completed serious talks this week here in Washington.
There is a lot of hard work yet to be done to overcome their differences.

* This is an appropriate point given the progress made this week to impress on
both leaders that we need to keep up the pace. Secretary Albright's direct
involvement can help build on what has been achieved up to this point.

* We will continue to remain engaged.

Will you see Prime Minister Netanyahu?

* Nothing is scheduled yet. I do plan to see him. It's not a question of if,
but when.

Some are still calling for four-party talks along the lines of the Camp David
process. What is your reaction?

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* I would not rule out such an approach in the long term, but right now it would
not be appropriate. The parties to the peace process have a lot of steps they
need to take themselves before we can talk along those lines.

Would you be snubbing Netanyahu by not meeting with him but meeting with Shimon
Peres when he comes to Washington later this month?

* No. Shimon Peres will be here to participate in an event which was scheduled
long ago. Any possible proximity of the two visits is coincidental.

RUSSIA IRAN MISSILE COOPERATION

There has been extensive press reporting on Russia-Iran missile cooperation.
What is the US doing about this? Will you impose sanctions on Russia?

* I take these reports very seriously - we have been concerned for some time
about Iranian efforts worldwide to acquire missile technology.

* I discussed this issue with President Yeltsin in Helsinki this spring and then
at the Denver Summit, where we agreed to work together closely.

* As a result of those talks, Ambassador Frank Wisner and the head of the Russian
Space Agency have met along with teams of experts from both our governments.
This is an effective mechanism to address our concerns, and they will reconvene
soon.

* We vigorously follow-up on any reports, and, when the facts warrant, we will
take what steps are necessary.

RUSSIA SUPERCOMPUTERS

Recent news reports suggest that the US promised Russia it could have access to
our supercomputers in exchange for its cooperation on the Test Ban Treaty. Did

COPY

we make such a promise?

* The U.S. never promised to provide high performance computers for Russia's management of its nuclear weapons inventory, neither in conjunction with the CTBT nor in any other context -- we made clear to Russia that U.S. law and long-standing policy would not allow it.

Then what steps did you take following the discovery of the transfer of the supercomputers to military end-users?

* Under U.S. policy, exports of these kinds of computers to military and nuclear end-users in Russia require an individual validated license before the computer may be exported.

* We immediately began an investigation of the U.S. companies selling the computers and contacted the Russian government to seek their cooperation in the investigation so we could have the machines returned or reach another mutually acceptable solution.

* We continue to follow up with the Russians at senior levels to try to resolve this problem.

Does the failure to resolve this disagreement indicate a problem with U.S.-Russian relations?

* We believe this problem can be resolved satisfactorily. We'll continue to work closely with the Russians to this end.

* Our ongoing, intensive dialogue with Russia on a whole range of security matters, including export controls, is an essential component of our relationship.

TOTAL IRAN DEAL

Will the US impose sanctions under the Iran Libya Sanctions Act?

? Iran's behavior has long been of great concern to the United States. Our goal is to deny Iran the capacity to develop weapons of mass destruction,

COPY

and to have
them stop their support for acts of terrorism and other acts that undermine peace
and stability.

? We want to advance these goals in cooperation with our allies.

? Unless Iran changes its behavior, we are simply not going to carry on business
as usual with them - and we feel very strongly that our allies and friends
shouldn't either.

? ILSA is the law, and we will fully and completely implement it.

What happens if Goldman underwrites Gazprom's bond offering? Will you sanction
Gazprom?

? We intend to implement the law, and the law makes clear that sanctions are a
real option, if sanctionable activity has occurred. We haven't ruled out any
options.

? We're conducting an intensive review now, and we'll pursue this directly
through consultations with the companies and the countries involved.

GULF WAR ILLNESS REPORT

Your own Advisory Committee on Gulf War Illnesses claims the Pentagon has lost
credibility -- do you agree with this judgment?

* Let me first say that I have been deeply troubled by the pain and frustration
our veterans have felt - and I thank Hillary for doing so much to bring attention to their plight and to galvanize the effort to help them.

* The PAC deserves a great deal of credit for its role in highlighting the areas
in which the government needed to improve its approach to this issue.

* The Defense Department is responsible for what happened in the Gulf, both good
and bad, and the Defense Department has a responsibility to the Gulf War
veterans to thoroughly investigate events that may have a bearing on why they are

COPY

ill..

The PAC thinks you should take the oversight authority away from the Pentagon.
What will you do now that this whole thing has been so badly bungled?

* I have made it a priority to care for and compensate our Gulf War veterans who had fallen ill...to find out why they were sick...to make public the facts as we established them...and to apply the lessons we learned for the future.

* But when answers didn't come fast enough, I asked some of America's best doctors and scientists, as well as Gulf War veterans, to do an independent and open review of the government's response to our veterans' health care concerns.

* Now, this group -- the Presidential Advisory Committee -- has delivered its final report. Based on their recommendations, I am taking the following actions.

First, we will work to establish a new benefits system similar to the one created for Vietnam veterans -- this will ensure that Gulf War veterans receive treatment and compensation for all illnesses linked to service in the Gulf. We will ask the National Academy of Sciences to study the connections between all reported illnesses and Gulf War service -- so we have the best understanding of the health consequences of that service and can help the broadest number of veterans. And we will work with Congress on legislation to guarantee that this system of benefits is maintained in all Administrations to come.

Second, we will dedicate more than $13 million for new research on low-level exposure to chemical agents and other possible causes of illness.

Third, former Senator Warren Rudman has agreed to lead an oversight board to assure that the Defense Department's ongoing investigations into events in the Gulf meet the highest standards.

COPY

Fourth, I am directing the Departments of Defense and Veterans Affairs to create a new Force Health Protection Program. Every soldier, sailor, airman and marine will have an exhaustive medical record of all illnesses and injuries they suffer, the care and inoculations they receive and their exposure to different hazards -- from basic training through retirement. These records will help us prevent illness and identify and cure those that occur.

* From the beginning, I vowed that we would not rest until we uncovered all the facts about Gulf War illnesses. And now we are working to fulfill that pledge - as we must every day. Our veterans put everything on the line for us. We must show the same resolve for them.

JIANG SUMMIT

What do you think you accomplished with the Jiang visit?

* A great deal was accomplished. Look at what our goals were - first, to develop a more effective, more normal relationship with China. This is a vital, emerging major power and we are going to want to influence its behavior for the better, and to integrate it into world community on acceptable terms; second, we wanted concrete results in a number of very important areas, such as curtailing China's nuclear and missile proliferation activities; third, we wanted to make absolutely clear that we will continue to be forceful and candid on human rights; and fourth, we wanted to try to build a broad domestic consensus -- including in Congress and among the American people -- for a policy of engagement. So I think if you look at what we set out to do, we achieved important accomplishments across a broad range of areas.

But didn't you get stiffed on human rights?

* President Jiang was left with no illusions about the importance of

COPY

this issue
for me and for the American people.

* My Administration's efforts over the next several months, and going forward,
are going to be focused on this issue. We will be continuing to make very clear
that this is high on our agenda with China.

* I believe that our approach of engagement with China is the best way to improve
the human rights situation there. The visit by American religious leaders, one
of the things we agreed on last week, is an example of this.

FOREIGN POLICY ACHIEVEMENTS

What do you consider your major foreign policy accomplishments?

I. BUILDING A PEACEFUL, UNDIVIDED, DEMOCRATIC EUROPE:

* At the Madrid Summit and in my visits to Warsaw and Bucharest, we reached a
milestone in realizing the vision of an undivided, democratic, peaceful Europe.
At Madrid, the Allies invited Poland, Hungary and the Czech Republic to join
NATO.

* I traveled to Helsinki and Paris to help forge a new security partnership
between the NATO Alliance and the Russian Federation. My meeting with Yeltsin
secured Russia's acceptance of NATO enlargement and built the foundation for the
historic signing of the NATO-Russia Founding Act in Paris.

* We launched an intensive campaign to reinvigorate Dayton. My foreign policy
team has built on the successes by targeting economic assistance to those who
support Dayton; denying political participation to officials who obstruct Dayton;
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Continuing to push for Senate ratification of NATO expansion and internal
adaptation, strengthening PFP, and building partnerships with Russia,

COPY

Ukraine.
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forward.
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II. FORGING STABLE ASIA-PACIFIC COMMUNITY:

* We won passage of MFN trading status with China and strengthened the bipartisan
consensus on engagement with China. With Jiang summit, we continue to foster a
stable, secure and prosperous China that is in partnership with us on common
interests.

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and suspended all assistance to demonstrate our condemnation of Burma's
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COPY

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Continuing to support Haiti's transition to democracy.
Pursuing a lasting settlement in Northern Ireland
Pursuing efforts to strengthen democracy and free markets in the Americas.

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Key issues on our agenda for the coming months include:
Secure Congressional passage of CTBT implementing legislation.
Encourage ratification of START II by the Russian Duma.

V. BUILDING AN OPEN TRADING SYSTEM:

* We completed and ratified NAFTA and brought GATT negotiations to a close to create the WTO, negotiated over 200 other trade agreements, and hosted the first

COPY

Summit of the Americas in Miami.

* We successfully negotiated a market access agreement to open international global information technology markets to US companies. This agreement eliminated tariffs and unshackled $500 billion of trade in semiconductors, computers, telecommunications equipment and software, amounting to a $5 billion tax cut in tariffs on American exports.

* We launched an ambitious and innovative program aimed at spurring Africa's integration into the global economy through promotion of increased trade and investment.

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* We and the Congressional leadership agreed on a package to pay off our arrears to the U.N. and other international organizations. In conjunction with our repayment plan, we also agreed on a reform plan to streamline and strengthen the United Nations for the challenges of the next century.

COPY

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Securing U.N. arrears legislation and encourage U.N. reform.
Continuing our reorganization of the foreign affairs agencies.

COPY

Exchange Mail

DATE-TIME 11/14/97 11:44:19 AM

FROM Blinken, Antony J.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Urgent: Second Term Accomplishments: [UNCLASSIFIED]

TO Benjamin, Daniel

CARBON_COPY

TEXT_BODY VOILA

-----Original Message-----
From: Blinken, Antony J.
Sent: Friday,
November 14, 1997 11:37 AM
To: @LEGISLAT - Legislative Affairs;
@PRESS - Public Affairs; Gray, Wendy E.; Malley, Robert
Subject: Urgent:
Second Term Accomplishments: [UNCLASSIFIED]

attahced, draft
TP's for this afternoon's briefing.

LEG: please review carefully,
insert whatever detail you can on Congressional angle (i.e. where we worked successfully with them) add anything I've missed.

ROB:
Here's draft in case you get asked for it but am assuming i'll have update once Leg checks in.

WENDY: Please send to Jason Goldberg
ASAP.

TRANSLATED_ATTACHMENT

ACCOM1_.doc
Second Term Foreign Policy Accomplishments:

I. BUILDING A PEACEFUL, UNDIVIDED, DEMOCRATIC EUROPE:

* Madrid Summit/NATO Enlargement

COPY

> At Madrid Summit, President Clinton reached a milestone in realizing vision of
undivided, democratic, peaceful Europe. Allies invited Poland, Hungary and the
Czech Republic to join NATO. NATO also took important steps to adapt to new
missions, strengthen PFP, signed NATO-Ukraine partnership.

> Senate has been key part of process. Lott created SNOG. POTUS invited its
members to Madrid. This Fall, Senate held 9 full committee hearings before 3
different committees (SFRC; Appropriations; Budget) and Helms and Biden wrote
very supportive letter.

> Next step: submit protocols of accession to Senate for ratification early
next year.

* Negotiation and Signing of NATO-Russia Founding Act/ABM-TMD/START II

> In Helsinki and Paris, President helped forge new security partnership between
NATO and Russian. Also secured agreement on ABM/TMD and commitment from Yeltsin
to push Duma on START II.

> Congress [TK]?

* Re-energizing Dayton Process/Capture of War Criminals

> President launched intensive campaign to reinvigorate international effort to
implement Dayton. Recent months have seen steady progress in terms of elections
held... security strengthened... an economy rebounding and jobs created...
refugees returned... war criminals brought to justice.
> With Congress, President has begun intensive and productive consultations on
what U.S. involvement in Bosnia should be when SFOR mission ends.

II. FORGING STABLE ASIA PACIFIC COMMUNITY:

* Rebuilding Consensus for Engagement with China

> Secured House passage of normal trading status with China (majority of both

COPY

parties in House boted for).

> Concluded successful Jiang visit.. Achieved good results in many areas,
notably pledge by China not to assist Iran's nuclear program.

> Worked with Congress to postpone consideration of anti-China legislation until
after visit.

* Burma Sanctions

> President Clinton imposed ban on new US investment, established arms embargo,
suspended all assistance to Burma to demonstrate condemnation of Burma's
suppression of
political freedom, commitment to seeing Burma evolve into a democratic, law
abiding society.

> Congress? [TK]

III. REMAINING LEADING FORCE FOR PEACE and PROSPERITY:

* Hosted Series of Meetings With Key Middle East leaders/Peace Process

> During February and March, President Clinton hosted Netanyahu, Arafat,
Mubarak, King Hussein to keep the peace process on track.

> US helped broker agreement for Israeli troop withdrawal from West Bank town of
Hebron.

> Congress [TK]

* Successful Latin American Trips

> President Clinton visited Mexico, Central America, Caribbean, South America,
received Frei and Zedillo. Produced broad array of agreements on drugs, trade
and regional security. Advanced climate change.

> Congressional delegation key part of all trips.

COPY

IV. MEETING NEW SECURITY THREATS:

* Senate Ratification CWC

> Senate ratified Chemical Weapons Convention, one of the President's top
priorities. Bans production, stockpiling and distribution of chemical weapons.

* Senate Ratification of Mexico Drug Certification

> Senate reaffirmed the President's decision to certify Mexico as an ally in
combating drug
trafficking.

* Hosted Successful Summit of the Eight in Denver

> President Clinton hosted the leaders of G-7 countries. Enhanced cooperation on
new global challenges of the 21st century. Summit leaders took specific steps to
fight terrorism, drug trafficking, the spread of infectious diseases and the
spread of weapons of mass destruction.

> Congress [TK]

* Successful law enforcement cooperation on Kansi Arrest

> The FBI, CIA and other national security agencies, successful pursued and
arrested the suspect in the killings of two CIA employees.

> Congress [TK]

* FUTURE AGENDA ITEMS:

> Submit CTBT for ratification.

> Pursue worldwide ban on landmines and intensify demining effort.

V. BUILDING OPEN TRADING SYSTEM:

* Negotiation of Information Technology Agreement and Telecommunications
Agreement

COPY

> Took lead at APEC, then WTO in negotiating ITA, which cuts to zero tarrifss on computers, semiconductors and telecommunications equipment -- unshackling $500 billion in trade in sectors where U.S. already leads world.

* Launched African Trade Initiative

> In partnership with bipartisan group of Congressional leaders, President Clinton launched an ambitious and innovative program aimed at spurring Africa's integration into the global economy through promotion of increased trade and investment.

VI. KEEPING MILITARY STRONG AND DIPLOMACY FULLY FUNDED:

* Full funding of 150 account in Balanced Budget Agreement

> Administration secured full funding for international relations programs in balanced budget agreement. First time in decade spending on foreign affairs did not decrease.

* Ordered Reorganization of US Foreign Policy Agencies

> To be more accountable and responsive to the challenges of the 21st century, President Clinton ordered the consolidation of the government agencies charged with conducting US foreign policy. The Administration worked out a plan with the Congress to consolidate the State Department, ACDA, USIA, and AID. This process will streamline processes, make communications more efficient and strengthen the conduct of US foreign policy.

* UN Arrears Package

> For the first time, the Administration and Congress (including Senator Jesse Helms) agreed on a package to pay off US arrears to the UN and other international organizations and, in. conjunction with US repayment, a

COPY

reform play
to streamline and strengthen the United Nations.for the challenges of
the next
century.

5

4

COPY

Exchange Mail

DATE-TIME 11/24/97 1:04:31 PM

FROM Kerrick, Donald L.

CLASSIFICATION UNCLASSIFIED

SUBJECT Reorganization of State, ACDA, USIA, and AID [UNCLASSIFIED]

TO
Cicio, Kristen K.
Davies, Glyn T.
Friedrich, Mary K.
Helweg, M. Diana
Kale, Dora A.
Kerrick, Donald L.
Malley, Robert
Millison, Cathy L.
Quinn, Mary E.
Scott-Perez, Marilyn L.

CARBON_COPY
Cosgriff, Kevin J.
Davies, Glyn T.
Elkon, Nicole L.
Hilliard, Brenda I.
Hurwitz, Marc I.
Joshi, M. Kay
Kerrick, Donald L.
Millison, Cathy L.
Poole, Jennifer C.
Quinn, Mary E.
Rice, Edward A.

TEXT_BODY

Sandy;

On recent Will Wechsler reorganization update memo, you asked for my advise. With reorg stalled on Hill, I recommend we:

o Stay the course; do what we can to keep momentum. Continue to prepare way.

o Emphasize to MKA that you and VP still expect report from her on State plan to implement The President's reorganization decision.

o Encourage her to use her existing authorities to move forward with implementation (i.e., while she cannot eliminate ACDA, she can dual hat John as

COPY

Undersecretary) etc.

o Send message to members that this remains
a priority for us early next year.

I've asked Will W. to prepare
periodic updates on status and to press ahead with staff paper on
PDD on Holum position and interagency role.

COPY

Exchange Mail

DATE-TIME 11/25/97 7:35:21 PM

FROM Wechsler, William F.

CLASSIFICATION UNCLASSIFIED

SUBJECT Reorganization Update [UNCLASSIFIED]

TO
Cicio, Kristen K.
Davies, Glyn T.
Friedrich, Mary K.
Helweg, M. Diana
Kale, Dora A.
Kerrick, Donald L.
Malley, Robert
Millison, Cathy L.
Quinn, Mary E.
Scott-Perez, Marilyn L.

CARBON_COPY
Jordan, Donald L.
Bendick, Gordon L.
Burrell, Christina L.
Davis, William K.
McCormick, Keith P.
Rudman, Mara E.

TEXT_BODY

NOTE FOR SANDY

Don Kerrick tells me that you're looking for a status update on State reorganization, now that the authorization legislation has failed.

This week Albright will sign a memo to State, ACDA, USIA, and AID stressing her continued commitment to reorganization and her intention to find an avenue to seek new legislation early next year. Next week she plans to move forward under her own authority (after touching the appropriate bases in Congress) by double-hatting Holum as T and ACDA director. Albright will probably not officially sign out the State report on reorganization that is currently on her desk, because it presupposed authorizing legislation.

Albright will likely discuss these issues with you briefly on the margins of a meeting during the next few weeks. She intends to talk to Duffy soon, as she is concerned that he may take advantage of the Congress's inability to pass authorizing legislation to work behind the scenes

COPY

on the Hill to build opposition to reorganization. In the meantime, we will continue to work toward an interagency decision on Holum's proposed PDD before the end of the year.

r, Will

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Wechsler, William F. to Metzl, Jamie F. re: Duffy Letter (4 pages)	06/02/1998	P5
002. email	Kerrick, Donald L. to Davies, Glyn T. et al. re: Kerrick Update (3 pages)	07/18/1998	P5
003. email	Prendergast, John P. to Barks-Ruggles, Erica et al. re: Introduction-Clinton Legacy (5 pages)	07/22/1998	P5
004. email	Abercrombie-Winstanley, Gina K. to Rudman, Mara E. re: [State-USIA Reorganization] (2 pages)	10/13/1998	P5
005. email	Clarke, Richard A. to Kerrick re: State Reorganization (5 pages)	10/21/1998	P5
006. email	Smith, Gayle E. to Barks-Ruggles et al. re: State Reorganization (5 pages)	10/21/1998	P5
007. email	Schwartz, Eric P. to Sutphen, Mona K. re: State Reorganization (2 pages)	10/21/1998	P5
008. email	Barks-Ruggles to Smith, Gayle E. re: State Reorganization (5 pages)	10/21/1998	P5
009. email	Sanders, Robin R. to Smith, Gayle E. re: State Reorganization (5 pages)	10/21/1998	P5
010. email	Witkowsky, Anne A. to Bouchard, Joseph F. re: POTUS Memo on State Reorg (5 pages)	12/21/1998	P5
011. email	Schwartz to Wechsler re: POTUS Memo on State Reorg (5 pages)	12/21/1998	P5
012. email	Bouchard to Witkowsky re: POTUS Memo on State Reorg (2 pages)	12/21/1998	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

FOLDER TITLE:
[06/02/1998-12/22/1998]

Eric Holzer
2006-0208-F
eh574

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013. email	Schwartz to Bernard, Kenneth W. et al. re: POTUS Memo on State Reorg (5 pages)	12/22/1998	P5
014. email	Wechsler to Sutphen re: State Reorganization Plan (4 pages)	12/22/1998	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

FOLDER TITLE:
[06/02/1998-12/22/1998]

Eric Holzer
2006-0208-F
eh574

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

Exchange Mail

DATE-TIME	6/2/98 5:30:31 PM
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Duffy letter [UNCLASSIFIED]
TO	Metzl, Jamie F.
CARBON_COPY	
TEXT_BODY	
TRANSLATED_ATTACHMENT	Duffy Letter -- POTUS Memo.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: State-USIA Consolidation

Purpose

To send a letter to Joe Duffy encouraging the integration of the United States
Information Agency and the State Department.

Background

Last year you directed the reorganization of State, ACDA, USIA, and AID.
Although key legislation authorizing the reorganization has been stalled in
Congress along with UN arrears and IMF funding, Secretary Albright has
nevertheless sought to implement your directive to the greatest extent possible.
ACDA's integration is proceeding accordingly. USIA's integration has

COPY

moved
forward more slowly.

Last week Secretary Albright sent you a memorandum (Tab B) describing her recent
agreement with Joe Duffy to begin integrating USIA and State immediately, even
absent the proposed reorganization legislation. In that memo she asked you to
send a letter to Duffy to help this process along. The letter at Tab A thanks
Duffy for his good work and stresses how important it is that the State-USIA
integration happen quickly and effectively.

RECOMMENDATION

That you sign the letter at Tab A.

Attachments
Tab A Outgoing Correspondence
Tab B Incoming Correspondence

1

XXXX

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT Duffy Letter -- SRB Memo.doc

June 2, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: RICHARD A. CLARKE

FROM: WILLIAM F. WECHSLER

SUBJECT: State Reorganization

Last week Secretary Albright sent a memorandum to the President

COPY

describing her
agreement with Joe Duffy to integrate USIA and State to the greatest extent
possible, even absent the proposed legislation. In that memo she asked the
President to send a letter to Duffy to help this process along. Attached is such
a letter.

RECOMMENDATION

That you sign the attached memorandum for the President

Attachments
Tab I Memorandum for the President
Tab A Outgoing Correspondence
Tab B Incoming Correspondence

1

XXXX

TRANSLATED_ATTACHMENT Duffy Letter.doc

Dear Joe:

I was pleased to hear that you and Madeleine have agreed to move forward with the
integration of USIA and State to the greatest extent possible, quickly and
effectively, even absent the proposed legislation.

I am convinced that public diplomacy is now more important than ever to our
nation's foreign policy. Your hard work at USIA has been instrumental to our
successes to date; such efforts must continue as we confront the

COPY

growing
challenges of the 21st century. The restructuring of our foreign affairs apparatus, including reforms at State, will be critical to meeting those challenges and will further improve our ability to defend our national interests
and promote our national values abroad.

Sincerely,

The Honorable Joe Duffy
Director, United States Information Agency
301 4th Street, SW
Washington, DC 20547

COPY

Exchange Mail

DATE-TIME 7/18/98 1:09:20 PM

FROM Kerrick, Donald L.

CLASSIFICATION UNCLASSIFIED

SUBJECT Kerrick Update [UNCLASSIFIED]

TO
Davies, Glyn T.
Dejban, Donna D.
Friedrich, Mary K.
Hachigian, Nina L.
Kerrick, Donald L.
Malley, Robert
Millison, Cathy L.
O'Brien, Penelope R.
Rice, Edward A.
Scott-Perez, Marilyn L.
Storey, Sharon V.

CARBON_COPY
Dejban, Donna D.
Elkon, Nicole L.
Hurwitz, Marc I.
Kerrick, Donald L.
Bartlett, L. June
Cosgriff, Kevin J.
Davies, Glyn T.
Dejban, Donna D.
Elkon, Nicole L.
Hilliard, Brenda I.
Hurwitz, Marc I.
Joshi, M. Kay
Kerrick, Donald L.
Millison, Cathy L.
Rice, Edward A.

TEXT_BODY

Sandy and Jim;

Since we didn't have our weekly get together this week here are some of the things you should know:

o Navy One Star List: I cleared the Navy one star list... Kevin Cosgriff and Joe Sestak (former NSC - Joe Bouchard replaced him) are on the list. You might want to congratulate Kevin.

COPY

o Abrams Report: I read
the report. While I see no convincing evidence that the incident occurred in the first place; I believe CNN withdrew the report because they could not confirm, not because they uncovered new evidence that it never happened. I believe the reporters went into with a hypothesis and selectively used bits from various sources to validate their theory. We should discuss.

o Staffing of POTUS Readaheads, etc..
We have been asked to turn in meeting memos, etc. to Staff Secretary NLT 6 p.m. the night before a POTUS event. Staff Secretary will provide the briefing book to the President by 7:30. The blue dot you may be seeing is intended to alert you that it is due by 6pm that day. Would like to discuss further.

o NATO 99 Host Committee
Chair: I met with John about other names... He's check with Craig Smith and I am asking Ron Klain.. Alan Blinken is a possibility. We need to press this over next week.

o 1999 Foreign Travel;
We have time set aside with you Wed. to get your preliminary views on 99 travel. Will then do staff work to flesh out...

o International
Public Information Initiative; I mentioned last week that the deputies were going to meet to review Jamie Metzl's work on a PDD on International Public Information. The DC was postponed at Tom Pickering's request. Not surprisingly, State opposes this effort, even though Joe Duffey supports it. Tom sees it as an effort to block reorganization and preserve USIA functions. It's not. Tom has pledged to work this over next 4-6 weeks and then hold DC. Stay tuned.

o Pastrana
Visit: Glyn will follow-up with Stephanie to secure date for visit now that Erskine has agreed..

o Pastrana Inauguration: Richardson
has declined to head the delegation - next step: Bill Daley.

o Pastrana
State Visit: I signed memo to POTUS asking that he agree to inviting Pastrana in late Oct.

o Havel State Visit: Havel State Visit
will be held over two days 15-16 Sep. to accommodate Havel's health. Looks like day one will be arrival, meetings and VP lunch. Day two will be press conference and dinner. There is East Wing talk over big "tented" State Dinner and of Friday, 9/18 Millenium Series Jazz Festival at White House including Havel.

COPY

COPY

Exchange Mail

DATE-TIME 7/22/98 9:22:07 PM

FROM Prendergast, John P.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: INTRODUCTION – Clinton Legacy [UNCLASSIFIED]

TO
Barks-Ruggles, Erica
Battenfield, Pat A.
Prendergast, John P.
Sanders, Robin R.
Smith, Gayle E.
Weinstein, Jeremy M

CARBON_COPY

TEXT_BODY

what i meant to say here is my changes complete the circle

-----Original Message-----
From: Prendergast, John P.
Sent: Wednesday, July 22, 1998 9:16 PM
To: @AFRICA - African Affairs
Subject: FW: INTRODUCTION - Clinton Legacy [UNCLASSIFIED]

-----Original Message-----
From: Weinstein, Jeremy M
Sent: Wednesday, July 22, 1998 10:38 AM
To: Smith, Gayle E.
Cc: @AFRICA - African Affairs
Subject: FW: INTRODUCTION - Clinton Legacy [UNCLASSIFIED]

my contributions to the outline in pink/purple...

-----Original Message-----
From: Barks-Ruggles, Erica
Sent: Tuesday, July 21, 1998 11:57 PM

COPY

To: Smith, Gayle E.
Cc: @AFRICA - African Affairs
Subject: FW:
INTRODUCTION - Clinton Legacy [UNCLASSIFIED]

My input in red.
- Erica

-----Original Message-----
From: Sanders, Robin R.
Sent: Tuesday,
July 21, 1998 6:09 PM
To: Smith, Gayle E.
Cc: @AFRICA - African
Affairs
Subject: FW: INTRODUCTION - Clinton Legacy [UNCLASSIFIED]

made
a few suggestions - rrs

-----Original Message-----
From: Smith,
Gayle E.
Sent: Tuesday, July 21, 1998 1:50 PM
To: @AFRICA - African
Affairs
Subject: INTRODUCTION - Clinton Legacy [UNCLASSIFIED]

Attached is the outline of the strategy memo. Do what I say (ha ha) at the top, and I'll do a first draft and send it around. Thanks, GS

TRANSLATED_ATTACHMENT

strategy.out.doc
Following is a very quick and dirty, emphasis on the quick. Take a look and
ensure that this is what we discussed. Add items that MUST be included under the
various points. I am going to make a couple of small additions based on intell
meetings, trade bill experience and shared observations on Cabinet travel. I
will get a draft to all of you in time for us to have a draft we can share with
Susan on Monday when she returns. Thanks, GS

INTRODUCTION - Clinton Legacy

GOALS

COPY

* transnational threats
* integration (switch order)

3. MEANS

* sustainable US engagement
* build domestic constituency to support
* partnership - show by doing/learn by listening
* using USG resources
* build African constituency to support our policy

4. OBSTACLES

* do not have institutional foundation
* reactive, not proactive
* what do we do well (HA, evacs)
* GHAI
* changing American perceptions about Africa
* money, money, money
* lack of intell resources (sort of goes w/above)
* processes within USG are not institutionalized

5. SYSTEMIC CHANGES (tools) (suggestion is to frame this as the tools we need to
have at our disposal to implement presidential vision. while most of these exist
throughout the US government, our capacity to utilize them in responding quickly
and effectively to major shifts in Africa is very weak)

* foreign assistance -- more of it and more flexibility
* growing Af constituency aligned
* new leaders/next tier leaders (meaning that we need to engage next level of
political activists so we do not have a policy linked only to the new leaders in
power -- good point
* military relations
* analysis/intell
* economic windows
* diplomacy (does this include high-level USG attention as a tool? POTUS and
cabinet secretary attention is clearly a tool in defining the new US-Africa
relationship and it has been used effectively up to this point. you may want to
point this out explicitly here.)
* intel

COPY

6. OUTCOMES

* southern Africa
* east Africa/Horn/GHA?
* Great Lakes/GHA?
* * Nigeria
* South Africa
* DROC (Highlight these three as lynchpins, along with GL and Horn, to our success) --- I don't know if DROC is in that category more than say, Angola, or Sudan... S. Africa and Nigeria dominate like no others. We worked around Mobutu for years, and can do the same with this crowd.
* crisis prevention (also environemnt/energy/food security) - not the same thing exactly
* transitions
* D/G human rights
* check chart
* West Africa (some results in WA are tied to crisis prevention as well. Given both OAU and ECOWAS' expressed commitment to building conflict prevention mechanisms in their organizations, we should think strategically about whether advancing those capacities is a desired outcome)

Internal:

how we will reorganize for this (division of labor)
working task chart with timeline

How do we wish to reorganize/institutionalize our long-term issues w/State, AID, USIA so that we don't get piecemeal/ priority of the moment type interactions on these big picture issues? (KEY!)

suggestion - may we should organize by component parts of the outline i.e. tools, obstacles, etc.

(FYI: need to build in NSC clearance time into the getting this workplan to SRB. Would have to be the same players that cleared on first memo. As we

COPY

all know this
can set us back a week or two. --- I think we need Multilat, Global, Legislative. The rest we can info. The chart was much more specific.

COPY

Exchange Mail

DATE-TIME 10/13/98 12:07:50 PM

FROM Abercrombie-Winstanley, Gina K.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: [UNCLASSIFIED]

TO Rudman, Mara E.

CARBON_COPY

TEXT_BODY

he called me after. i told him essentially the same thing.

-----Original
Message-----
From: Rudman, Mara E.
Sent: Tuesday, October 13,
1998 12:00 PM
To: Abercrombie-Winstanley, Gina K.
Subject: FW:
[UNCLASSIFIED]

-----Original Message-----
From: Rudman,
Mara E.
Sent: Tuesday, October 13, 1998 9:08 AM
To: Metzl, Jamie
F.
Subject: RE: [UNCLASSIFIED]

Very unclear, and will continue
to be for much of today and tomorrow. It's potentially moving in a few different packages, some of which we support, some of which we do not. And USIA has been told in no uncertain terms to butt out on the Hill on this stuff because (1) the situation politically and procedurally is quite complicated and (2) USIA has been caught lobbying against Administration position on reorg quite blatantly and quite unhelpfully in the past.

-----Original Message-----
From: Metzl,
Jamie F.
Sent: Tuesday, October 13, 1998 8:56 AM
To: Rudman, Mara

COPY

E.
Subject: [UNCLASSIFIED]

Mara,
Can I get a read-out from
you some time today regarding the status of State-USIA reorganization?
Thanks,
Jamie

COPY

Exchange Mail

DATE-TIME 10/21/98 11:13:34 AM

FROM Clarke, Richard A.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: State Reorganization [UNCLASSIFIED]

TO Kerrick, Donald L.

CARBON_COPY

TEXT_BODY

fyi

-----Original Message-----
From: Wechsler, William F.
Sent: Wednesday,
October 21, 1998 11:11 AM
To: Rudman, Mara E.
Cc: @LEGISLAT - Legislative
Affairs; @TRANSNATIONAL - Transnational Threats
Subject: RE: State
Reorganization [UNCLASSIFIED]

Thanks for the additional info,
Mara. That helps clear up a lot of my remaining questions.

I
would appreciate it if you would also send me the e-mail to which you refer and any future e-mails on this subject, as last year I was the NSC director responsible for managing this issue as it went to the President, wrote the attached reorg fact sheet, managed the ACDA amendment to PDD-2 on reorg, etc. Thanks.

r, Will

-----Original
Message-----
From: Rudman, Mara E.
Sent: Wednesday, October 21,
1998 11:01 AM
To: Wechsler, William F.; Prendergast, John P.
Cc: @AFRICA
- African Affairs; @MULTILAT - Multilateral and Humanitarian Affairs;
@LEGISLAT - Legislative Affairs; @DEFENSE - Defense Policy; @LEGAL

COPY

- Legal Advisor
Subject: RE: State Reorganization [UNCLASSIFIED]

For
those who are interested, the version of reorg that is included in the omnibus does not necessarily track precisely the POTUS statement that Will has helpfully attached.

I have a copy of legislative
language for what may have been close to final but not necessarily final version that was added to the omnibus. As I indicated to those directly involved in reorg issues by email yesterday, reorg was added to omnibus over the weekend, along with some state basic authorities. Add was made as price for getting State nominees and CWC basically. Cost of doing so now was impact on future leverage with Helms for UN arrears. ACDA and USIA were not happy that it was being pushed by Admin now.

-----Original Message-----
From: Wechsler,
William F.
Sent: Wednesday, October 21, 1998 10:55 AM
To: Prendergast,
John P.
Cc: @AFRICA - African Affairs; @MULTILAT - Multilateral and Humanitarian Affairs; @LEGISLAT - Legislative Affairs
Subject: RE:
State Reorganization [UNCLASSIFIED]

THE WHITE HOUSE

Office
of the Press Secretary

For Immediate Release April 18, 1997

FACT
SHEET

Reinventing STATE, ACDA, USIA and AID

The era of big
government is over. -- Bill Clinton

President Clinton's plan
brings an end to bureaucracies originally designed for the Cold War, streamlines the Executive Branch's policy making process, and enhances our nation's ability to meet the growing foreign policy challenges

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of the 21st century. It puts matters of international arms control, sustainable development, and public diplomacy where they belong, at the heart of our foreign policy within a reinvented Department of State. It incorpora tes key lessons from the private sector.

The Plan:

The State Department will undertake a new round of internal reinvention to incorporate new organizations and to manage new responsibilities. This reinvention will make the new State Department more effective and efficient and better able to defend American interests and promote American values abroad.

The Arms Control and Disarmament Agency will be fully integrated with State within one year by merging both agencies' related arms control and nonproliferation functions. The ACDA Director will be double hatted as the Under Secretary of State for Arms Control and International Security Affairs, and then the two positions will be merged as Under Secretary/Senior Advisor to the President and Secretary of State, which will be able to communicate with the President through the Secretary of State. ACDA's unique advocacy role will be preserved and the policy process supporting those efforts will be strengthened through additional interagency responsibilities. Along with ACDA's technical and policy expertise, its verification, compliance, and legal functions will be preserved.

The United States Information Agency and the State Department will be integrated over a two year period. During that process, the Director of USIA will be double hatted as the new Under Secretary of State for Public Diplomacy. This process will likely begin with an integration of related functions, such as legislative and public affairs; after that, the integration process will turn toward USIA's overseas press expertise and State's press offices. The distinctiveness and editorial integrity of Voice of America and the broadcast agencies will be respected. A new bureau will be created within the State Department to handle cultural and exchange issues.

The Agency for International Development will remain a distinct agency, but will share certain administrative functions with State and will report to and be under the direct authority and foreign policy guidance of the Secretary of State. Within two years, AID will integrate its press office and certain administrative functions. The International Development Cooperation Agency, created in 1979, will be abolished. The Secretary of State and AID administrator will recommend what further steps might be taken to eliminate duplication.

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Complexities must be fully acknowledged. Reinvention and integration should take into account the central and continuing importance of reform of all of the agencies including the State Department, the relative complexity of the smaller agencies and anticipated level of difficulty in merging and integrating them, and the need to preserve the unique skills and capabilities inherent in each of the agencies. Any reorganization plan should be designed around our greatest strength -- the abilities and expertise of the dedicated public servants who work in those agencies.

The Executive and Legislative Branches must cooperate on foreign affairs. The need for reorganization in the foreign policy agencies is also recognized by key members of Congress. Their views and expertise on these matters should inform our process. Our ability to work together with the Congress on this endeavor should encourage our bipartisan approach toward foreign policy matters.

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COPY

Exchange Mail

DATE-TIME 10/21/98 12:02:44 PM

FROM Smith, Gayle E.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: State Reorganization [UNCLASSIFIED]

TO Barks-Ruggles, Erica
Battenfield, Pat A.
Prendergast, John P.
Sanders, Robin R.
Smith, Gayle E.

CARBON_COPY

TEXT_BODY

What does this mean? Robin, as a former Hill staffer, can you translate into English for me?

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COPY

COPY

Exchange Mail

DATE-TIME 10/21/98 1:04:11 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: State Reorganization [UNCLASSIFIED]

TO Sutphen, Mona K.

CARBON_COPY

TEXT_BODY

Just curious. Did SRB have any discernible reaction to my memorandum of some weeks ago predicting this and urging action on our part?

Eric

-----Original Message-----
From: Sutphen, Mona K.
Sent: Wednesday,
October 21, 1998 10:47 AM
To: Schwartz, Eric P.
Subject: FW: State
Reorganization [UNCLASSIFIED]

Eric - I guess UN arrears was the
sacrificial lamb... M

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COPY

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Exchange Mail

DATE-TIME 10/21/98 3:29:58 PM

FROM Barks-Ruggles, Erica

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: State Reorganization [UNCLASSIFIED]

TO Smith, Gayle E.

CARBON_COPY

TEXT_BODY

I am pissed that if this kind of major hot button issue was able to be added over the weekend (and from what I understand even on Monday) that Africa Trade was not tried one more time....

This
really burns me up.

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Sent: Wednesday, October 21, 1998 11:01 AM
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William F.; Prendergast, John P.
Cc: @AFRICA - African Affairs;
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Exchange Mail

DATE-TIME 10/21/98 9:23:04 PM

FROM Sanders, Robin R.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: State Reorganization [UNCLASSIFIED]

TO Smith, Gayle E.

CARBON_COPY Barks-Ruggles, Erica
Battenfield, Pat A.
Prendergast, John P.
Sanders, Robin R.
Smith, Gayle E.

TEXT_BODY

acda, never sure of it effectiveness anyway, USIA is dead, aid still has a pulse, but it will now need to be checked daily, state now has all the cards

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From: Smith, Gayle E.
Sent: Wednesday, October 21, 1998 12:03 PM
To: @AFRICA - African Affairs
Subject: FW: State Reorganization [UNCLASSIFIED]

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Exchange Mail

DATE-TIME 12/21/98 5:57:43 PM

FROM Witkowsky, Anne A.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: POTUS Memo on State Reorg [UNCLASSIFIED]

TO Bouchard, Joseph F.

CARBON_COPY

TEXT_BODY

Joe: This looks ok to me, but should we propose adding something about full Fulbright funding? Any other comments?

-----Original Message-----
From: Wechsler, William F.
Sent: Monday, December 21, 1998 5:46 PM
To: Schwartz, Eric P.; Rudman, Mara E.; Witkowsky, Anne A.; Babbitt, James F.
Cc: @MULTILAT - Multilateral and Humanitarian Affairs; @LEGISLAT - Legislative Affairs; @DEFENSE - Defense Policy;
@VP - VP Natl Security Affairs
Subject: POTUS Memo on State Reorg [UNCLASSIFIED]

Here's a draft. Comments ASAP. Thanks.

TRANSLATED_ATTACHMENT

Reorganization -- Final SRB Memo.doc

December 21, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: RICHARD A. CLARKE

FROM: WILLIAM F. WECHSLER

COPY

SUBJECT: State Reorganization

The State Department, in coordination with USIA, ACDA and AID, has prepared a report to the Congress on its reorganization plans. The attached memorandum to the President describes that report, highlights its controversial aspects, and recommends that he approve it.

This report needs to be transmitted to the Congress by the end of the week.

Concurrence by: Eric Schwartz, Mara Rudman, Anne Witkowsky, Jim Babbitt

RECOMMENDATION

That you sign the attached Memorandum for the President.

Approve _____ Disapprove _____

Attachments
Tab I Memorandum for the President
Tab A Reorganization Plan for the Department of State, USIA, ACDA and AID
1

XXXX

TRANSLATED_ATTACHMENT Reorganization -- Final POTUS Memo.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Plan for the Reorganization of State, USIA, ACDA and AID

COPY

Purpose

To elicit your approval of the Department of State's plan to integrate the United States Information Agency and the Arms Control and Disarmament Agency, as well as exercise direct authority over the Agency for International Development.

Background

On April 18, 1997, you approved a plan to reinvent our foreign policy agencies by integrating USIA and ACDA with State. You also directed that AID remain a distinct agency, but be put under the direct authority and foreign policy guidance of the Secretary of State. Authorization for this plan was included in this year's omnibus budget appropriation. As required by that legislation, Secretary Albright, in coordination with USIA, ACDA and AID, has produced a report to the Congress detailing the administration's reorganization plans. This report should be transmitted to the Hill by the end of the week.

While Leon Fuerth and I have some concerns about specific provisions of State's plan, the concerns do not rise to the level where we believe you should overrule Madeleine on the management of her department. I therefore recommend that you approve State's plan as written (Tab A) and authorize its transmittal to the Hill. In making this decision, however, you should be aware of the plan's more controversial elements.

AID: Brian Atwood's major concern about the plan is its provision that State "review" AID's budget submissions, appeals and reprogrammings. Atwood and others are concerned that long-term development funds not be diverted to meet the needs of short-term diplomacy. While I share his concerns I believe they are somewhat exaggerated. Moreover, the plan's budgetary provisions do follow logically from

COPY

your 1997 decision to put AID under the "direct authority" of the Secretary of
State. State and AID are presently exchanging memoranda of understanding to come
to agreement on what it means for the Secretary of State to "review" AID's
budget. On the assumption that this exchange will conclude successfully this
week, I recommend that you approve State's suggested language.

USIA: Joe Duffy objects to the plan's provision that USIA's Bureau of

Information and its Bureau of Educational and Cultural Affairs are to be combined
into one State Department Bureau of Public Diplomacy, headed by a single
Assistant Secretary who will report to Duffy in his new position as Under
Secretary. Duffy and others would prefer that these two USIA bureaus each become
a State bureau and each be headed by a separate Assistant Secretary. They stress
the need to maintain a distinction between information programs, which are
designed to further administration goals, and educational exchange programs such
as the Fullbright Scholarships, which are intended to be autonomous, independent;
and nonpartisan. Merging these two bureaus, they argue, would be perceived as a
downgrading of their roles and would reflect poorly on the successful reinvention
program implemented by the USIA Bureau of Information. Albright rejects the idea
that her plan in any way minimizes the importance of international public
information programs, and points to the creation of the first-ever Under
Secretary for Public Diplomacy and Public Affairs. Again, while I appreciate
Duffy's concern about the significance of public diplomacy, I do not believe it
justifies your intervention. I also accept Albright's argument that educational
exchange programs can be adequately managed by a Deputy Assistant Secretary and,
as valuable as they are, simply do not merit their own Assistant Secretary. I
will, however, instruct my staff to monitor the implementation of this report to

COPY

ensure that State continues to adequately address USIA's concerns.

RECOMMENDATION

That you approve the State reorganization report as written and authorize its
transmittal to the Congress.

Approve _____ Disapprove _____

Attachment
Tab A Reorganization Plan for the Department of State, USIA, ACDA and AID

XXXX

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 12/21/98 6:13:05 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: POTUS Memo on State Reorg [UNCLASSIFIED]

TO Wechsler, William F.

CARBON_COPY

TEXT_BODY

with these changes, i clear.

-----Original Message-----
From: Wechsler,
William F.
Sent: Monday, December 21, 1998 5:46 PM
To: Schwartz,
Eric P.; Rudman, Mara E.; Witkowsky, Anne A.; Babbitt, James F.
Cc: @MULTILAT
- Multilateral and Humanitarian Affairs; @LEGISLAT - Legislative Affairs; @DEFENSE - Defense Policy; @VP - VP Natl Security Affairs
Subject: POTUS
Memo on State Reorg [UNCLASSIFIED]

Here's a draft. Comments ASAP.
Thanks.

TRANSLATED_ATTACHMENT

Reorganization -- Final SRB Memo.doc

December 21, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: RICHARD A. CLARKE

FROM: WILLIAM F. WECHSLER

SUBJECT: State Reorganization

COPY

The State Department, in coordination with USIA, ACDA and AID, has prepared a
report to the Congress on its reorganization plans. The attached memorandum to
the President describes that report, highlights its controversial aspects, and
recommends that he approve it.

This report needs to be transmitted to the Congress by the end of the week.

Concurrence by: Eric Schwartz, Mara Rudman, Anne Witkowsky, Jim Babbitt

RECOMMENDATION

That you sign the attached Memorandum for the President.

Approve _____ Disapprove _____

Attachments
Tab I Memorandum for the President
Tab A Reorganization Plan for the Department of State, USIA, ACDA and AID
1

XXXX

TRANSLATED_ATTACHMENT Reorganization -- Final POTUS Memo.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Plan for the Reorganization of State, USIA, ACDA and AID

COPY

Purpose

To elicit your approval of the Department of State's plan to integrate the United States Information Agency and the Arms Control and Disarmament Agency, as well as exercise direct authority over the Agency for International Development.

Background

On April 18, 1997, you approved a plan to reinvent our foreign policy agencies by integrating USIA and ACDA with State. You also directed that AID remain a distinct agency, but be put under the direct authority and foreign policy guidance of the Secretary of State. Authorization for this plan was included in this year's omnibus budget appropriation. As required by that legislation, Secretary Albright, in coordination with USIA, ACDA and AID, has produced a report to the Congress detailing the administration's reorganization plans. This report should be transmitted to the Hill by the end of the week.

While Leon Fuerth and I have some concerns about specific provisions of State's plan, the concerns do not [no need for underline] rise to the level where we believe you should overrule Madeleine on the management of her department. I therefore recommend that you approve State's plan as written (Tab A) and authorize its transmittal to the Hill. In making this decision, however, you should be aware of the plan's more controversial elements.

AID: Brian Atwood's has been concerned by the plan's provision for State Department review of AID's budget submissions, appeals and reprogrammings. Atwood and others are concerned that long-term development funds not be diverted to meet the needs of short-term diplomacy. While I appreciate these concerns, the plan's budgetary provisions do follow logically from your 1997 decision to put AID under the "direct authority" of the Secretary of State. State

COPY

and AID
are presently exchanging memoranda of understanding to come to agreement on what
it means for the Secretary of State to "review" AID's budget. On the assumption
that this exchange will conclude successfully this week, I recommend that you
approve State's suggested language.

USIA: Joe Duffy is deeply concerned by the plan's provision that USIA's Bureau
of Information and its Bureau of Educational and Cultural Affairs are to be
combined into one State Department Bureau of Public Diplomacy, headed by a single
Assistant Secretary who will report to Duffy in his new position as Under
Secretary. You have also received letters from Lindsey and Marsha Scott on
this issue. Duffy and others would prefer that these two USIA bureaus each
become a State bureau and each be headed by a separate Assistant Secretary. They
stress the need to maintain a distinction between overseas public information
programs, which are designed to further administration goals, and educational
exchange programs such as the Fullbright Scholarships, which are intended to be
autonomous, independent, and nonpartisan. Merging these two bureaus, they argue,
would be perceived as a downgrading of their roles and would reflect poorly on
the successful reinvention program implemented by the USIA Bureau of Information.
Albright rejects the idea that her plan in any way minimizes the importance of
international public information programs, and points to the creation, through
reorganization, of the Under Secretary for Public Diplomacy and Public Affairs.
Again, while I appreciate Duffy's concern is a serious one, I do not believe it
justifies your intervention. I also accept Albright's argument that both public
information campaigns and educational exchanges can be adequately managed
together in one bureau. I will, however, instruct my staff to monitor the
implementation of this report to ensure that State continues to

COPY

adequately
address USIA's concerns.

RECOMMENDATION

That you approve the State reorganization report as written and authorize its
transmittal to the Congress.

Approve _____ Disapprove _____

Attachment
Tab A Reorganization Plan for the Department of State, USIA, ACDA and AID

XXXX

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 12/21/98 6:36:21 PM

FROM Bouchard, Joseph F.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: POTUS Memo on State Reorg [UNCLASSIFIED]

TO Witkowsky, Anne A.

CARBON_COPY

TEXT_BODY

Anne,

Since Fulbright funding was not raised by USIA as grounds for opposing the merger of B of Info and B of Ed Cult Aff, I recommend not adding it to Will's memo, which I think is surprisingly evenhanded.

Joe
Bouchard

-----Original Message-----
From: Witkowsky, Anne A.

Sent: Monday, December 21, 1998 5:58 PM
To: Bouchard, Joseph F.
Subject: FW:
POTUS Memo on State Reorg [UNCLASSIFIED]
Importance: High

Joe:
This looks ok to me, but should we propose adding something about full Fulbright funding? Any other comments?

-----Original Message-----
From: Wechsler,
William F.
Sent: Monday, December 21, 1998 5:46 PM
To: Schwartz,
Eric P.; Rudman, Mara E.; Witkowsky, Anne A.; Babbitt, James F.
Cc: @MULTILAT
- Multilateral and Humanitarian Affairs; @LEGISLAT - Legislative Affairs; @DEFENSE - Defense Policy; @VP - VP Natl Security Affairs
Subject: POTUS
Memo on State Reorg [UNCLASSIFIED]

Here's a draft. Comments ASAP.

COPY

Thanks.

<< File: Reorganization -- Final SRB Memo.doc >> <<
File: Reorganization -- Final POTUS Memo.doc >>

COPY

Exchange Mail

DATE-TIME 12/22/98 9:15:30 AM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: POTUS Memo on State Reorg [UNCLASSIFIED]

TO
Bernard, Kenneth W.
Busby, Scott W.
Denniston, Richard L.
Guarnieri, Valerie N.
Hawley, Leonard R.
Hill, Roseanne M.
Kale, Dora A.
Malley, Robert
Moller, Catherine A.
Naplan, Steven J.
Schwartz, Eric P.
Vaccaro, Jonathan M. (Matt)
Wippman, David

CARBON_COPY

TEXT_BODY

-----Original Message-----
From: Schwartz, Eric P.
Sent: Monday,
December 21, 1998 6:13 PM
To: Wechsler, William F.
Subject: FW:
POTUS Memo on State Reorg [UNCLASSIFIED]

with these changes, i
clear.

-----Original Message-----
From: Wechsler, William F.

Sent: Monday, December 21, 1998 5:46 PM
To: Schwartz, Eric P.;
Rudman, Mara E.; Witkowsky, Anne A.; Babbitt, James F.
Cc: @MULTILAT
- Multilateral and Humanitarian Affairs; @LEGISLAT - Legislative Affairs; @DEFENSE - Defense Policy; @VP - VP Natl Security Affairs

COPY

Subject: POTUS
Memo on State Reorg [UNCLASSIFIED]

Here's a draft. Comments ASAP.
Thanks.

TRANSLATED_ATTACHMENT Reorganization -- Final SRB Memo.doc

December 21, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: RICHARD A. CLARKE

FROM: WILLIAM F. WECHSLER

SUBJECT: State Reorganization

The State Department, in coordination with USIA, ACDA and AID, has prepared a report to the Congress on its reorganization plans. The attached memorandum to the President describes that report, highlights its controversial aspects, and recommends that he approve it.

This report needs to be transmitted to the Congress by the end of the week.

Concurrence by: Eric Schwartz, Mara Rudman, Anne Witkowsky, Jim Babbitt

RECOMMENDATION

That you sign the attached Memorandum for the President.

Approve _____ Disapprove _____

Attachments
Tab I Memorandum for the President
Tab A Reorganization Plan for the Department of State, USIA, ACDA and AID

COPY

XXXX

TRANSLATED_ATTACHMENT Reorganization -- Final POTUS Memo.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Plan for the Reorganization of State, USIA, ACDA and AID

Purpose

To elicit your approval of the Department of State's plan to integrate the United States Information Agency and the Arms Control and Disarmament Agency, as well as exercise direct authority over the Agency for International Development.

Background

On April 18, 1997, you approved a plan to reinvent our foreign policy agencies by integrating USIA and ACDA with State. You also directed that AID remain a distinct agency, but be put under the direct authority and foreign policy guidance of the Secretary of State. Authorization for this plan was included in this year's omnibus budget appropriation. As required by that legislation, Secretary Albright, in coordination with USIA, ACDA and AID, has produced a report to the Congress detailing the administration's reorganization plans. This report should be transmitted to the Hill by the end of the week.

While Leon Fuerth and I have some concerns about specific

COPY

provisions of State's plan, the concerns do not [no need for underline] rise to the level where we believe you should overrule Madeleine on the management of her department. I therefore recommend that you approve State's plan as written (Tab A) and authorize its transmittal to the Hill. In making this decision, however, you should be aware of the plan's more controversial elements.

AID: Brian Atwood's has been concerned by the plan's provision for State Department review of AID's budget submissions, appeals and reprogrammings. Atwood and others are concerned that long-term development funds not be diverted to meet the needs of short-term diplomacy. While I appreciate these concerns, the plan's budgetary provisions do follow logically from your 1997 decision to put AID under the "direct authority" of the Secretary of State. State and AID are presently exchanging memoranda of understanding to come to agreement on what it means for the Secretary of State to "review" AID's budget. On the assumption that this exchange will conclude successfully this week, I recommend that you approve State's suggested language.

USIA: Joe Duffy is deeply concerned by the plan's provision that USIA's Bureau of Information and its Bureau of Educational and Cultural Affairs are to be combined into one State Department Bureau of Public Diplomacy, headed by a single Assistant Secretary who will report to Duffy in his new position as Under Secretary. You have also received letters from Lindsey and Marsha Scott on this issue. Duffy and others would prefer that these two USIA bureaus each become a State bureau and each be headed by a separate Assistant Secretary. They stress the need to maintain a distinction between overseas public information programs, which are designed to further administration goals, and educational exchange programs such as the Fullbright Scholarships, which are

COPY

intended to be
autonomous, independent, and nonpartisan. Merging these two bureaus, they argue,
would be perceived as a downgrading of their roles and would reflect poorly on
the successful reinvention program implemented by the USIA Bureau of Information.
Albright rejects the idea that her plan in any way minimizes the importance of
international public information programs, and points to the creation, through
reorganization, of the Under Secretary for Public Diplomacy and Public Affairs.
Again, while I appreciate Duffy's concern is a serious one, I do not believe it
justifies your intervention. I also accept Albright's argument that both public
information campaigns and educational exchanges can be adequately managed
together in one bureau. I will, however, instruct my staff to monitor the
implementation of this report to ensure that State continues to adequately
address USIA's concerns.

RECOMMENDATION

That you approve the State reorganization report as written and authorize its
transmittal to the Congress.

Approve _____ Disapprove _____

Attachment
Tab A Reorganization Plan for the Department of State, USIA, ACDA and AID

XXXX

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 12/22/98 11:56:32 AM

FROM Wechsler, William F.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: State Reorganization Plan [UNCLASSIFIED]

TO Sutphen, Mona K.

CARBON_COPY

TEXT_BODY

Three (main) reasons for going along with Albright's plan:

1.
Rank: This is not a matter of educational programs "retaining their same rank." Nobody believes that an Assistant Director at USIA is actually equivalent to an Assistant Secretary of State. It strains credulity to believe that public interest in the Fulbright Scholarships will drop because scholars will be upset that the program reports to a Deputy Assistant Secretary for educational exchange rather than a USIA Assistant Director (there will be a separate Deputy Assistant Secretary for professional exchanges). Another way to look at this is that State now, for the first time, has an Under Secretary with oversight responsibility over the Fulbright program.

2. Number
of Assistant Secretaries: Some might argue that State already has too many Assistant Secretaries. Nevertheless, right now both S/CT and S/NIS do not report to Assistant Secretaries, and they might be higher in the queue than educational exchanges. USIA is not alone in feeling the pinch; reinvention reduced five ACDA bureaus and State PM into three bureaus. In the end, however, this was not a matter of USIA losing out to others on the battle for an Assistant Secretary. As I understand it, Albright still has the legislative authority to create another Assistant Secretary -- she just doesn't believe that educational programs merit their own.

3. Good Management:
In 1997 the President decided to integrate USIA into State. For the last two years, USIA has done everything possible to undercut the President's decision, both at State and on the Hill. Despite their machinations, the President decided to put Albright in charge of USIA programs (and for good reason) and thus gave her authority to manage her own department, especially on non-policy matters like educational exchange. I am told that Albright personally reviewed the Fulbright issue. For the President to now second-guess her the

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first time she exercises that authority would undercut her authority. Such a decision would then lend encouragement to those who continue to fight the President's decision to integrate the foreign affairs agencies. Personally, this is the most convincing argument for me.

One last point: if Sandy or POTUS is concerned about the integration of USIA's "I" and "E" bureaus into one State bureau, the more policy-relevant concerns are about the "I" part -- international public information -- than about the educational exchanges. However, Eric (who's responsible for these issues at the NSC) has decided not to ask Sandy to take this issue to the President.

Any questions, please call. You should see the memo by COB today.

-----Original Message-----
From: Sutphen, Mona K.
Sent: Tuesday, December 22, 1998 8:39 AM
To: Wechsler, William F.
Subject: RE: State Reorganization Plan [UNCLASSIFIED]

OK - can I get a separate e-mail from you on this question. I need to explain to Sandy why exactly a program like this wouldn't retain their same rank just because of reorganization. Expect that we'll need a one-pager for POTUS on this question as well. Thanks.

-----Original Message-----
From: Wechsler, William F.
Sent: Tuesday, December 22, 1998 8:31 AM
To: Sutphen, Mona K.
Subject: RE: State Reorganization Plan [UNCLASSIFIED]

It says that Albright is right...Neither Leon Fuerth nor Eric Schwartz is prepared to pick a fight with SecState about the management of her own department, particularly to argue that educational programs should have the same rank within State as, say, Europe or East Asia.

-----Original Message-----
From: Sutphen, Mona K.
Sent: Tuesday, December 22, 1998 8:11 AM
To: Wechsler,

COPY

William F.
Subject: RE: State Reorganization Plan [UNCLASSIFIED]

how
does it handle the fulbright question? m

-----Original Message-----
From: Wechsler,
William F.
Sent: Monday, December 21, 1998 7:35 PM
To: Sutphen,
Mona K.; Kerrick, Donald L.; @NSA - Natl Security Advisor
Cc: @TRANSNATIONAL
- Transnational Threats; @MULTILAT - Multilateral and Humanitarian Affairs; @EXECSEC - Executive Secretary; @VP - VP Natl Security Affairs
Subject: RE:
State Reorganization Plan [UNCLASSIFIED]

FYI -- everyone has cleared
the memo to POTUS except for OVP. Leon promises to clear first thing tomorrow.

-----Original Message-----
From: Sutphen, Mona K.
Sent: Monday,
December 21, 1998 7:15 PM
To: Kerrick, Donald L.; @NSA - Natl Security
Advisor
Cc: @TRANSNATIONAL - Transnational Threats; @MULTILAT - Multilateral and Humanitarian Affairs; @EXECSEC - Executive Secretary; @VP - VP Natl Security Affairs
Subject: RE: State Reorganization
Plan [UNCLASSIFIED]

Sandy writes: Don/Glyn - This is important
to POTUS. Please keep me informed.

-----Original Message-----
From: Kerrick,
Donald L.
Sent: Monday, December 21, 1998 3:43 PM
To: @NSA - Natl
Security Advisor
Cc: @TRANSNATIONAL - Transnational Threats; @MULTILAT
- Multilateral and Humanitarian Affairs; @EXECSEC - Executive Secretary; @VP - VP Natl Security Affairs
Subject: State Reorganization Plan
[UNCLASSIFIED]
Importance: High

COPY

FYI for Jim and Sandy:

The
State Reorganization plan is being processed by Will Wechsler. It is due to the Hill today - 60 days after being signed. As I understand it, there are a couple of marginal issues, but nothing worth confronting State about. You have also received a note from the President with a question about how the Fulbright Scholarship program will be managed in the reorganized State Department.

Glyn and Will are checking
to see what flexibility we have on the Hill delivery deadline and see what the ramifications would be to reorganization if we miss the deadline. Will prepare a package today for your approval or forwarding to the President as you deem appropriate.

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Wechsler, William F. to Schwartz, Eric P. re: Final Package (14 pages)	12/22/1998	P5
002. email	Halperin, David E. to Wechsler re: Reorganization Fact Sheet (6 pages)	12/22/1998	P5
003. email	Schwartz to Sutphen, Mona K. et al. re: Fulbright Program and State Reorganization (2 pages)	12/23/1998	P5
004. email	Wechsler to Davies, Glyn T. re: Reorg, One More Time (6 pages)	12/23/1998	P5
005. email	Schwartz to Welchsler et al. re: Reorg, One More Time (6 pages)	12/23/1998	P5
006. email	Welchsler to Davies & Millison, Cathy L. re: Reorg, Final (5 pages)	12/23/1998	P5
007. email	Uyehara, Margaret A. to Bandler, Donald K. re: USIA Photo Essay Update (1 page)	02/05/1999	P5
008. email	Uyehara to Bandler re: Talking Points for Pat Kennedy Re: USIA Photo Essay (1 page)	02/12/1999	P5
009. email	Naplan, Steven J. to Schwartz re: Fulbright (2 pages)	02/20/1999	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

FOLDER TITLE:
[12/22/1998-02/20/1999]

Eric Holzer
2006-0208-F
eh575

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

Exchange Mail

DATE-TIME	12/22/98 4:30:49 PM
FROM	Wechsler, William F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	final package [UNCLASSIFIED]
TO	Schwartz, Eric P.
CARBON_COPY	Naplan, Steven J.

TEXT_BODY

Note: fact sheet is still going around for NSC clearance
(this means you, Steve) and State is printing final copies of report...

TRANSLATED_ATTACHMENT Reorganization -- Final SRB Memo.doc

December 22, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: RICHARD A. CLARKE

FROM: WILLIAM F. WECHSLER

SUBJECT: State Reorganization

The State Department, in coordination with USIA, ACDA and AID, has prepared a
report to the Congress on its reorganization plans. In addition to the above
agencies, this report has been cleared by Treasury, OPM, GSA and OMB. The
attached memorandum to the President describes that report, highlights its
controversial aspects, and recommends that he approve it and sign the attached
letters of transmittal.

This report needs to be transmitted to the Congress by the end of the

COPY

week.

Concurrence by: Eric Schwartz, Mara Rudman, Anne Witkowsky, Jim Babbitt

RECOMMENDATION

That you sign the attached Memorandum for the President.

Approve _____ Disapprove _____

Attachments
Tab I Memorandum for the President
Tab A Letters of Transmittal
Tab B Reorganization Plan for the Department of State, USIA, ACDA and AID
Tab C Fact Sheet

1

XXXX

TRANSLATED_ATTACHMENT Reorganization -- Final POTUS Memo.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: Reorganization Plan for State, USIA, ACDA and AID

Purpose

To request your approval of the Department of State's plan to integrate the
United States Information Agency and the Arms Control and Disarmament Agency, as
well as exercise direct authority over the Agency for International Development.

Background

COPY

On April 18, 1997, you approved a plan to reinvent our foreign policy agencies by integrating USIA and ACDA with State. You also directed that AID remain a distinct agency, but be put under the direct authority and foreign policy guidance of the Secretary of State. Authorization for this plan was included in this year's omnibus budget appropriation. As required by that legislation, Secretary Albright, in coordination with USIA, ACDA and AID, has produced a report to the Congress detailing the administration's reorganization plans. This report has also been cleared by Treasury, OPM, GSA and OMB. This report should be transmitted to the Hill by the end of the week.

While Leon Fuerth and I have some concerns about specific provisions of State's plan, they do not rise to the level where we believe you should overrule Madeleine on the management of her department. I therefore recommend that you approve State's plan as written. In making this decision, however, you should be aware of the plan's more controversial elements.

AID: Brian Atwood's has long been concerned by the plan's provision for State Department review of AID's budget submissions, appeals and reprogrammings. Atwood and others want to ensure that long-term development funds not be diverted to meet the needs of short-term diplomacy. While I appreciate these concerns, the plan's budgetary provisions do follow logically from your 1997 decision to put AID under the "direct authority" of the Secretary of State. Moreover, at our insistence, State and AID reached agreement this week on how to define State's role in "reviewing" AID's budget. I therefore recommend that you approve State's suggested language.

USIA: Joe Duffy is deeply concerned by the plan's provision that USIA's Bureau of Information and its Bureau of Educational and Cultural Affairs are to be

COPY

combined into one State Department Bureau of Public Diplomacy, headed by a single Assistant Secretary who will report to Duffy in his new position as Under Secretary. You have also received notes from Bev Lindsey and Marsha Scott on this issue. They all would prefer that these two USIA bureaus each become separate State bureaus headed by different Assistant Secretaries. They stress the need to maintain a distinction between overseas public information programs, which are designed to further administration goals, and educational exchange programs such as the Fulbright Scholarships, which are intended to be autonomous, independent, and nonpartisan. Merging these two bureaus, they argue, would be perceived as a downgrading of their roles and would reflect poorly on the successful reinvention program implemented by the USIA Bureau of Information.

Madeleine rejects the idea that her plan in any way minimizes the importance of international public information programs and points to the creation, through reorganization, of the Under Secretary for Public Diplomacy and Public Affairs.
Again, while I appreciate that Duffy's concern is a serious one, I do not believe it justifies your intervention. I also accept Madeleine's argument that both public information campaigns and educational exchanges can be adequately managed together in one bureau without unduly giving the impression that State has downgraded the importance of key programs like the Fulbright Scholarships. I will, however, instruct my staff to monitor this report's implementation to ensure that State continues to respect USIA's legitimate concerns.

RECOMMENDATION

That you approve the State reorganization report as written and sign the attached letters of transmittal.

Approve _____ Disapprove _____

COPY

Attachments
Tab A Letters of Transmittal
Tab B Reorganization Plan for the State, USIA, ACDA and AID
Tab C Fact Sheet

XXXX

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT Reorganization -- Final Letters.doc
Dear Mr. Chairman:

I hereby submit the reorganization plan and report required by section 1601 of
the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277,
division G). As required by the Act, the reorganization plan and report describe
how the United States Arms Control and Disarmament Agency, the United States
Information Agency, and portions of the United States Agency for International
Development will be integrated into the Department of State.

Sincerely,

The Honorable Robert L. Livingston
Chairman
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Obey:

I hereby submit the reorganization plan and report required by section 1601 of

COPY

the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277,
division G). As required by the Act, the reorganization plan and report describe
how the United States Arms Control and Disarmament Agency, the United States
Information Agency, and portions of the United States Agency for International
Development will be integrated into the Department of State.

Sincerely,

The Honorable David Obey
Ranking Minority Member
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I hereby submit the reorganization plan and report required by section 1601 of
the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277,
division G). As required by the Act, the reorganization plan and report describe
how the United States Arms Control and Disarmament Agency, the United States
Information Agency, and portions of the United States Agency for International
Development will be integrated into the Department of State.

Sincerely,

COPY

The Honorable Benjamin A. Gilman
Chairman
Committee on International Relations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Hamilton:

I hereby submit the reorganization plan and report required by section 1601 of
the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277,
division G). As required by the Act, the reorganization plan and report describe
how the United States Arms Control and Disarmament Agency, the United States
Information Agency, and portions of the United States Agency for International
Development will be integrated into the Department of State.

Sincerely,

The Honorable Lee Hamilton
Ranking Minority Member
Committee on International Relations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I hereby submit the reorganization plan and report required by section 1601 of
the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277,
division G). As required by the Act, the reorganization plan and report describe

COPY

how the United States Arms Control and Disarmament Agency, the United States
Information Agency, and portions of the United States Agency for International
Development will be integrated into the Department of State.

Sincerely,

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20515

Dear Senator Byrd:

I hereby submit the reorganization plan and report required by section 1601 of
the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277,
division G). As required by the Act, the reorganization plan and report describe
how the United States Arms Control and Disarmament Agency, the United States
Information Agency, and portions of the United States Agency for International
Development will be integrated into the Department of State.

Sincerely,

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

COPY

Dear Mr. Chairman:

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the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277,
division G). As required by the Act, the reorganization plan and report describe
how the United States Arms Control and Disarmament Agency, the United States
Information Agency, and portions of the United States Agency for International
Development will be integrated into the Department of State.

Sincerely,

The Honorable Jesse Helms
Chairman
Committee on Foreign Relations
United States Senate
Washington, D.C. 50510

Dear Senator Biden:

I hereby submit the reorganization plan and report required by section 1601 of
the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277,
division G). As required by the Act, the reorganization plan and report describe
how the United States Arms Control and Disarmament Agency, the United States
Information Agency, and portions of the United States Agency for International
Development will be integrated into the Department of State.

Sincerely,

COPY

The Honorable Joseph R. Biden
Ranking Minority Member
Committee on Foreign Relations
United States Senate
Washington, D.C. 20510

TRANSLATED_ATTACHMENT Reorganization -- Final Fact Sheet.doc
FACT SHEET

Foreign Affairs Reorganization

Today President Clinton sent to the Congress a plan and report on reorganization of the foreign affairs agencies, pursuant to the Foreign Affairs Reform and Restructuring Act of 1998. The Act provides authority to reorganize the foreign affairs agencies and is based on the plan announced by the President on April 18, 1997.

Reorganization of the foreign affairs agencies will sustain and strengthen U.S. leadership for a new century that will pose new threats and opportunities.

The reorganization plan puts arms control and nonproliferation, public diplomacy, and sustainable development where they belong, at the heart of our foreign policy in a reinvented Department of State. The plan preserves the special missions of the foreign affairs agencies, takes full advantage of their talented personnel, and lends greater coherence and effectiveness to our international affairs activities. Over time, integration will yield operating efficiencies as well as improve the quality of our activities.

The Reorganization

COPY

The United States Arms Control and Disarmament Agency (ACDA) will be integrated into the State Department on March 28, 1999. The missions of arms control, nonproliferation, and political-military affairs will be under the policy oversight of the Under Secretary of State for Arms Control and International Security, who will also serve as Senior Adviser to the President and the Secretary of State on Arms Control, Nonproliferation, and Disarmament. In the capacity of Senior Adviser, the Under Secretary will be able to communicate with the President through the Secretary and will be invited to participate in relevant meetings of the National Security Council. Five bureaus in ACDA and State will be reduced to three -- the Bureaus of Arms Control, Nonproliferation, and Political Military Affairs -- for which the Under Secretary will exercise policy oversight. A Special Adviser reporting directly to the Under Secretary will focus on verification and compliance issues. Until integration, the Director of ACDA will remain "double-hatted" as Acting Under Secretary. The Department of State will have a leadership role in the interagency process on nonproliferation policy, and an enhanced role in the interagency process on arms control policy. An advisory board will be established to make recommendations to the Secretary through the Under Secretary on arms control, nonproliferation, and disarmament.

The United States Information Agency (USIA) will be integrated into State on October 1, 1999. The missions of public diplomacy -- to understand, inform, and influence foreign audiences and broaden the dialogue between American citizens and institutions and their counterparts abroad -- will be under the policy direction of a new Under Secretary for Public Diplomacy and Public Affairs. Two bureaus in USIA will be streamlined into one at State -- the Bureau of Public

COPY

Diplomacy. The Bureau will be responsible for academic and professional exchanges and educational and cultural affairs and will produce information programs and services to advocate U.S. policy positions with foreign audiences. Information activities will focus on foreign audiences in recognition of the long-standing intent of the Congress to separate overseas public diplomacy efforts from those which inform the press and the American public. State's Bureau of Public Affairs will incorporate the Foreign Press Centers now operated by USIA. USIA's area offices will join respective regional bureaus at State, and public diplomacy staffs will be added as appropriate to State functional bureaus. USIA's Research office will integrate with State's Bureau of Intelligence and Research, and public diplomacy activities abroad will be carried out as an integrated part of the State component of our overseas missions.

The Broadcasting Board of Governors (BBG), now part of USIA, will become a separate federal entity. Consistent with the Act, the BBG and the Secretary of State shall respect the professional independence and integrity of U.S. international broadcasting, which includes the Voice of America and surrogate broadcasting. U.S. broadcasting will also remain an essential instrument of American foreign policy. The Secretary will provide information and guidance on foreign policy issues to the BBG, and the Secretary will have a seat on the BBG replacing the USIA Director. State, USIA, and the BBG have worked out arrangements for transferring to the BBG funds, resources, and personnel commensurate with the administrative and other support they now receive from USIA and sufficient for the BBG to operate as an independent entity.

The United States Agency for International Development (USAID) will remain a separate agency, but the International Development Cooperation Agency (IDCA) which coordinated development assistance policy will be abolished on

COPY

April 1, 1999. As of that date, the USAID Administrator will report to and be under the direct authority and foreign policy guidance of the Secretary of State. To maximize consistency with overall U.S. international affairs priorities, the Secretary will coordinate development and other economic assistance, except export promotion and international financial assistance which will be coordinated by the Secretaries of Commerce and Treasury, respectively. The Secretary of State will review USAID's strategic and performance plans, budget submissions and appeals, and allocations and significant reprogrammings, and delegate or redelegate to USAID the functions and authorities it needs to carry out its mission.

The Department of State's reinvention efforts will be bolstered by greater integration of the foreign affairs agencies. Integration offers greater scope for reinvention and widens the circle of opportunity to restructure and adopt best practices. State has already taken some important steps. The Under Secretaries comprise a new Corporate Board chaired by the Deputy Secretary to address major cross-cutting issues and strategic planning. Assistant Secretaries have more autonomy in resource management. Performance planning better aligns strategy and resources under the International Affairs and State Strategic Plans.
A new Bureau of Western Hemispheric Affairs was created, moving Canadian affairs into the former Bureau of Inter-American Affairs, to emphasize the importance of NAFTA and our strengthened focus on economic and global issues. State is creating a Bureau of East European and Eurasian Affairs to streamline policy direction and implementation in the newly independent states of the former Soviet Union. Within two years State will review all bureau configurations.

COPY

Bipartisanship and International Affairs Resources Reorganization is a welcome bipartisan initiative, and the Administration will work cooperatively with the Congress on its implementation. Increased efficiency is very important, but is not, by itself, enough to assure U.S. leadership in the world. Embassy bombings in East Africa, the international financial crisis, instability in the Middle East, Kosovo, and Russia, and risks that nuclear, biological, and chemical weapons will proliferate show how the world remains dangerous and uncertain. Therefore, it is vital that our country has the resources it needs for a strong foreign policy that serves America's interests.

COPY

Exchange Mail

DATE-TIME 12/22/98 5:25:25 PM

FROM Halperin, David E.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Reorganization Fact Sheet [UNCLASSIFIED]

TO Wechsler, William F.

CARBON_COPY

TEXT_BODY

-----Original Message-----
From: Halperin, David E.
Sent: Tuesday,
December 22, 1998 4:43 PM
To: @MULTILAT - Multilateral and Humanitarian
Affairs; @LEGISLAT - Legislative Affairs; @DEFENSE - Defense
Policy;
@NONPRO - Export Controls; @VP - VP Natl Security Affairs;
@PLANNING
- Strat Plan & Comm
Subject: FW: Reorganization Fact Sheet [UNCLASSIFIED]

Here
are edits referenced below.
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From: Halperin,
David E.
Sent: Tuesday, December 22, 1998 4:25 PM
To: @MULTILAT
- Multilateral and Humanitarian Affairs; @LEGISLAT - Legislative
Affairs; @DEFENSE - Defense Policy; @NONPRO - Export
Controls; @VP
- VP Natl Security Affairs; @PLANNING - Strat Plan & Comm
Subject: FW:
Reorganization Fact Sheet [UNCLASSIFIED]

Some small things aimed
at making this easier to understand (some of which I raised
previously),
but I clear whether you take them or not.

-----Original Message-----
From: Wechsler,

COPY

William F.
Sent: Tuesday, December 22, 1998 4:02 PM
To: Schwartz,
Eric P.; Rudman, Mara E.; Witkowsky, Anne A.; Samore, Gary S.; Babbitt,
James F.; Halperin, David E.
Cc: @MULTILAT - Multilateral and Humanitarian
Affairs; @LEGISLAT - Legislative Affairs; @DEFENSE - Defense Policy;
@NONPRO - Export Controls; @VP - VP Natl Security Affairs; @PLANNING
- Strat Plan & Comm
Subject: Reorganization Fact Sheet [UNCLASSIFIED]

This came from OMB, cleared by all agencies. Please clear ASAP.

TRANSLATED_ATTACHMENT Reorganization -- Final Fact Sheet.doc
FACT SHEET

Foreign Affairs Reorganization

Today President Clinton sent to the Congress a plan and report on reorganization
of the foreign affairs agencies, pursuant to the Foreign Affairs Reform and
Restructuring Act of 1998. The Act provides authority to reorganize the foreign
affairs agencies and is based on the plan announced by the President on April 18,
1997.

Reorganization of the foreign affairs agencies will sustain and strengthen U.S.
leadership for a new century that will pose new threats and opportunities.

The reorganization plan puts arms control and nonproliferation, public diplomacy,
and sustainable development where they belong, at the heart of our foreign policy
in a reinvented Department of State. The plan preserves the special missions of
the foreign affairs agencies, takes full advantage of their talented personnel,
and lends greater coherence and effectiveness to our international affairs

COPY

activities. Over time, integration will yield operating efficiencies as well as improve the quality of our activities.

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The United States Arms Control and Disarmament Agency (ACDA) will be integrated into the State Department on March 28, 1999. The missions of arms control, nonproliferation, and political-military affairs will be under the policy oversight of the Under Secretary of State for Arms Control and International Security, who will also serve as Senior Adviser to the President and the Secretary of State on Arms Control, Nonproliferation, and Disarmament. In the capacity of Senior Adviser, the Under Secretary will be able to communicate with the President through the Secretary and will participate in relevant meetings of the National Security Council. Five bureaus in ACDA and State will be reduced to three -- the Bureaus of Arms Control, Nonproliferation, and Political Military Affairs -- for which the Under Secretary will exercise policy oversight. A Special Adviser reporting directly to the Under Secretary will focus on verification and compliance issues. [not worth describing -- just 100 more days] The Department of State will have a leadership role in the interagency process on nonproliferation policy, and an enhanced role in the interagency process on arms control policy. [Would drop or explain. What does it mean? That State will have a stronger role vis a vis DoD or Commerce? Which is better, a leadership role or an enhanced role?] The Department will create an advisory board of private citizens [?] will be established to make recommendations to the Secretary through the Under Secretary on arms control, nonproliferation, and disarmament.

The United States Information Agency (USIA) will be integrated into State on October 1, 1999. The missions of public diplomacy -- to understand,

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inform, and
influence foreign audiences and broaden the dialogue between American citizens
and institutions and their counterparts abroad -- will be under the policy
direction of a new Under Secretary for Public Diplomacy and Public Affairs. Two
bureaus in USIA will be streamlined into one at State -- the Bureau of Public
Diplomacy. The Bureau will be responsible for academic and professional
exchanges and educational and cultural affairs and will produce information
programs and services to advocate U.S. policy positions with foreign audiences.
Information activities will focus on foreign audiences in recognition of the
long-standing intent of the Congress to separate overseas public diplomacy
efforts from those which inform the press and the American public. State's
Bureau of Public Affairs will incorporate the Foreign Press Centers now operated
by USIA. USIA's area offices will join respective regional bureaus at State, and
public diplomacy staffs will be added as appropriate to State functional bureaus.
USIA's Research office will integrate with State's Bureau of Intelligence and
Research, and public diplomacy activities abroad will be carried out as an
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international broadcasting, which includes the Voice of America and surrogate
broadcasting. U.S. broadcasting will also remain an essential instrument of
American foreign policy. The Secretary will provide information and guidance on
foreign policy issues to the BBG, and the Secretary will have a seat on the BBG
replacing the USIA Director. State, USIA, and the BBG have worked out
arrangements for transferring to the BBG funds, resources, and personnel

COPY

commensurate with the administrative and other support they now receive from USIA
and sufficient for the BBG to operate as an independent entity.

The United States Agency for International Development (USAID) will remain a
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direct authority and foreign policy guidance of the Secretary of State. To
maximize consistency with overall U.S. international affairs priorities, the
Secretary will coordinate development and other economic assistance, except
export promotion and international financial assistance, which will be
coordinated by the Secretaries of Commerce and Treasury, respectively. The
Secretary of State will review USAID's strategic and performance plans, budget
submissions and appeals, and allocations and significant reprogrammings, and
delegate or redelegate to USAID the functions and authorities it needs to carry
out its mission.

The Department of State's reinvention efforts will be bolstered by greater
integration of the foreign affairs agencies. [Would drop -- first part repeats
preceding sentence; second employs a familiar Clintonism in an odd setting; "best
practices" not explained] State has already taken some important steps. The
Under Secretaries comprise a new Corporate Board chaired by the Deputy Secretary
to address major cross-cutting issues and strategic planning. Assistant
Secretaries have more autonomy in resource management. [would explain or drop]
State has created a new Bureau of Western Hemispheric Affairs was created, moving
Canadian affairs into the former Bureau of Inter-American Affairs, to emphasize
the importance of NAFTA and economic and political integration in this
hemisphere. State is also creating a Bureau of East European and Eurasian

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Affairs to streamline policy direction and implementation in the newly independent states of the former Soviet Union. Within two years State will review all bureau configurations.

Bipartisanship and International Affairs Resources

Reorganization is a [if exec branch initiated it, odd that we would "welcome it"] bipartisan initiative, and the Administration will work cooperatively with the Congress on its implementation. Increased efficiency is vital to ensuring U.S. leadership for democracy, opportunity and prosperity around in the world. But it is also necessary that we ensure there are sufficient resources for our foreign policy work. The international financial crisis, instability in the Middle East, Kosovo, and Russia, continued acts of terrorism (including the embassy bombings in East Africa), and risks that nuclear, biological, and chemical weapons will proliferate show that there remain many threats to U.S. interests. We need both effective organization and sufficient resources to ensure a strong foreign policy that serves the interests of the American people.

COPY

Exchange Mail

DATE-TIME 12/23/98 7:27:45 AM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Fulbright Program and State Reorganization [UNCLASSIFIED]

TO
Sutphen, Mona K.
Wechsler, William F.
Bartlett, L. June
Brown, Keirn C.
Cosgriff, Kevin J.
Davies, Glyn T.
Dejban, Donna D.
Elkon, Nicole L.
Hasman, Thomas M.
Hilliard, Brenda I.
Jacobson, Tracey A.
Joshi, M. Kay
Kerrick, Donald L.
Millison, Cathy L.
Rice, Edward A.

CARBON_COPY
Babbitt, James F.
Babcock, Douglas W.
Black, Steven K.
Bolan, Christopher J.
Boulton, Darrien D.
Davidson, Leslie K.
Fuerth, Leon S.
Hilty, Joanne M.
Orfini, Michael H.
Osius, Theodore G.
Roberts, Michael W.
Rosshirt, Thomas M.
Saunders, Richard M.
Woolston, Ann E.

TEXT_BODY

For what it is worth, I think USIA is right. My support of the proposed recommendation (let the State proposal stand) is based on the "deferral to State" rationale, not the substance.

On the substance, it is
trickier than even SRB's comments suggest, as the President's concern about Fullbright (the "cultural" bureau that USIA would create) coexists

COPY

with the VP's concern about public diplomacy (the "information" bureau that USIA would create). So, what State has done is taken these two POTUS/VPOTUS priorities, combined them, and, arguably, dumbed them down into one bureau. If you keep them both in one bureau and try to highlight one at the expense of the other, you satisfy one our principals by denying another.

Sandy should be aware of that.

Will,
please let me see redraft.

Eric

-----Original Message-----
From: Sutphen,
Mona K.
Sent: Tuesday, December 22, 1998 8:19 PM
To: Wechsler,
William F.; @EXECSEC - Executive Secretary; Schwartz, Eric P.
Subject: Fulbright
Program and State Reorganization [UNCLASSIFIED]

Will -

As suspected,
Sandy wants to send a 1-page memo to POTUS on this question. If you haven't seen the correspondence w/POTUS' note on it, let me know. It will help guide the substance of the memo. Also, Sandy's comment on the e-mail re:reorganization was: "don't think the simple fact that SecState reviewed this [Fulbright question] is persuasive; why does this not undercut Fulbright program, about which POTUS cares a great deal."

COPY

Exchange Mail

DATE-TIME 12/23/98 1:51:54 PM

FROM Wechsler, William F.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Reorg, One more time [UNCLASSIFIED]

TO Davies, Glyn T.

CARBON_COPY

Bartlett, L. June
Brown, Keirn C.
Cosgriff, Kevin J.
Davies, Glyn T.
Dejban, Donna D.
Elkon, Nicole L.
Hasman, Thomas M.
Hilliard, Brenda I.
Jacobson, Tracey A.
Joshi, M. Kay
Kerrick, Donald L.
Millison, Cathy L.
Rice, Edward A.

TEXT_BODY

-----Original Message-----
From: Wechsler, William F.
Sent: Wednesday,
December 23, 1998 1:00 PM
To: Schwartz, Eric P.; Babbitt, James
F.
Cc: @MULTILAT - Multilateral and Humanitarian Affairs; @VP - VP Natl Security Affairs
Subject: Reorg, One more time [UNCLASSIFIED]

TRANSLATED_ATTACHMENT

8516 Reorganization -- Final POTUS Memo.doc

ACTION

COPY

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL R. BERGER

SUBJECT: Reorganization Plan for State, USIA, ACDA and AID

Purpose

To request your approval of the State's plan to integrate USIA and ACDA, as well as exercise direct authority over the USAID.

Background

On April 18, 1997, you approved a plan to reinvent our foreign policy agencies by integrating USIA and ACDA with State. You also directed that AID remain a distinct agency, but be put under the direct authority and foreign policy guidance of the Secretary of State. Authorization for this plan was included in this year's omnibus budget appropriation. As required by that legislation, Secretary Albright, in coordination with USIA, ACDA and AID, has produced a report to the Congress detailing the administration's reorganization plans. Treasury, OPM, GSA and OMB have also cleared this report. This report should be transmitted to the Hill by the end of the week.

While Leon Fuerth and I have some concerns about specific provisions of State's plan, they do not rise to the level where we believe you should overrule Madeleine on the management of her department. I therefore recommend that you approve State's plan as written. In making this decision, however, you should be aware of the plan's more controversial elements.

AID: Brian Atwood has long been concerned by the plan's provision for State Department review of AID's budget submissions, appeals and reprogrammings. Atwood and others want to ensure that long-term development funds not be diverted to meet the needs of short-term diplomacy. While I appreciate these concerns,

COPY

the plan's budgetary provisions do follow logically from your 1997 decision to put AID under the "direct authority" of the Secretary of State. Moreover, at our insistence, State and AID reached agreement this week on how to define State's role in "reviewing" AID's budget. I therefore recommend that you approve State's suggested language.

USIA: Although Joe Duffey has given his approval to the plan, he remains deeply concerned by the provision that USIA's Bureau of Information and its Bureau of Educational and Cultural Affairs are to be combined into one State Department Bureau of Public Diplomacy, headed by a single Assistant Secretary who will report to Duffey in his new position as Under Secretary. Other friends of the Fulbright Scholarships have also weighed in with you on this. They all would prefer that these two USIA bureaus each become separate State bureaus headed by different Assistant Secretaries. They stress the need to maintain a distinction between overseas public information programs, which are designed to further administration goals, and educational exchange programs, which are intended to be autonomous, independent, and nonpartisan. Merging these two bureaus, they argue, would be perceived as a downgrading of their roles and would reflect poorly on the successful reinvention program implemented by the USIA Bureau of Information.

Madeleine rejects the idea that her plan in any way minimizes the importance of international public information programs and points to the creation, through reorganization, of the Under Secretary for Public Diplomacy and Public Affairs.
Again, while I appreciate that Duffey's concern is a serious one, I do not believe it justifies your intervention. I accept Madeleine's argument that both public information campaigns and educational exchanges can be adequately managed together in one bureau without unduly giving the impression that State

COPY

has
downgraded the importance of key programs like the Fulbright Scholarships.

As you are already aware, however, many friends of the Fulbright program remain
distressed about reorganization. The core issue is the perception of rank. At
present, the Fulbright Staff Director reports to the USIA Associate Director for
Educational and Cultural Affairs. After reorganization, the Staff Director will
report to the Deputy Assistant Secretary of State for Educational Exchanges.
This new title for the Staff Director's supervisor will be the only change in the
Fulbright program; everything else -- separate appropriation lines and levels of
budget, staff, and support -- will remain the same as before. Program integrity
will be maintained because the Fulbright program will still report to a different
Deputy Assistant Secretary than the international public information programs.
In fact, such integrity will be bolstered since there will now be separate Deputy
Assistant for professional exchange programs.
On balance I believe that this issue of rank is overstated. Considering the
stature of others who hold that rank, many people would consider a Deputy
Assistant Secretary of State to be superior in status to a USIA Associate
Director. Moreover, State is committed to the Fulbright program and has given us
assurances that they will not allow reorganization to harm it. Creating an
entire State bureau headed by an Assistant Secretary just for exchange programs
-- the preferred course for some Fulbright supporters -- must be weighed in the
context of wider State organization. A key goal of our reinvention efforts is to
create a more efficient, leaner foreign affairs bureaucracy, not to create more
Assistant Secretaries. To that end the plan reduces five ACDA bureaus into three
State bureaus. An additional bureau for exchange programs should be weighed
against other subject areas that do not have that rank, such as

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counterterrorism.
Arguments such as these were aired throughout the debate over reorganization;
the result was that no agency formally opposed the final plan, not even USIA.

If however, you still remain concerned about the Fulbright program's equities,
you should be aware of a proposal that some in USIA have recently floated. You
could direct Madeleine to change the title of the Assistant Secretary whose
bureau will oversee the Fulbright program from the Assistant Secretary for Public
Diplomacy to the Assistant Secretary for International Information and Exchange
Programs. This would have the symbolic effect of raising the profile of programs
like Fulbright.

RECOMMENDATIONS

That you approve the State reorganization report as written and sign the attached
letters of transmittal.

Approve _____ Disapprove _____

That you direct the Secretary of State to create the title of Assistant Secretary
for International Information and Exchange Programs, vice Assistant Secretary for
Public Diplomacy.

Approve _____ Disapprove _____

Attachments
Tab A Letters of Transmittal
Tab B Reorganization Plan for the State, USIA, ACDA and AID
Tab C Fact Sheet
2

3

8516

cc: Vice President
Chief of Staff

COPY

COPY

Exchange Mail

DATE-TIME 12/23/98 2:43:22 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Reorg, One more time [UNCLASSIFIED]

TO
Wechsler, William F.
Bernard, Kenneth W.
Busby, Scott W.
Denniston, Richard L.
Guarnieri, Valerie N.
Hawley, Leonard R.
Hill, Roseanne M.
Kale, Dora A.
Malley, Robert
Naplan, Steven J.
Schwartz, Eric P.
Vaccaro, Jonathan M. (Matt)
Wippman, David
Babbitt, James F.
Babcock, Douglas W.
Black, Steven K.
Bolan, Christopher J.
Boulton, Darrien D.
Davidson, Leslie K.
Fuerth, Leon S.
Hilty, Joanne M.
Orfini, Michael H.
Osius, Theodore G.
Roberts, Michael W.
Rosshirt, Thomas M.
Saunders, Richard M.
Woolston, Ann E.

CARBON_COPY

TEXT_BODY

will: make sure OVP is comfortable with that name -- I have not checked that out. Also, I changed exchanges in one place to education and cultural affairs -- isn't that the correct title (please check).

-----Original Message-----
From: Wechsler, William F.
Sent: Wednesday,
December 23, 1998 1:00 PM

COPY

To: Schwartz, Eric P.; Babbitt, James F.
Cc: @MULTILAT - Multilateral and Humanitarian Affairs; @VP - VP Natl Security Affairs
Subject: Reorg, One more time [UNCLASSIFIED]

TRANSLATED_ATTACHMENT 8516 Reorganization -- Final POTUS Memo.doc

ACTION

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Background

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COPY

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Department review of AID's budget submissions, appeals and reprogrammings.
Atwood and others want to ensure that long-term development funds not be diverted
to meet the needs of short-term diplomacy. While I appreciate these concerns,
the plan's budgetary provisions do follow logically from your 1997 decision to
put AID under the "direct authority" of the Secretary of State. Moreover, at our
insistence, State and AID reached agreement this week on how to define State's
role in "reviewing" AID's budget. I therefore recommend that you approve State's
suggested language.

USIA: Although Joe Duffey has given his approval to the plan, he remains deeply
concerned by the provision that USIA's Bureau of Information and its Bureau of
Educational and Cultural Affairs are to be combined into one State Department
Bureau of Public Diplomacy, headed by a single Assistant Secretary who will
report to a new Under Secretary. Friends of the Fulbright Scholarships have also
weighed in with you on this. They would prefer that these two USIA bureaus each
become separate State bureaus headed by different Assistant Secretaries. They
stress the need to maintain a distinction between overseas public information
programs, which are designed to further administration goals, and educational
exchange programs, which are intended to be autonomous, independent, and
nonpartisan. Merging these two bureaus, they argue, would be perceived as a
downgrading of their roles. Others have argued that the merger would also
reflect poorly on the successful reinvention program implemented by

COPY

the USIA
Bureau of Information.

Madeleine rejects the idea that her plan in any way minimizes the importance of
current USIA programs programs and points to the creation, through reorganization, of the Under Secretary for Public Diplomacy and Public Affairs.
Again, while I appreciate that Duffey's concern is a serious one, I do not
believe it justifies your intervention. I accept Madeleine's argument that both
public information campaigns and educational exchanges can be adequately managed
together in one bureau without unduly giving the impression that State has
downgraded the importance of either, or of key programs like the Fulbright
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As you are already aware, however, many friends of the Fulbright program remain
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will be maintained because the Fulbright program will still report to a different
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stature of others who hold that rank, many people would consider a Deputy
Assistant Secretary of State to be superior in status to a USIA Associate
Director. Moreover, State is committed to the Fulbright program and has given us
assurances that they will not allow reorganization to harm it. Creating an

COPY

entire State bureau headed by an Assistant Secretary just for education and cultural affairs (including exchanges) -- the preferred course for some Fulbright supporters -- must be weighed in the context of wider State organization. A key goal of our reinvention efforts is to create a more efficient, leaner foreign affairs bureaucracy, not to create more Assistant Secretaries. To that end the plan reduces five ACDA bureaus into three State bureaus. An additional bureau for exchange programs should be weighed against other subject areas that do not have that rank, such as counterterrorism. Arguments such as these were aired throughout the debate over reorganization; the result was that no agency formally opposed the final plan, not even USIA.

If however, you still remain concerned about the Fulbright program's equities, you should be aware of a proposal that some in USIA have recently floated. You could direct Madeleine to change the title of the Assistant Secretary whose bureau will oversee the Fulbright program from the Assistant Secretary for Public Diplomacy to the Assistant Secretary for International Information and Exchange Programs. This could have the symbolic effect of raising the profile of programs like Fulbright.

RECOMMENDATIONS

That you approve the State reorganization report as written and sign the attached letters of transmittal.

Approve _____ Disapprove _____

That you direct the Secretary of State to create the title of Assistant Secretary for International Information and Exchange Programs, vice Assistant Secretary for Public Diplomacy.

Approve _____ Disapprove _____

COPY

Attachments
Tab A Letters of Transmittal
Tab B Reorganization Plan for the State, USIA, ACDA and AID
Tab C Fact Sheet
2

2

8516

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 12/23/98 2:58:31 PM

FROM Wechsler, William F.

CLASSIFICATION UNCLASSIFIED

SUBJECT Reorg, final [UNCLASSIFIED]

TO Davies, Glyn T.
Millison, Cathy L.

CARBON_COPY Bartlett, L. June
Brown, Keirn C.
Cosgriff, Kevin J.
Davies, Glyn T.
Dejban, Donna D.
Elkon, Nicole L.
Hasman, Thomas M.
Hilliard, Brenda I.
Jacobson, Tracey A.
Joshi, M. Kay
Kerrick, Donald L.
Millison, Cathy L.
Rice, Edward A.
Brown, Keirn C.
Dejban, Donna D.
Kerrick, Donald L.
Schwartz, Eric P.

TEXT_BODY

TRANSLATED_ATTACHMENT 8516 Reorganization -- Final POTUS Memo.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL R. BERGER

SUBJECT: Reorganization Plan for State, USIA, ACDA and AID

Purpose

To request your approval of the State's plan to integrate USIA and

COPY

ACDA, as well
as exercise direct authority over the USAID.

Background

On April 18, 1997, you approved a plan to reinvent our foreign policy agencies by
integrating USIA and ACDA with State. You also directed that AID remain a
distinct agency, but be put under the direct authority and foreign policy
guidance of the Secretary of State. Authorization for this plan was included in
this year's omnibus budget appropriation. As required by that legislation,
Secretary Albright, in coordination with USIA, ACDA and AID, has produced a
report to the Congress detailing the administration's reorganization plans.
These agencies, along with Treasury, OPM, GSA and OMB have cleared this report.
This report should be transmitted to the Hill by the end of the week.

While Leon Fuerth and I have some concerns about specific provisions of State's
plan, they do not rise to the level where we believe you should overrule
Madeleine on the management of her department. I therefore recommend that you
approve State's plan as written. In making this decision, however, you should be
aware of the plan's more controversial elements.

AID: Brian Atwood has long been concerned by the plan's provision for State
Department review of AID's budget submissions, appeals and reprogrammings.
Atwood and others want to ensure that long-term development funds not be diverted
to meet the needs of short-term diplomacy. While I appreciate these concerns,
the plan's budgetary provisions do follow logically from your 1997 decision to
put AID under the "direct authority" of the Secretary of State. Moreover, at our
insistence, State and AID reached agreement this week on how to define State's
role in "reviewing" AID's budget. I therefore recommend that you approve State's
suggested language.

COPY

USIA: Although Joe Duffey has given his approval to the plan, he remains deeply concerned by the provision that USIA's Bureau of Information and its Bureau of Educational and Cultural Affairs are to be combined into one State Department Bureau of Public Diplomacy, headed by a single Assistant Secretary who will report to a new Under Secretary. Friends of the Fulbright Scholarships have also weighed in with you on this. They would prefer that these two USIA bureaus each become separate State bureaus headed by different Assistant Secretaries. They stress the need to maintain a distinction between overseas public information programs, which are designed to further administration goals, and educational exchange programs, which are intended to be autonomous, independent, and nonpartisan. Merging these two bureaus, they argue, would be perceived as a downgrading of their roles. Others have also argued that the merger would reflect poorly on the successful reinvention program implemented by the USIA Bureau of Information.

Madeleine rejects the idea that her plan in any way minimizes the importance of current USIA programs and points to the creation, through reorganization, of the Under Secretary for Public Diplomacy and Public Affairs. Again, while I appreciate that Duffey's concern is a serious one, I do not believe it justifies your intervention. I accept Madeleine's argument that both public information campaigns and educational exchanges can be adequately managed together in one bureau without unduly giving the impression that State has downgraded the importance of either, or of key programs like the Fulbright Scholarships.

As you are already aware, however, many friends of the Fulbright program remain distressed about reorganization. The core issue is the perception of rank. At

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present, the Fulbright Staff Director reports to the USIA Associate Director for
Educational and Cultural Affairs. After reorganization, the Staff Director will
report to the Deputy Assistant Secretary of State for Educational Exchanges.
This new title for the Staff Director's supervisor will be the only change in the
Fulbright program; everything else -- separate appropriation lines and levels of
budget, staff, and support -- will remain the same as before. Program integrity
will be maintained because the Fulbright program will still report to a different
Deputy Assistant Secretary than the international public information programs.

On balance I believe that this issue of rank is overstated. Considering the
stature of others who hold that rank, many people would consider a Deputy
Assistant Secretary of State to be superior in status to a USIA Associate
Director. Moreover, State is committed to the Fulbright program and has given us
assurances that they will not allow reorganization to harm it. Creating an
entire State bureau headed by an Assistant Secretary just for education and
cultural affairs -- the preferred course for some Fulbright supporters -- must be
weighed in the context of wider State organization. A key goal of our
reinvention efforts is to create a more efficient, leaner foreign affairs
bureaucracy, not to create more Assistant Secretaries. To that end the plan
reduces five ACDA bureaus into three State bureaus. An additional bureau for
exchange programs should be weighed against other subject areas that do not hold
that rank, such as counterterrorism. Arguments such as these were aired
throughout the debate over reorganization; the result was that no agency formally
opposed the final plan, not even USIA.

If however, you still remain concerned about the Fulbright program's equities,
you should be aware of a proposal that some in USIA have recently floated. You
could direct Madeleine to change the title of the Assistant Secretary

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whose
bureau will oversee the Fulbright program from the "Assistant Secretary for
Public Diplomacy" to the "Assistant Secretary for International Information and
Exchange Programs." This could have the symbolic effect of raising the profile
of programs like the Fulbright Scholarships.

RECOMMENDATIONS

That you approve the State reorganization report as written and sign the attached
letters of transmittal.

Approve _____ Disapprove _____

That you direct the Secretary of State to create the title of Assistant Secretary
for International Information and Exchange Programs, vice Assistant Secretary for
Public Diplomacy.

Approve _____ Disapprove _____

Attachments
Tab A Letters of Transmittal
Tab B Reorganization Plan for the State, USIA, ACDA and AID
Tab C Fact Sheet

8516

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 2/5/99 2:38:47 PM

FROM Uyehara, Margaret A.

CLASSIFICATION UNCLASSIFIED

SUBJECT USIA Photo Essay Update [UNCLASSIFIED]

TO Bandler, Donald K.

CARBON_COPY McEldowney, Nancy E.

TEXT_BODY

I've checked with several people at USIA and State to see where this stands. Pat Kennedy apparently put a hold on the waiver legislation because of serious concerns that asking for the waiver now would have a negative impact on other legislation required to complete the foreign affairs agencies' reorganization process.

Both State and USIA are researching whether the pamphlet materials are sufficiently in the public domain to allow the Host Committee to simply repackage them under its logo and print for domestic distribution. The individual I spoke with at USIA was initially skeptical. Some 35 photos are copyrighted (nonUSG). In addition, Smith-Mund prohibits not just the domestic distribution of USIA materials, but also anything that could be considered the product of USIA staff time/labor.

Pat does not want to reconsider his decision on the legislation until he hears from the lawyers. Expect an answer Mon or Tues. If there are legal concerns that would make it exceedingly difficult for the HC to repackage the pamphlet without legislation, Don you should then call Pat and ask him to reweigh the risk of this legislation to the reorganization versus the summit's communications objectives.

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Exchange Mail

DATE-TIME 2/12/99 6:09:32 PM

FROM Uyehara, Margaret A.

CLASSIFICATION UNCLASSIFIED

SUBJECT Talking Points for Pat Kennedy Re: USIA Photo Essay [UNCLASSIFIED]

TO Bandler, Donald K.

CARBON_COPY

TEXT_BODY

Don: as requested, following are talking points for your call to PK to discuss the USIA photo essay

* Photo Essay is one of the centerpieces of our public relations strategy on the Summit. Had been counting on distributing the photo essay to domestic media, think tanks, and other influential opinion makers during the ramp up to the Summit.

* Understand Pat had a conversation with Bob Frowick and Phil Walls about the pamphlet, but want to be brought up to speed on Pat's thinking. How does Pat think the legislation will negatively effect the reorganization?

* Critical that we begin to get out background info on NATO that puts our spin on historical events. Part of that can be accomplished through the State Historian's essay on the history of NATO. However, the USIA photo essay, the writing of which the NSC carefully supervised, is a much more effective vehicle to promote our foreign policy objectives in the ramp up to the Summit.

* As Pat knows, due to the limitations of the Smith-Mund Act, cannot simply take the photo essay and repackage it under the Host Committee or other seal, and distribute domestically. Need Congressional authorization. Can still do it if we move fast. The plates, etc are in Manila. Once legislation is passed, simple matter to transfer funds and have extra copies printed. Much more complicated to start from scratch - won't be ready in time.

* Request he reconsider his objections to the legislative waiver.

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Exchange Mail

DATE-TIME 2/20/99 5:47:17 PM

FROM Naplan, Steven J.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Fulbright [UNCLASSIFIED]

TO Schwartz, Eric P.

CARBON_COPY Naplan, Steven J.

TEXT_BODY

per your voice mail, Bill Courtney is looking into this as of my 2/16 request to him.

I'll follow up with him. (haven't dropped the ball yet).

SN

-----Original Message-----
From: Sutphen, Mona K.
Sent: Saturday, February 13, 1999 2:31 PM
To: Schwartz, Eric P.
Cc: Kerrick, Donald L.; Wechsler, William F.; Naplan, Steven J.
Subject: RE: Fulbright [UNCLASSIFIED]

yep. i remember the back and forth on this from december. according to the letter, however, the president has 90 days (end of feb/mar??) to revisit his decision on reorganization. worth exploring... m

-----Original Message-----
From: Schwartz, Eric P.
Sent: Saturday, February 13, 1999 2:29 PM
To: Sutphen, Mona K.
Cc: Kerrick, Donald L.; Wechsler, William F.; Naplan, Steven J.
Subject: Fulbright [UNCLASSIFIED]

Mona:

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Re: President's
strong request that we look into complaints from his friends that the Fulbright program has been downgraded and compromised.

In
fact, I had a good deal of sympathy for the points that are reflected in the note to the President, but the tide was moving strongly in the other direction. As is all-too-often the case, whatever the merits of this issue (and you could argue it either way), merit had little to do with the final disposition; State had the power, and they jammed USIA.

With this new directive from the President,
we'll take another look and report back with some options if there are any.

Eric

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email attachment	Draft letter from Vice President Gore to Jane Slate Siena, re: Fulbright Program [partial] (1 page)	03/04/1999	P6/b(6)
002. email	Samore, Gary S. to Bell, Robert G. & Schwartz, Eric P. re: Request Concurrence by Friday Noon (6 pages)	03/04/1999	P5
003. email	Krass, Caroline D. to Schwartz re: Request Concurrence by Friday Noon (7 pages)	03/04/1999	P5
004. email	Baker, James E. to Krass re: Reorganization (3 pages)	03/04/1999	P5
005. email	Schwartz to Babbitt, James F. re: Action Memorandum for NSC (6 pages)	03/04/1999	P5
006. email	Bell to Bernard, Kenneth W. et al. re: Request Concurrence by Friday Noon (7 pages)	03/04/1999	P5
007. email	Schwartz to Bandler, Donald K. et al. re: Request Concurrence by Friday Noon (8 pages)	03/05/1999	P5
008. email	Schwartz to Kale, Dora A. re: Action Memorandum for NSC (7 pages)	03/05/1999	P5
009. email	Schwartz to Naplan, Steven J. re: [Memo to Patrick Kennedy] (2 pages)	03/06/1999	P5
010. email	Krass to Naplan re: Action Memorandum for NSC (7 pages)	03/08/1999	P5
011. email	Schwartz to Naplan et al. re: Reorg (3 pages)	03/11/1999	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

FOLDER TITLE:
[03/04/1999 - 03/19/1999]

Eric Holzer
2006-0208-F
eh192

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
012. email	Witkowsky, Anne A. to Bell re: Rqst Concur on #1605--Interim Rply re Foreign Affairs Reorg (5 pages)	03/15/1999	P5
013. email	Pascual, Carlos E. to Segal, Jack D. re: Rqst Concur on #1605--Interim Rply re Foreign Affairs Reorg (5 pages)	03/15/1999	P5
014. email	Witkowsky to Bernard et al. re: Rqst Concur on #1605--Interim Rply re Foreign Affairs Reorg (6 pages)	03/16/1999	P5
015. email	Davies, Glyn T. to Krass re: Delegating Authority to State on Reorg (2 pages)	03/18/1999	P5
016. email	Naplan to Schwartz re: Delegating Authority to State on Reorg (2 pages)	03/18/1999	P5
017. email	Krass to Baker, James E. re: Delegating Authority to State on Reorg (2 pages)	03/18/1999	P5
018. email	Baker, James E. to Krass re: Delegating Authority to State on Reorg (3 pages)	03/18/1999	P5
019. email	Naplan to Schwartz re: Delegating Authority to State on Reorg (2 pages)	03/18/1999	P5
020. email	Naplan to Schwartz re: Delegating Authority to State on Reorg (2 pages)	03/18/1999	P5
021. email	Babbitt to Fuerth, Leon S. & Saunders, Richard M. re: DOS Reorg (1 page)	03/19/1999	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

FOLDER TITLE:
[03/04/1999 - 03/19/1999]

Eric Holzer
2006-0208-F
eh192

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

Exchange Mail

DATE-TIME	3/4/99 12:03:50 PM
FROM	Samore, Gary S.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Request Concurrence by Friday noon [UNCLASSIFIED]
TO	Bell, Robert G. Schwartz, Eric P.
CARBON_COPY	
TEXT_BODY	Bob, See my proposed change to Eric's memo. I don't think we have a dog in this fight so I don't care how State works it out.

TRANSLATED_ATTACHMENT reorg 3-3.doc

March 3, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

COPY

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

Purpose

To obtain your guidance on key re-organization issues.

Background

Status: At the end of last year, we submitted -- pursuant to legislation -- a State reorganization plan to the Hill. The law provides that we now have until the end of March (90 days from initial submission of our plan) to present any modifications, based on consultations with Congress and further review. After that point, the plan is final.

Reaction to Our Plan: Concerns have been expressed on four issues, described below.

* Verification and Compliance on arms control issues

Sens. Biden and Helms are concerned that "the function of verification and compliance of arms control treaties would not [be] carried out by a separate bureau, as is now the case in the Arms Control and Disarmament Agency," and instead would be performed by a "Special Adviser" to the Undersecretary for Arms Control and International Security Affairs. State believes that its proposed arrangement will not compromise our efforts in this area, and NSC Defense and NSC Nonproliferation both concur. As part of an overall agreement with Congress on reorganization, Holum is prepared to agree to make the "Special Adviser" a Senate-confirmed position or even to accept establishment of a separate bureau for Verification and Compliance. NSC Defense (?) and NSA Nonproliferation do not oppose these outcomes. Thus, we recommend no action on your part.

* Creation of an East European Bureau

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Biden and Helms say they are strongly opposed to this bureau, arguing that the proposal conflicts with our stated goal of a "Europe, whole and free." Strobe is deeply committed to making this happen, and Carlos strongly recommends we defer to State on it. Pat Kennedy seems to believe this issue is workable, and NSC staff recommends no action on your part.

* Combining USIA's former bureaus for Educational and Cultural Affairs (which handles Fulbright) and Information (currently USIA's policy arm) into one bureau under the Undersecretary for Public Diplomacy.

Biden and Helms argue against this shift, for legal and policy reasons. On legal grounds, they argue that there is a separate, pre-existing, statutory authority for a bureau that deals with Educational and Cultural exchanges, and that the relevant statute does not permit that bureau to operate other programs. (State/L seems to believe that you could argue the legal issue either way; we have asked NSC Legal to evaluate the legal question.)

Whichever way you come out on the legal issue an important policy question remains, and the President has heard from many of his friends and acquaintances on this issue. Bev Lindsey pressed Glyn for a meeting with the President for her or Lee Williams, and the President sent you a note asking whether we could do anything to address Williams's concerns. The President has also heard from Marsha Scott on this, and the Vice President's office has also received many letters.

Criticism of State Plan: Under the plan, USIA's Bureau of Bureau of Educational and Cultural Affairs and its Bureau of Information (which, again, handles strategy and policy on public diplomacy) are to be combined into one State Department bureau, headed by a single Assistant Secretary who will

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report to the
Undersecretary. USIA and others have urged that these two USIA bureaus each
become a State bureau and each be headed by a separate Assistant Secretary. They
have stressed the need to maintain a distinction between overseas public
information programs, which are designed to further administration goals, and
educational exchange programs, which are intended to be autonomous, independent,
and nonpartisan. Merging these two bureaus, they argue, would be perceived as a
downgrading of their roles and would reflect poorly on the successful reinvention
program implemented by the USIA Bureau of Information. State has resisted the
notion that its plan minimizes the importance of international public information
programs, and points to the creation, through reorganization, of the Under
Secretary for Public Diplomacy and Public Affairs.

In a memo to the President late last year, you expressed some sympathy to USIA's
concern, but added that you did not believe the concerns justified the President's intervention.

Given that USIA's position has merit, the negative congressional reaction to the
proposal (which could spur legislation to undue State's decision), and the
President's request that you explore this issue, we recommend that one-versus-two
bureau question be revisited. As a first step, we would recommend that State be
asked to at least reconsider its initial decision. If State is not prepared to
establish two new bureaus, we recommend that this issue be re-presented to the
President in an options memo, with each position fairly described. The

President's expressions of interest on this issue suggest he should have the
chance to consider it before a final decision is made that would so anger so many
persons whose views he values.

* AID/State Coordination

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At the time that reorganization comes into effect on April 1, old USG foreign aid authorities will cease to exist, the AID Administrator will come under the direct authority of the Secretary of State (while AID will retain its status as an independent agency), and the President will delegate to the Secretary of State authorities for foreign assistance activities -- which she will then re-delegate to the AID Administrator. All that is agreed upon.

There is, however, an important dispute between State and AID on the nature of State-AID coordination. In essence, AID would like to strengthen coordination through joint State-AID review of policy and programs in-country and, essentially, at the Assistant Secretary level. In addition, the Secretary would review AID's budget and strategic plan at the end of these inter-agency reviews.

State would like to go further, and create a State-chaired "Central Mechanism" (the Assistance Coordinating Group), chaired by State, and responsible for all aspects of State/AID coordination, including budget and appeals, AID's strategic plan, and AID's congressional presentation.

The Vice President believes, and we concur, that this proposal would undermine the authority of the AID Administrator and could risk rendering meaningless the notion that AID remains as an independent agency. In Multilateral's view, State's proposal is "virtual integration," which is not the reorganization decision taken by the President.

We recommend pushing back hard on this, and asking that State ensure it is resolved prior to the issuance of the aforementioned EO.

Concurrence by: Gary Samore, Bob Bell, Will Wechsler, Caroline Krass, OVP (Babbit)

RECOMMENDATIONS

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On the ACDA and East Europe issues, that NSC take no action and continue to defer
to the Department of State.

Approve _____ Disapprove _____

On the USIA issue, that NSC and OVP inquire with State on the possibility of
creating two bureaus out of Education and Cultural Affairs and Information and,
if State does not agree this may be feasible, that we present this issue to the
President with State views fairly described.

Approve _____ Disapprove _____

On the AID issue, that NSC and OVP indicate that we are not comfortable with the
current State approach, which creates a State-chaired coordinating body.

Approve _____ Disapprove _____

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Exchange Mail

DATE-TIME	3/4/99 1:52:06 PM
FROM	Krass, Caroline D.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Request Concurrence by Friday noon [UNCLASSIFIED]
TO	Schwartz, Eric P.
CARBON_COPY	Bell, Robert G. Samore, Gary S. Wechsler, William F. Allen, Charles A. Baker, James E. DeRosa, Mary B. Hunerwadel, Joan S. Krass, Caroline D.

TEXT_BODY

Eric -- Attached are Legal's changes to the first version of the document. We will mark our changes to the revised AID section in a separate e-mail. Please let us see the final for our signature.

-----Original
Message-----
From: Schwartz, Eric P.
Sent: Thursday, March 04,
1999 11:28 AM
To: Bell, Robert G.; Samore, Gary S.; Wechsler, William
F.; Krass, Caroline D.
Cc: Naplan, Steven J.; Kerrick, Donald L.;
Davies, Glyn T.; Sutphen, Mona K.; Kale, Dora A.
Subject: Request
Concurrence by Friday noon [UNCLASSIFIED]

To all:

Need concurrences
by noon on Friday.

Info copies (no action required) for Gen. Kerrick,
Glyn Davies, Mona, and Steve N.

Thanks.

Eric

COPY

TRANSLATED_ATTACHMENT reorg 3-3.doc

March 3, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

Purpose

To obtain your guidance on key re-organization issues.

Background

Status: At the end of last year, we submitted -- pursuant to the Foreign Affairs
Reform and Restructuring Act of 1998 (the "Act") -- a State reorganization plan
to the Hill. The Act provides that we may, based on consultations with Congress,
present any modifications or revisions to the plan until the end of March (for
the portions of the plan that affect ACDA, the U.S. International Development
Cooperation Agency, or AID) and until the end of September (for the portions of

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the plan that affect USIA.) After that point, the plan is final. [Eric: The Act also provides discretion for the President to determine that the effective date of the plan will be earlier than either the end of March, or the end of September for USIA, so long as the effective date of the plan is at least 90 days after the plan was initially submitted to the Hill. Is this authority being used to include USIA in the revised plan to be submitted by the end of March?]

Reaction to Our Plan: Concerns have been expressed on four issues, described below.

* Verification and Compliance on arms control issues

Sens. Biden and Helms are concerned that "the function of verification and compliance of arms control treaties would not [be] carried out by a separate bureau, as is now the case in the Arms Control and Disarmament Agency," and instead would be performed by a "Special Adviser" to the Undersecretary for Arms Control and International Security Affairs. State believes that its proposed arrangement will not compromise our efforts in this area, and NSC Defense and NSC Arms Control both concur. Thus we recommend no action on your part.

* Creation of an East European Bureau

Biden and Helms say they are strongly opposed to this bureau, arguing that the proposal conflicts with our stated goal of a "Europe, whole and free." Strobe is deeply committed to making this happen, and Carlos strongly recommends we defer to State on it. Pat Kennedy seems to believe this issue is workable, and NSC staff recommends no action on your part.[move bullet to left margin]
* Combining USIA's former bureaus for Educational and Cultural Affairs (which handles Fulbright) and Information (currently USIA's policy arm) into one bureau under the Undersecretary for Public Diplomacy.

COPY

Biden and Helms argue against this shift, for legal and policy reasons. On legal grounds, they argue that there is separate, pre-existing, statutory authority for a bureau that deals with Educational and Cultural exchanges, and that the relevant statute does not permit that bureau to operate other programs. NSC Legal and State/L believe, however, that the combination of the two bureaus is a legally available option.

Criticism of State Plan: Under the plan, USIA's Bureau of Educational and Cultural Affairs and its Bureau of Information (which handles strategy and policy on public diplomacy) are to be combined into one State Department bureau, headed by a single Assistant Secretary who will report to the Undersecretary. USIA and others have urged that these two USIA bureaus each become a State bureau and each be headed by a separate Assistant Secretary. They have stressed the need to maintain a distinction between overseas public information programs, which are designed to further administration goals, and educational exchange programs, which are intended to be autonomous, independent, and nonpartisan. Merging these two bureaus, they argue, would be perceived as a downgrading of their roles and would reflect poorly on the successful reinvention program implemented by the USIA Bureau of Information. State has resisted the notion that its plan minimizes the importance of international public information programs, and points to the creation, through reorganization, of the Under Secretary for Public Diplomacy and Public Affairs.

In a memo to the President late last year, you expressed some sympathy to USIA's concern, but added that you did not believe the concerns justified the President's intervention.

COPY

Given that USIA's position has merit, the negative congressional reaction to the proposal (which could spur legislation to undo State's decision), and the President's request that you explore this issue (he sent you a note last xxx), we recommend that the one-versus-two bureau question be revisited. As a first step, we would recommend that State be asked to at least reconsider its initial decision. If State is not prepared to establish two new bureaus, we recommend that this issue be re-presented to the President in an options memo, with each position fairly described. The President's expressions of interest on this issue suggest he should have the chance to consider it before a final decision is made.

Note Legal's changes in next version of this section.

* AID/State Coordination At the time that reorganization comes into effect on April 1, old USG foreign aid authorities will cease to exist, the AID Administrator will come under the direct authorityof the Secretary of State (while AID will retain its status as an independent agency), and the President will delegate to the Secretary of State authorities for foreign assistance activities -- which she will then re-delegate to the AID Administrator. All that is agreed upon.

There is, however, an important dispute between State and AID on the nature of State-AID coordination. In essence, AID would like to strengthen coordination through joint State-AID review of policy and programs in-country and, essentially, at the Assistant Secretary level. In addition, the Secretary would review AID's budget and strategic plan at the end of these inter-agency reviews.

State would like to go further, and create a State-chaired "Central Mechanism" (the Assistance Coordinating Group), chaired by State, and responsible for all

COPY

aspects of State/AID coordination, including budget and appeals, AID's strategic
plan, and AID's congressional presentation.

The Vice President believes, and we concur, that this proposal would undermine
the authority of the AID Administrator and could risk rendering meaningless the
notion that AID remains as an independent agency. In Multilateral's view,
State's proposal is "virtual integration," which is not the reorganization
decision taken by the President.

We recommend pushing back hard on this, and asking that State ensure it is
resolved prior to the issuance of the aforementioned EO.

Concurrence by: Gary Samore, Bob Bell, Will Wechsler, Caroline Krass, OVP (Babbit)

RECOMMENDATIONS

On the ACDA and East Europe issues, that NSC take no action and continue to defer
to the Department of State.

Approve _____ Disapprove _____

On the USIA issue, that NSC and OVP inquire with State on the possibility of
creating two bureaus out ofEducation and Cultural Affairs and Information and, if
State does not agree this may be feasible, that we present this issue to the
President with State views fairly described.

Approve _____ Disapprove _____

On the AID issue, that NSC and OVP indicate that we are not comfortable with the
current State approach, which creates a State-chaired coordinating body.

Approve _____ Disapprove _____

COPY

COPY

Exchange Mail

DATE-TIME 3/4/99 2:33:28 PM

FROM Baker, James E.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Reorganization [UNCLASSIFIED]

TO Krass, Caroline D.

CARBON_COPY

TEXT_BODY

Very well done.

-----Original Message-----
From: Krass, Caroline
D.
Sent: Thursday, March 04, 1999 2:19 PM
To: Schwartz, Eric P.
Cc: @MULTILAT
- Multilateral and Humanitarian Affairs; @LEGAL - Legal Advisor;
Wechsler, William F.; Kerrick, Donald L.; Davies, Glyn T.
Subject: RE:
Reorganization [UNCLASSIFIED]

Eric:

We believe that State is
correct that, under the Foreign Affairs Reform and Restructuring Act of 1998, any modifications or revisions to the reorganization plan must be made either before April 1 (for portions of the plan affecting ACDA, AID, and the US International Development Cooperation Agency) or before October 1 (for portions of the plan affecting USIA). The Act permits the President to make these deadlines even earlier, for example if he wants to have the USIA portion of the plan become effective on the same date as the rest of the plan, provided that the plan may not go into effect until at least 90 days after our original transmission.

If the President delegates his authority
to modify or revise the reorganization plan to the Secretary, she remains legally subject to his direction. However, as you point out, there may be process/policy reasons to resist such a delegation if we want to ensure that NSC remains actively consulted.

We would
be happy to concur in the delegation package if you decide that as

COPY

a policy matter, you would like to go forward with it.

-----Original
Message-----
From: Schwartz, Eric P.
Sent: Thursday, March 04,
1999 6:26 AM
To: @LEGAL - Legal Advisor
Cc: @MULTILAT - Multilateral
and Humanitarian Affairs; Wechsler, William F.; Kerrick, Donald L.;
Davies, Glyn T.
Subject: Reorganization [UNCLASSIFIED]

To Legal:

(For
info addressees, no action required)
Dora: Please attach this e-mail
to package 1200 and forward to Legal)

Issue: Reorganization/legal
requirement.

Time sensitivity: issue below probably needs decision
within next 10 days-two weeks, but your judgment sooner than that.

Importance:
High -- final State reorganization package may depend on it.

Details:
Under reorganization legislative provisions as we understand them,
President has until end of this month to submit final reorganization
modifications of plan he first submitted to Congress at end of last
year. According to Pat Kennedy at State, if we do not submit modifications
by then, the plan as first delivered at the end of last year stands
as our plan forever (or at least until modified legislatively).
This is not acceptable outcome, as both State and NSC recognize need
for some modifications.

State proposal: To avoid delays, State
proposes delegating to the Secretary of State what appears to be
a Presidential authority to provide the modifications. State assures
me that the modifications will be interagency-cleared; that this
is not an attempt to circumvent that process, only to ensure we are
not late.

Request: First, is State correct on the "don't miss
the boat" concern? If we are late, does our initial report stand
forever -- is that really the risk we face? If so, are there nonetheless
reasons not to delegate? On policy, I expect White House and State

COPY

may have specific differences over the modifications (due, in fact, to Presidential predilections). Does that argue for us to retain this authority, at least until we are sure there is an agreed-upon NSC-State position on modifications?

I am forwarding the package to you for your review and action.

Eric

COPY

Exchange Mail

DATE-TIME 3/4/99 5:01:25 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Action Memorandum for NSC [UNCLASSIFIED]

TO Babbitt, James F.

CARBON_COPY

TEXT_BODY

-----Original Message-----
From: Krass, Caroline D.
Sent: Thursday,
March 04, 1999 1:56 PM
To: Schwartz, Eric P.
Cc: Samore, Gary S.;
Bell, Robert G.; Wechsler, William F.; @LEGAL - Legal Advisor
Subject: Action
Memorandum for NSC [UNCLASSIFIED]

Attached are Legal's comments
to the AID section of the revised version of Eric's memorandum.

TRANSLATED_ATTACHMENT reorg 3-32newaid.doc

MASTER MASTER MASTER
March 3, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

Purpose

To obtain your guidance on key re-organization issues.

COPY

Background

Status: Status: At the end of last year, we submitted -- pursuant to the Foreign Affairs Reform and Restructuring Act of 1998 (the "Act") -- a State reorganization plan to the Hill. The Act provides that we may, based on consultations with Congress, present any modifications or revisions to the plan until the end of March (for the portions of the plan that affect ACDA, the U.S. International Development Cooperation Agency, or AID) and until the end of September (for the portions of the plan that affect USIA.) After that point, the plan is final. [Eric: The Act also provides discretion for the President to determine that the effective date of the plan will be earlier than either the end of March, or the end of September for USIA, so long as the effective date of the plan is at least 90 days after the plan was initially submitted to the Hill. Is this authority being used to include USIA in the revised plan to be submitted by the end of March?]

Reaction to Our Plan: Concerns have been expressed on four issues, described below.

* Verification and Compliance on arms control issues

Sens. Biden and Helms are concerned that "the function of verification and compliance of arms control treaties would not [be] carried out by a separate bureau, as is now the case in the Arms Control and Disarmament Agency," and instead would be performed by a "Special Adviser" to the Undersecretary for Arms Control and International Security Affairs. State believes that its proposed arrangement will not compromise our efforts in this area, and NSC Defense and NSC Arms Control both concur. Thus we recommend no action on your part.

COPY

Nonproliferation both concur. As part of an overall agreement with Congress on reorganization, Holum is prepared to agree to make the "Special Adviser" a Senate-confirmed position or even to accept establishment of a separate bureau for Verification and Compliance. NSC Defense (?) and NSA Nonproliferation do not oppose these outcomes.

* Creation of an East European Bureau

Biden and Helms say they are strongly opposed to this bureau, arguing that the proposal conflicts with our stated goal of a "Europe, whole and free." Strobe is deeply committed to making this happen, and Carlos strongly recommends we defer to State on it. Pat Kennedy seems to believe this issue is workable, and NSC staff recommends no action on your part.

move bullet to left margin]
* Combining USIA's former bureaus for Educational and Cultural Affairs (which handles Fulbright) and Information (currently USIA's policy arm) into one bureau under the Undersecretary for Public Diplomacy.

Biden and Helms argue against this shift, for legal and policy reasons. On legal grounds, they argue that there is separate, pre-existing, statutory authority for a bureau that deals with Educational and Cultural exchanges, and that the relevant statute does not permit that bureau to operate other programs. NSC Legal and State/L believe, however, that the combination of the two bureaus is a legally available option.

Criticism of State Plan: Under the plan, USIA's Bureau of Educational and Cultural Affairs and its Bureau of Information (which handles strategy and policy on public diplomacy) are to be combined into one State Department bureau, headed by a single Assistant Secretary who will report to the Undersecretary.

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USIA and
others have urged that these two USIA bureaus each become a State bureau and each
be headed by a separate Assistant Secretary. They have stressed the need to
maintain a distinction between overseas public information programs, which are
designed to further administration goals, and educational exchange programs,
which are intended to be autonomous, independent, and nonpartisan. Merging these
two bureaus, they argue, would be perceived as a downgrading of their roles and
would reflect poorly on the successful reinvention program implemented by the
USIA Bureau of Information. State has resisted the notion that its plan

minimizes the importance of international public information programs, and points
to the creation, through reorganization, of the Under Secretary for Public
Diplomacy and Public Affairs.

In a memo to the President late last year, you expressed some sympathy to USIA's
concern, but added that you did not believe the concerns justified the President's intervention.

Given that USIA's position has merit, the negative congressional reaction to the
proposal (which could spur legislation to undo State's decision), and the
President's request that you explore this issue (he sent you a note last xxx), we
recommend that the one-versus-two bureau question be revisited. As a first step,
we would recommend that State be asked to at least reconsider its initial
decision. If State is not prepared to establish two new bureaus, we recommend
that this issue be re-presented to the President in an options memo, with each
position fairly described. The President's expressions of interest on this issue
suggest he should have the chance to consider it before a final decision is made.

* * AID/State Coordination

At the time that reorganization comes into effect on April 1, the

COPY

current
delegations of authority under which AID operates will cease to be effective. In
addition, the AID Administrator will come under the direct authority and foreign
policy guidance of the Secretary of State (although AID will be an independent
establishment within the executive branch). All agree that, on or before April
1, he President will need to issue an executive order delegating to the Secretary
of State authorities for carrying out foreign assistance activities. There will
then be a subsequent delegation of authorities from the Secretary of State to the
AID Administrator.
There is, however, an important dispute between State and AID on the nature of
State-AID coordination. In essence, AID would like to strengthen coordination
through joint State-AID review of policy and programs in-country and,
essentially, at the Assistant Secretary level. [What does "essentially" at the
A/S level mean?] In addition, the Secretary would review AID's budget and
strategic plan at the end of these reviews.

State would like to go further and create a "Central Mechanism" (the Assistance
Coordinating Group), chaired by State, and responsible for all aspects of
State/AID coordination, including budget and appeals, AID's strategic plan, and
AID's congressional relations.

The Vice President believes, and we concur, that this proposal would undermine
the authority of the AID Administrator and could risk rendering meaningless the
notion that AID remains as an independent entity. In Multilateral's view,
State's proposal is "virtual integration," which is not the reorganization
decision taken by the President.

We recommend pushing back hard on this, and asking that State ensure it is
resolved prior to the issuance of the aforementioned executive order.

COPY

Concurrence by: Gary Samore, Bob Bell, Will Wechsler, Caroline Krass, OVP (Babbit)

RECOMMENDATIONS

On the ACDA and East Europe issues, that NSC take no action and continue to defer
to the Department of State.

Approve _____ Disapprove _____

On the USIA issue, that NSC and OVP inquire with State on the possibility of
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if State does not agree this may be feasible, that we present this issue to the
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Approve _____ Disapprove _____

On the AID issue, that NSC and OVP indicate that we are not comfortable with the
current State approach, which creates a State-chaired coordinating body.

Approve _____ Disapprove _____

COPY

Exchange Mail

DATE-TIME	3/4/99 8:14:07 PM
FROM	Bell, Robert G.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Request Concurrence by Friday noon [UNCLASSIFIED]
TO	Bernard, Kenneth W. Busby, Scott W. Denniston, Richard L. Guarnieri, Valerie N. Hill, Roseanne M. Kale, Dora A. Keenan, Josefine (Chris) Malley, Robert Naplan, Steven J. Schwartz, Eric P. Stromseth, Jane E. Vaccaro, Jonathan M. (Matt) Williamson, Joel E. Wippman, David
CARBON_COPY	Andreasen, Steven P. Bell, Robert G. Bouchard, Joseph F. Kelly, Sandra L. Mulligan, George D. Peterman, David (Brian) Pimentel, Betsy J. vonLipsey, Roderick K. Wasserman, Elaine P. Witkowsky, Anne A. Caravelli, John M. Edwards, Joan K. Harris, Elisa D. Samore, Gary S. Tucker, Maureen E. Barnett, Cheryl E. Elkind, Jonathan H. Faranda, Regina D. Kaufman, Stuart J. Pascual, Carlos E. Segal, Jack D. Silva, Mary Ann T. Weiss, Andrew S.

COPY

TEXT_BODY

Eric:

I have been on the run all day and just called up this email/doc. Don't know if you already sent memo in final per noon deadline or not. If not, several points:
* I agree with gary's edit.
* I agree
that NSC/Defense thinks the State arrangement on the verification office, as revised by Gary, should be workable (the Helms/Biden position
is 99% Helms and 1% Biden going along in the name of bipartisanship,
with an assist from Biden staffer Ed Levine, who has an long intel background).
* Main question: what do our Europe and Legis Affairs Senior Directors think about the Europe "whole and free" issue? They're not down for concurrence but it strikes me that Miles would have an important view of the implications of opposing Helms/Biden on the separate Eastern Europe Asst Sec issue, particularly in a case in which the Chairman and Ranking on the parent committee of jurisdiction seem so united and so passionate (don't know how/why Pat Kennedy think this is manageable). And I'd be curious as to whether Tony Blinken thinks there is an argument here on the merits for unification. On first impressions, seems a reasonable argument to me.

-----Original Message-----
From: Samore, Gary S.
Sent: Thursday,
March 04, 1999 12:04 PM
To: Bell, Robert G.; Schwartz, Eric P.
Subject: FW:
Request Concurrence by Friday noon [UNCLASSIFIED]

Bob, See my
proposed change to Eric's memo. I don't think we have a dog in this fight so I don't care how State works it out.

COPY

TRANSLATED_ATTACHMENT reorg 3-3.doc

March 3, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

Purpose

To obtain your guidance on key re-organization issues.

Background

Status: At the end of last year, we submitted -- pursuant to legislation -- a
State reorganization plan to the Hill. The law provides that we now have until
the end of March (90 days from initial submission of our plan) to present any
modifications, based on consultations with Congress and further review. After
that point, the plan is final.

Reaction to Our Plan: Concerns have been expressed on four issues, described
below.

* Verification and Compliance on arms control issues

Sens. Biden and Helms are concerned that "the function of verification and
compliance of arms control treaties would not [be] carried out by a separate
bureau, as is now the case in the Arms Control and Disarmament

COPY

Agency," and
instead would be performed by a "Special Adviser" to the Undersecretary for Arms
Control and International Security Affairs. State believes that its proposed
arrangement will not compromise our efforts in this area, and NSC Defense and NSC
Nonproliferation both concur. As part of an overall agreement with Congress on
reorganization, Holum is prepared to agree to make the "Special Adviser" a
Senate-confirmed position or even to accept establishment of a separate bureau
for Verification and Compliance. NSC Defense (?) and NSA Nonproliferation do not
oppose these outcomes. Thus, we recommend no action on your part:

* Creation of an East European Bureau

Biden and Helms say they are strongly opposed to this bureau, arguing that the
proposal conflicts with our stated goal of a "Europe, whole and free." Strobe is
deeply committed to making this happen, and Carlos strongly recommends we defer
to State on it. Pat Kennedy seems to believe this issue is workable, and NSC
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* Combining USIA's former bureaus for Educational and Cultural Affairs (which
handles Fulbright) and Information (currently USIA's policy arm) into one bureau
under the Undersecretary for Public Diplomacy.

Biden and Helms argue against this shift, for legal and policy reasons. On legal
grounds, they argue that there is a separate, pre-existing, statutory authority
for a bureau that deals with Educational and Cultural exchanges, and that the
relevant statute does not permit that bureau to operate other programs. (State/L
seems to believe that you could argue the legal issue either way; we have asked
NSC Legal to evaluate the legal question.)

Whichever way you come out on the legal issue an important policy question
remains, and the President has heard from many of his friends and

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acquaintances
on this issue. Bev Lindsey pressed Glyn for a meeting with the President for her
or Lee Williams, and the President sent you a note asking whether we could do
anything to address Williams's concerns. The President has also heard from
Marsha Scott on this, and the Vice President's office has also received many
letters.

Criticism of State Plan: Under the plan, USIA's Bureau of Bureau of Educational
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strategy and policy on public diplomacy) are to be combined into one State
Department bureau, headed by a single Assistant Secretary who will report to the
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Secretary for Public Diplomacy and Public Affairs.

In a memo to the President late last year, you expressed some sympathy to USIA's
concern, but added that you did not believe the concerns justified the President's intervention.

Given that USIA's position has merit, the negative congressional reaction to the
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President's expressions of interest on this issue suggest he should have the chance to consider it before a final decision is made that would so anger so many persons whose views he values.

* AID/State Coordination

At the time that reorganization comes into effect on April 1, old USG foreign aid authorities will cease to exist, the AID Administrator will come under the direct authority of the Secretary of State (while AID will retain its status as an independent agency), and the President will delegate to the Secretary of State authorities for foreign assistance activities -- which she will then re-delegate to the AID Administrator. All that is agreed upon.

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Approve _____ Disapprove _____

COPY

Exchange Mail

DATE-TIME 3/5/99 5:40:10 AM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Request Concurrence by Friday noon [UNCLASSIFIED]

TO
Bandler, Donald K.
Blinken, Antony J.
Braden, Susan R.
Brown, Keirn C.
Butler, Lawrence E.
Flanagan, Stephen J.
Gordon, Philip H.
Holtzapple, Richard A.
Hurley, C. Michael
Marshall, Betty A.
Maxfield, Nancy H.
McEldowney, Nancy E.
Quinn, Mary E.
Sapiro, Miriam E.
Schulte, Gregory L.
Uyehara, Margaret A.
Burrell, Christina L.
Lackey, Miles M.
Tavlarides, Mark J.
Andreasen, Steven P.
Bell, Robert G.
Bouchard, Joseph F.
Kelly, Sandra L.
Mulligan, George D.
Peterman, David (Brian)
Pimentel, Betsy J.
vonLipsey, Roderick K.
Wasserman, Elaine P.
Witkowsky, Anne A.

CARBON_COPY

TEXT_BODY

Tony and Miles: need to here from you by noon: :

Miles, you already concurred, but I will give you another shot based on Counsellor Bell's comments. My reference to Kennedy was based on comments he made to me almost in passing. Tony B., do you want to weigh in here?

COPY

Eric

-----Original Message-----
From: Bell, Robert G.
Sent: Thursday,
March 04, 1999 8:14 PM
To: @MULTILAT - Multilateral and Humanitarian
Affairs
Cc: @DEFENSE - Defense Policy; @NONPRO - Export Controls;
@RUSSIA - Russia/Ukraine
Subject: FW: Request Concurrence by Friday
noon [UNCLASSIFIED]

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just called up this email/doc. Don't know if you already sent memo in final per noon deadline or not. If not, several points:
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* I agree that NSC/Defense thinks the State arrangement
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Sent: Thursday, March 04, 1999 12:04 PM
To: Bell, Robert
G.; Schwartz, Eric P.
Subject: FW: Request Concurrence by Friday
noon [UNCLASSIFIED]

COPY

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TRANSLATED_ATTACHMENT reorg 3-3.doc

March 3, 1999

ACTION

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Biden and Helms argue against this shift, for legal and policy reasons. On legal grounds, they argue that there is a separate, pre-existing, statutory authority for a bureau that deals with Educational and Cultural exchanges, and that the relevant statute does not permit that bureau to operate other programs. (State/L seems to believe that you could argue the legal issue either way; we have asked NSC Legal to evaluate the legal question.)

Whichever way you come out on the legal issue an important policy question remains, and the President has heard from many of his friends and acquaintances on this issue. Bev Lindsey pressed Glyn for a meeting with the President for her or Lee Williams, and the President sent you a note asking whether we could do anything to address Williams's concerns. The President has also heard from Marsha Scott on this, and the Vice President's office has also received many letters.

Criticism of State Plan: Under the plan, USIA's Bureau of Bureau of Educational and Cultural Affairs and its Bureau of Information (which, again, handles strategy and policy on public diplomacy) are to be combined into one State Department bureau, headed by a single Assistant Secretary who will report to the Undersecretary. USIA and others have urged that these two USIA bureaus each become a State bureau and each be headed by a separate Assistant Secretary. They have stressed the need to maintain a distinction between overseas public information programs, which are designed to further administration goals, and educational exchange programs, which are intended to be autonomous, independent, and nonpartisan. Merging these two bureaus, they argue, would be perceived as a downgrading of their roles and would reflect poorly on the successful reinvention

COPY

program implemented by the USIA Bureau of Information. State has resisted the notion that its plan minimizes the importance of international public information programs, and points to the creation, through reorganization, of the Under Secretary for Public Diplomacy and Public Affairs.

In a memo to the President late last year, you expressed some sympathy to USIA's concern, but added that you did not believe the concerns justified the President's intervention.

Given that USIA's position has merit, the negative congressional reaction to the proposal (which could spur legislation to undue State's decision), and the President's request that you explore this issue, we recommend that one-versus-two bureau question be revisited. As a first step, we would recommend that State be asked to at least reconsider its initial decision. If State is not prepared to establish two new bureaus, we recommend that this issue be re-presented to the President in an options memo, with each position fairly described. The

President's expressions of interest on this issue suggest he should have the chance to consider it before a final decision is made that would so anger so many persons whose views he values.

* AID/State Coordination

At the time that reorganization comes into effect on April 1, old USG foreign aid authorities will cease to exist, the AID Administrator will come under the direct authority of the Secretary of State (while AID will retain its status as an independent agency), and the President will delegate to the Secretary of State authorities for foreign assistance activities -- which she will then re-delegate to the AID Administrator. All that is agreed upon.

There is, however, an important dispute between State and AID on the nature of State-AID coordination. In essence, AID would like to strengthen

COPY

coordination
through joint State-AID review of policy and programs in-country and,
essentially, at the Assistant Secretary level. In addition, the Secretary would
review AID's budget and strategic plan at the end of these inter-agency reviews.

State would like to go further, and create a State-chaired "Central Mechanism"
(the Assistance Coordinating Group), chaired by State, and responsible for all
aspects of State/AID coordination, including budget and appeals, AID's strategic
plan, and AID's congressional presentation.

The Vice President believes, and we concur, that this proposal would undermine
the authority of the AID Administrator and could risk rendering meaningless the
notion that AID remains as an independent agency. In Multilateral's view,
State's proposal is "virtual integration," which is not the reorganization
decision taken by the President.

We recommend pushing back hard on this, and asking that State ensure it is
resolved prior to the issuance of the aforementioned EO.

Concurrence by: Gary Samore, Bob Bell, Will Wechsler,
Caroline Krass, OVP (Babbit)

RECOMMENDATIONS

On the ACDA and East Europe issues, that NSC take no action and continue to defer
to the Department of State.

Approve _____ Disapprove _____

On the USIA issue, that NSC and OVP inquire with State on the possibility of
creating two bureaus out of Education and Cultural Affairs and Information and,
if State does not agree this may be feasible, that we present this issue to the
President with State views fairly described.

Approve _____ Disapprove _____

COPY

On the AID issue, that NSC and OVP indicate that we are not comfortable with the
current State approach, which creates a State-chaired coordinating body.

Approve _____ Disapprove _____

4

COPY

Exchange Mail

DATE-TIME	3/5/99 6:50:31 PM
FROM	Schwartz, Eric P.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Action Memorandum for NSC [UNCLASSIFIED]
TO	Kale, Dora A.
CARBON_COPY	

TEXT_BODY

Please send up with one red dot.

Explain reason for red dot:

Needs
decision by weekend so State may be tasked in timely manner and we do not run into statutory deadline.

-----Original Message-----
From: Krass,
Caroline D.
Sent: Friday, March 05, 1999 6:20 PM
To: Schwartz,
Eric P.
Cc: @LEGAL - Legal Advisor
Subject: FW: Action Memorandum
for NSC [UNCLASSIFIED]

Eric -- I have marked the changes on the
attached draft. Please call if you would like to discuss -- I don't think they will cause you problems.

-----Original Message-----
From: Schwartz,
Eric P.
Sent: Friday, March 05, 1999 5:57 PM
To: Krass, Caroline
D.
Subject: FW: Action Memorandum for NSC [UNCLASSIFIED]

final
version, for your concurrence. If you have changes, please call me so we can discuss.

Eric

COPY

-----Original Message-----
From: Krass,
Caroline D.
Sent: Thursday, March 04, 1999 1:56 PM
To: Schwartz,
Eric P.
Cc: Samore, Gary S.; Bell, Robert G.; Wechsler, William
F.; @LEGAL - Legal Advisor
Subject: Action Memorandum for NSC [UNCLASSIFIED]

Attached
are Legal's comments to the AID section of the revised version of
Eric's memorandum.

TRANSLATED_ATTACHMENT reorg 3-32newaid.doc

March 3, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

Purpose

To obtain your guidance on key re-organization issues.

Background

Status: At the end of last year, we submitted -- pursuant to the Foreign
Affairs
Reform and Restructuring Act of 1998 (the "Act") -- a State
reorganization plan
to the Hill. The Act provides that we may, based on consultations with
Congress,
present any modifications or revisions to the plan until the end of
March (for
the portions of the plan that affect ACDA and AID) and until the end
of September
(for the portions of the plan that affect USIA.) After that point, the
plan is
final. At this juncture, State intends to submit all final modifications
by the

COPY

end of March.

Reaction to Our Plan: Concerns have been expressed on four issues, described
below.

* Verification and Compliance on arms control issues

Sens. Biden and Helms are concerned that "the function of verification and
compliance of arms control treaties would not [be] carried out by a separate
bureau, as is now the case in the Arms Control and Disarmament Agency," and
instead would be performed by a "Special Adviser" to the Undersecretary for Arms
Control and International Security Affairs. As part of an overall agreement with
Congress on reorganization, John Holum is prepared to agree to make the "Special
Adviser" a Senate-confirmed position (as Gilman has suggested) or even to accept
establishment of a separate bureau for Verification and Compliance. NSC Defense
and NSA Nonproliferation do not oppose these outcomes and, in any event, defer to
State in determining how to respond to Helms and Biden. Thus, we recommend no
action on your part.

* Creation of an East European Bureau

Biden and Helms say they are strongly opposed to this bureau, arguing that the
proposal conflicts with our stated goal of a "Europe, whole and free." Strobe is
deeply committed to establishing this bureau, and Carlos strongly recommends we
defer to State on this issue. Carlos does note that Ukrainian-Americans have
traditionally been the most sensitive about "being lumped" in a former Soviet
bloc. But Carlos adds that -- after a strong presentation from State to the
principal Ukrainian-American organization on the greater attention Ukraine would
garner in an Eastern Europe Bureau -- they dropped their objections. According
to Carlos, once we have explained our position to the affected countries (more

COPY

attention to countries in a sensitive period of transition), most have been sympathetic to State's rationale. Miles Lackey would like to explore this issue somewhat further, but we did not want to hold this memo given the shortness of time. Subject to concurrence by Miles, we recommend no action on your part.

* Combining USIA's former bureaus for Educational and Cultural Affairs (which handles Fulbright) and Information (currently USIA's policy arm) into one bureau under the Undersecretary for Public Diplomacy.

Biden and Helms argue against this shift, for legal and policy reasons. On legal grounds, they argue that there is separate, pre-existing, statutory authority for a bureau that deals with educational and cultural exchanges, and that the relevant statute does not permit that bureau to operate other programs. NSC Legal and State/L believe, however, that the combination of the two bureaus is a legally available option. Nonetheless, the policy issue remains, as discussed below.

Criticism of State Plan: Under the State plan, USIA's Bureau of Educational and Cultural Affairs and its Bureau of Information (which handles strategy and policy on public diplomacy) are to be combined into one State Department bureau, headed by a single Assistant Secretary who will report to the Undersecretary. Even before the Helms-Biden letter, USIA and others urged that these two USIA bureaus each become a State bureau and each be headed by a separate Assistant Secretary. They stressed the need to maintain a distinction between educational exchange programs, which are intended to be autonomous, independent and nonpartisan, and overseas public information programs, which are designed to further administration goals. Merging these two bureaus, they argued, would be perceived as a downgrading of their roles and would reflect poorly on the successful

COPY

reinvention program implemented by the USIA Bureau of Information.

State has resisted the notion that its plan minimizes the importance of international educational exchanges or public information programs, and points to the creation, through reorganization, of the Under Secretary for Public Diplomacy and Public Affairs.

In a memo to the President late last year, you expressed some sympathy to USIA's concerns, but added that you did not believe the concerns justified the President's intervention.

Since your memorandum, there have been two intervening actions that suggest reconsideration, especially as USIA's concern is a serious one. First, of course, is the expression of congressional expression of interest (which could spur legislation to undo State's decision). Second, the President, after receiving many representations on this issue, has asked you to re-examine it.

As a first step, we would recommend that State be asked to at least reconsider its initial decision. If State is not prepared to establish two new bureaus, we recommend that this issue be re-presented to the President in an options memo, with each position fairly described. The President's expressions of interest suggest he should have the chance to consider the issue before a final decision that would conflict with the positions of persons whose views he credits.

* AID/State Coordination

At the time that reorganization comes into effect on April 1, the current delegations of authority under which AID operates will cease to be effective. In addition, the AID Administrator will come under the direct authority and foreign policy guidance of the Secretary of State (although AID will be an independent establishment within the executive branch). All agree that, on or before April

COPY

1, the President will need to issue an executive order delegating to the Secretary of State authorities for carrying out foreign assistance activities.
There will then be a subsequent delegation of authorities from the Secretary of
State to the AID Administrator.

There is, however, an important dispute between State and AID on the nature of
State-AID coordination. In essence, AID would like to strengthen coordination
through joint State-AID review of policy and programs in-country and at various
levels in Washington. In addition, the Secretary would review AID's budget and
strategic plan at the end of these reviews.

State would like to go further and create a "Central Mechanism" (the Assistance
Coordinating Group), chaired by State, and responsible for all aspects of
State/AID coordination, including budget and appeals, AID's strategic plan, and
AID's congressional relations.

Leon is concerned, and we concur, that this proposal could undermine the
authority of the AID Administrator and could risk rendering meaningless the
notion that AID remains as an independent entity. In Multilateral's view,
State's proposal is "virtual integration," which is not the reorganization
decision taken by the President.

We recommend pushing back hard on this, and asking that State ensure it is
resolved prior to the issuance of the aforementioned executive order.

Concurrence by: Gary Samore, Bob Bell, Will Wechsler,
Caroline Krass, OVP

RECOMMENDATIONS

On the ACDA and East Europe issues, that NSC take no action and continue to defer
to the Department of State.

Approve _____ Disapprove _____

COPY

On the USIA issue, that NSC and OVP inquire with State on the possibility of
creating two bureaus out of Education and Cultural Affairs and Information and,
if State does not agree this may be feasible, that we present this issue to the
President with State views fairly described.

Approve _____ Disapprove _____

On the AID issue, that NSC and OVP indicate that we are not comfortable with the
current State approach, which creates a State-chaired coordinating body.

Approve _____ Disapprove _____

COPY

Exchange Mail

DATE-TIME 3/6/99 2:24:32 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT [UNCLASSIFIED]

TO Naplan, Steven J.

CARBON_COPY

TEXT_BODY

Pending Berger's OK on memo, propose a memo to Patrick Kennedy as follows:

Subject: Reorganization

I'm sorry we cannot speak
by phone, but I am on the road and I wanted to get this to you as soon as possible.

Per my conversation with you several days ago,
we have reviewed several reorganization-related issues with our NSC Offices of Nonproliferation and Arms Control, Defense, Transnational Threats, and Russia, as well as with the Office of the Vice President and with the National Security Advisor.

The following reflects
our views:

On the issue of verification and compliance on arms control issues, as well as the creation of an East European Bureau, we defer to the Department in determining how best to respond to congressional expressions of concern.

On the issue of combining
USIA's former bureaus for Eductional and Cultural Affairs and Information, we request that State reconsider the feasibility of creating two separate bureaus, in view of the congressional expression of opposition and the President's interest in addressing concerns that have been raised on this issue.

On the issue of AID/State coordination,
we support enhanced State-AID interaction and coordination in-country and in Washington, but do not support the creation of a Central Mechanism as currently conceived in the State plan. Prior to issuance of an Executive Order, we believe it important that State and AID have

COPY

reached an acceptable accomodation on this issue.

In view of shortness
of time, I suggest that we speak sometime during the week of March 7, and, in any event, no later than Friday, March 12, after I return from Central Ameria. If differences remain, it will be important for us to receive views from State by the 12th, so they may be incorporated in a timely manner into any further review of these issues that may take place.

Thanks so much.

cc: Office of the Vice President
NSC
Offices:
Executive Secretary,
Defense,
Non-proliferation,

Transnational Threats

COPY

Exchange Mail

DATE-TIME	3/8/99 3:25:59 PM
FROM	Krass, Caroline D.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Action Memorandum for NSC [UNCLASSIFIED]
TO	Naplan, Steven J.
CARBON_COPY	

TEXT_BODY

Attached are our changes to the memo -- you will see that we concluded
that the establishment of a single bureau is a legally available option.

-----Original Message-----
From: Krass, Caroline D.
Sent: Friday,
March 05, 1999 6:20 PM
To: Schwartz, Eric P.
Cc: @LEGAL - Legal
Advisor
Subject: FW: Action Memorandum for NSC [UNCLASSIFIED]

Eric
-- I have marked the changes on the attached draft. Please call if you would like to discuss -- I don't think they will cause you problems.

-----Original Message-----
From: Schwartz, Eric P.

Sent: Friday, March 05, 1999 5:57 PM
To: Krass, Caroline D.
Subject: FW:
Action Memorandum for NSC [UNCLASSIFIED]

final version, for your
concurrence. If you have changes, please call me so we can discuss.

Eric

-----Original Message-----
From: Krass, Caroline D.
Sent: Thursday,

COPY

March 04, 1999 1:56 PM
To: Schwartz, Eric P.
Cc: Samore, Gary S.;
Bell, Robert G.; Wechsler, William F.; @LEGAL - Legal Advisor
Subject: Action
Memorandum for NSC [UNCLASSIFIED]

Attached are Legal's comments
to the AID section of the revised version of Eric's memorandum.

TRANSLATED_ATTACHMENT reorg 3-32newaid.doc
March 3, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

Purpose

To obtain your guidance on key re-organization issues.

Background

Status: At the end of last year, we submitted -- pursuant to the Foreign Affairs
Reform and Restructuring Act of 1998 (the "Act") -- a State reorganization plan
to the Hill. The Act provides that we may, based on consultations with Congress,
present any modifications or revisions to the plan until the end of March (for
the portions of the plan that affect ACDA, the U.S. International Development
Cooperation Agency, or AID) and until the end of September (for the portions of
the plan that affect USIA.) After that point, the plan is final.

Reaction to Our Plan: Concerns have been expressed on four issues, described
below.

* Verification and Compliance on arms control issues

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Sens. Biden and Helms are concerned that "the function of verification and compliance of arms control treaties would not [be] carried out by a separate bureau, as is now the case in the Arms Control and Disarmament Agency," and instead would be performed by a "Special Adviser" to the Undersecretary for Arms Control and International Security Affairs. As part of an overall agreement with Congress on reorganization, John Holum is prepared to agree to make the "Special Adviser" a Senate-confirmed position (as Gilman has suggested) or even to accept establishment of a separate bureau for Verification and Compliance. NSC Defense and NSA Nonproliferation do not oppose these outcomes and, in any event, defer to State in determining how to respond to Helms and Biden. Thus, we recommend no action on your part.

* Creation of an East European Bureau

Biden and Helms say they are strongly opposed to this bureau, arguing that the proposal conflicts with our stated goal of a "Europe, whole and free." Strobe is deeply committed to establishing this bureau, and Carlos strongly recommends we defer to State on this issue. Carlos does note that Ukrainian-Americans have traditionally been the most sensitive about "being lumped" in a former Soviet bloc. But Carlos adds that -- after a strong presentation from State to the principal Ukrainian-American organization on the greater attention Ukraine would get in an Eastern Europe Bureau -- they dropped their objections. According to Carlos, once we have explained our position to the affected countries (more attention to countries in a sensitive period of transition), most have been sympathetic to State's rationale. Miles Lackey would like to explore this issue somewhat further, but did not want to hold this memo given the shortness of time.
Subject to concurrence by Miles, we recommend no action on your

COPY

part.
* Combining USIA's former bureaus for Educational and Cultural Affairs (which
handles Fulbright) and Information (currently USIA's policy arm) into one bureau
under the Undersecretary for Public Diplomacy.

Biden and Helms argue against this shift, for legal and policy reasons. On legal
grounds, they argue that there is separate, pre-existing, statutory authority for
a bureau that deals with Educational and Cultural exchanges, and that the
relevant statute does not permit that bureau to operate other programs. NSC
Legal and State/L believe, however, that the combination of the two bureaus is a
legally available option. Nonetheless, the policy issue remains, as discussed
below.

Criticism of State Plan: Under the plan, USIA's Bureau of Educational and
Cultural Affairs and its Bureau of Information (which handles strategy and policy
on public diplomacy) are to be combined into one State Department bureau, headed
by a single Assistant Secretary who will report to the Undersecretary. USIA and
others have urged that these two USIA bureaus each become a State bureau and each
be headed by a separate Assistant Secretary. They have stressed the need to
maintain a distinction between overseas public information programs, which are
designed to further administration goals, and educational exchange programs,
which are intended to be autonomous, independent, and nonpartisan. Merging these
two bureaus, they argue, would be perceived as a downgrading of their roles and
would reflect poorly on the successful reinvention program implemented by the
USIA Bureau of Information. State has resisted the notion that its plan

minimizes the importance of international public information programs, and points
to the creation, through reorganization, of the Under Secretary for Public
Diplomacy and Public Affairs.

COPY

In a memo to the President late last year, you expressed some sympathy to USIA's concerns, but added that you did not believe the concerns justified the President's intervention.

Since your memorandum, there have been two intervening actions that suggest reconsideration. First, of course, is the expression of congressional concern (which could spur legislation to undo State's decision). Second, the President, after receiving many representations on this issue, has asked you to re-examine it.

As a first step, we would recommend that State be asked to at least reconsider its initial decision. If State is not prepared to establish two new bureaus, we recommend that this issue be re-presented to the President in an options memo, with each position fairly described. The President's expressions of interest on this issue suggest he should have the chance to consider it before a final decision that would conflict with the positions of persons whose views he credits.

* AID/State Coordination

At the time that reorganization comes into effect on April 1, the current delegations of authority under which AID operates will cease to be effective. In addition, the AID Administrator will come under the direct authority and foreign policy guidance of the Secretary of State (although AID will be an independent establishment within the executive branch). All agree that, on or before April 1, the President will need to issue an executive order delegating to the Secretary of State authorities for carrying out foreign assistance activities. There will then be a subsequent delegation of authorities from the Secretary of State to the AID Administrator.

There is, however, an important dispute between State and AID on the

COPY

nature of
State-AID coordination. In essence, AID would like to strengthen coordination
through joint State-AID review of policy and programs in-country and at various
levels in Washington. In addition, the Secretary would review AID's budget and
strategic plan at the end of these reviews.

State would like to go further and create a "Central Mechanism" (the Assistance
Coordinating Group), chaired by State, and responsible for all aspects of
State/AID coordination, including budget and appeals, AID's strategic plan, and
AID's congressional relations.

Leon is concerned, and we concur, that this proposal could undermine the
authority of the AID Administrator and could risk rendering meaningless the
notion that AID remains as an independent entity. In Multilateral's view,
State's proposal is "virtual integration," which is not the reorganization
decision taken by the President.

We recommend pushing back hard on this, and asking that State ensure it is
resolved prior to the issuance of the aforementioned executive order.

Concurrence by: Gary Samore, Bob Bell, Will Wechsler,
Caroline Krass, OVP

RECOMMENDATIONS

On the ACDA and East Europe issues, that NSC take no action and continue to defer
to the Department of State.

Approve _____ Disapprove _____

On the USIA issue, that NSC and OVP inquire with State on the possibility of
creating two bureaus out of Education and Cultural Affairs and Information and,
if State does not agree this may be feasible, that we present this issue to the
President with State views fairly described.

COPY

Approve _____ Disapprove _____

On the AID issue, that NSC and OVP indicate that we are not comfortable with the
current State approach, which creates a State-chaired coordinating body.

Approve _____ Disapprove _____

COPY

Exchange Mail

DATE-TIME 3/11/99 7:00:48 AM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Reorg [UNCLASSIFIED]

TO Naplan, Steven J.
Dejban, Donna D.
Kerrick, Donald L.
Davies, Glyn T.

CARBON_COPY

TEXT_BODY

FYI, where we are on reorg.

-----Original Message-----
From: Naplan,
Steven J.
Sent: Wednesday, March 10, 1999 6:42 PM
To: Schwartz,
Eric P.
Cc: Naplan, Steven J.
Subject: FW: Reorg [UNCLASSIFIED]

I
read this out to Courtney too.

-----Original Message-----
From: Naplan,
Steven J.
Sent: Wednesday, March 10, 1999 6:36 PM
To: Schwartz,
Eric P.
Cc: Naplan, Steven J.
Subject: FW: Reorg [UNCLASSIFIED]

I
read this out to Pat Kennedy (647-1492). He will be available to chat with you on Friday.

He was OK with everything I read, but
warned that we will never get any agreement with AID before the EO has to be issued. He is convinced that AID will simply run the negotiations out - as he says that AID wants NO consultative mechanism at all.

COPY

I'd
like to listen in on your call with Kennedy - whenever it happens.

SN

-----Original
Message-----
From: Schwartz, Eric P.
Sent: Tuesday, March 09,
1999 12:37 AM
To: Naplan, Steven J.
Subject: Reorg [UNCLASSIFIED]

Steve,
I'd like you to pass the following information orally to Patrick Kennedy. Do not put it in writing for now. Make sure you get to him today. Need to speak to him if at all possible.

Do not raise
the issue of providing anything in writing on this for now. If he asks to see something in writing, tell him I was reluctant to send him something before I returned, especially as I didn't want paper to be circulating that might complicate NSC/State discussions. If he insists on paper, I can send him something, but I'd prefer not to at this point.

Patrick:

I've asked Steve Naplan to pass
along the following information for you.

I have now had a chance
to speak with colleagues at the NSC about reorganization issues raised in the congressional letters and by others, and have also sought guidance from Leon Fuerth and Sandy.

On the issue of verification
and compliance on arms control issues, our Nonproliferation and Defense offices are inclind to defer to your judgment on how to manage the Helms/Biden/Gilman concerns. They would support any outcome among the ones that have been suggested, and Sandy appears fine with that.

On
the East Europe bureau, I don't think Sandy has a strong objection, but he told me he has questions, and thus wants to speak to Strobe about it.

On the issue of combining USIA's fomer bureaus for Eduational and Cultural Affairs and Information, Sandy, as you may or may not know, recommended to the President in the first go-round last year

COPY

that we defer to the judgment of State. However, given the congressional expressions of concerns, as well as the President's expression of interest on this issue, we'd like to ask State to re-evaluate this issue. Is a two bureau solution workable, especially in light of these new factors? [Note to Steve and Steve only: Need to walk a line here. Sandy is reluctant to tell State how to suck eggs on this issue; at the same time, he thinks examining this issue again is worth a try, especially as we may have to take this to the President if State objects to two bureaus. I'm not sure what Sandy would do in that event. On the one hand, he wants to defer to State, and he shares your view about the nature of representations received on this by the President. On the other hand, we might end up going back to the President if State sticks to its guns.]

Finallly,
on the issue of AID/State coordination, we support enhanced State-AID interaction and coordination in-country and in Washington, but are not enthusiastic about the Centtral Coordinating Mechanism as currently conceived in the State plan. Leon Fuerth feels particularly strongly about this issue, and Sandy also is concerned. Prior to issuance of an EO, we believe it important that State and AID have reached an acceptable accommodation.

In view of shortness of time, suggest
we speak on Friday. I would hope to obtain preliminary reactions from you by then, so that if any differences remain, they may be incorporated in a timely manner into any further review of these issues.

COPY

Exchange Mail

DATE-TIME 3/15/99 2:28:18 PM

FROM Witkowsky, Anne A.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Rqst Concur on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

TO Bell, Robert G.

CARBON_COPY McCausland, Jeffrey D.
Kelly, Sandra L.

TEXT_BODY

Bob:

Thought you should take a look at this before I approve.

Anne

-----Original Message-----
From: Kale, Dora A.
Sent: Monday,
March 15, 1999 11:00 AM
To: @DEFENSE - Defense Policy; @RUSSIA - Russia/Ukraine; @LEGISLAT - Legislative Affairs
Cc: Kale, Dora A.;
Hill, Roseanne M.; Naplan, Steven J.
Subject: Rqst Concur on #1605--Interim
rply re Foreign Affairs Reorg [UNCLASSIFIED]

Thank you.

TRANSLATED_ATTACHMENT 1605 AM POTUS.doc

ACTION

COPY

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Letter from Senators Helms and Biden Regarding the Strategy for Foreign
Affairs Reorganization

Purpose

To respond to a letter from Senators Helms and Biden.

Background

The letter praises the overall plans for restructuring at State, but expresses
three key concerns. Specifically, Senators Helms and Biden would favor the
following modifications prior to final submission of the plan on April 1:

* a separate State bureau for verification and compliance of arms control
treaties instead of the proposed verification and compliance Special Advisor to
the Under Secretary of State for Arms Control.

* a separate State bureau for Educational and Cultural Affairs, as opposed to the
proposed plan which would combine USIA's information function and cultural
exchange programs into a single State bureau.

* a single all-European bureau inclusive of the former Soviet states, as opposed
to the proposed separate Eastern European and Eurasian Bureau (EEE).

The suggested interim response promises that the 90 day review process, now
underway, will be informed by the concerns expressed by the senators and that we
hope to address the principles behind their concerns in the final plans for
reorganization.

RECOMMENDATION

COPY

That you sign the attached letter at Tab A.

Attachments
Tab A Letters for Signature
Tab B Incoming Correspondence
2

2

1605

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT 1605 AM SRB.doc

March 15, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ERIC SCHWARTZ

FROM: STEVEN NAPLAN

SUBJECT: Interim Reply to Letter from Senators Helms and Biden.

At Tab I is a memorandum for the President and a proposed interim response to a
letter from Senators Helms and Biden expressing concern about three specific
elements of the strategy for reorganization of the foreign affairs agencies.

Concurrence by: Defense; RUE; Legislative

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

COPY

Attachments
Tab I Memorandum for the President
Tab A Proposed Response
Tab B Incoming Correspondence

1

1605

TRANSLATED_ATTACHMENT 1605 letter.doc

Dear Senator Helms:

Thank you for your letter concerning our strategy for reorganizing the foreign affairs agencies and implementing the Foreign Affairs Reform and Restructuring Act of 1998.

We are carefully considering the concerns raised in your letter, and are ensuring that this complex process will be informed by your views. When this review period is concluded and we have arrived at final decisions, I will write again in response to the issues you have raised,, all of which we hope can be addressed to your satisfaction.

As a general matter, I remain committed to a strong arms control verification and compliance process that continues to attach priority to these important issues..
Our reorganization plan will yield such an outcome.

The reorganization plan will also ensure that international educational and

COPY

cultural programs remain a key component of our foreign policy, with the strong leadership they need and the support they deserve. However we organize these activities, they will be under the policy oversight of the new Under Secretary of State for Public Diplomacy and Public Affairs, ensuring very senior level attention to our engagement of foreign audiences and communities.

Finally, our reorganization plan will ensure that our diplomatic relations with the independent states of the former Soviet Union - a region of enormous strategic interest - receive the high level leadership attention they deserve, consistent with the priority we attach to this part of the world.

Intensive planning and preparation for the reorganization is already underway. We will do all we can to be sure that this sensitive process is implemented in an open and transparent fashion, and in careful consideration of your views.

Best regards.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510
2

2

COPY

Exchange Mail

DATE-TIME 3/15/99 8:08:03 PM

FROM Pascual, Carlos E.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Rqst Concur on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

TO Segal, Jack D.

CARBON_COPY

TEXT_BODY could you take a look?

-----Original Message-----
From: Kale,
Dora A.
Sent: Monday, March 15, 1999 11:00 AM
To: @DEFENSE - Defense
Policy; @RUSSIA - Russia/Ukraine; @LEGISLAT - Legislative
Affairs
Cc: Kale,
Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: Rqst Concur
on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

Thank
you.

TRANSLATED_ATTACHMENT 1605 AM POTUS.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Letter from Senators Helms and Biden Regarding the

COPY

Strategy for Foreign
Affairs Reorganization

Purpose

To respond to a letter from Senators Helms and Biden.

Background

The letter praises the overall plans for restructuring at State, but expresses three key concerns. Specifically, Senators Helms and Biden would favor the following modifications prior to final submission of the plan on April 1:

* a separate State bureau for verification and compliance of arms control treaties instead of that role being played by a Special Advisor to the Under Secretary of State for Arms Control, as detailed in the proposed reorganizational plan.

* a separate State bureau for Educational and Cultural Affairs, as opposed to the proposed plan which would combine USIA's information function and cultural exchange programs into a single State bureau.

* a single European bureau inclusive of the former Soviet states, as opposed to the proposed Eastern European and Eurasian Bureau (EEE).

The suggested interim response promises that the 90 day review process, now underway, will be informed by the concerns expressed by the senators and that we hope to address the principles behind their concerns in the final plans for reorganization.

RECOMMENDATION

That you sign the attached letter at Tab A.

COPY

Attachments
Tab A Letters for Signature
Tab B Incoming Correspondence
2

2

1605

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT 1605 AM SRB.doc

March 15, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ERIC SCHWARTZ

FROM: STEVEN NAPLAN

SUBJECT: Interim Reply to Letter from Senators Helms and Biden.

At Tab I is a memorandum for the President and a proposed interim response to a
letter from Senators Helms and Biden expressing concern about three specific
elements of the strategy for reorganization of the foreign affairs agencies.

Concurrence by: Defense; RUE; Legislative

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
Tab A Proposed Response
Tab B Incoming Correspondence

COPY

1

1605

TRANSLATED_ATTACHMENT 1605 letter.doc

Dear Senator Helms:

Thank you for your letter concerning our strategy for reorganizing the foreign affairs agencies and implementing the Foreign Affairs Reform and Restructuring Act of 1998.

We are carefully considering the concerns raised in your letter, and are ensuring that this complex process will be informed by your views. When this review period is concluded and we have arrived at final decisions, I will write again in response to the principles asserted in your letter, all of which we hope will be resolved to your satisfaction.

As a general matter, I remain committed to a strong arms control verification and compliance process that ensures that critical assessments reach the highest levels. Our reorganizational plan will yield such an outcome.

The reorganizational plan will also ensure that international educational and cultural programs remain a key component of our foreign policy, with the strong leadership they need and the support they deserve. However we organize these activities, they will be under the policy oversight of the new Under

COPY

Secretary of
State for Public Diplomacy and Public Affairs, ensuring very senior level
attention to our engagement of foreign audiences and communities.

Finally, our reorganizational plan will ensure that our diplomatic relations with
the independent states of the former Soviet Union - a region of enormous
strategic interest - receive the high level leadership attention they deserve,
consistent with the priority we attach to this part of the world.

Intensive planning and preparation for the reorganization is already underway.
We will do all we can to be sure that this sensitive process is implemented in an
open and transparent fashion, and in careful consideration of your views.

Best regards.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510
2

2

COPY

Exchange Mail

DATE-TIME 3/16/99 3:30:31 PM

FROM Witkowsky, Anne A.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Rqst Concur on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

TO
Bernard, Kenneth W.
Busby, Scott W.
Denniston, Richard L.
Guarnieri, Valerie N.
Hill, Roseanne M.
Kale, Dora A.
Keenan, Josefine (Chris)
Malley, Robert
Naplan, Steven J.
Schwartz, Eric P.
Stromseth, Jane E.
Vaccaro, Jonathan M. (Matt)
Williamson, Joel E.
Wippman, David

CARBON_COPY
Andreasen, Steven P.
Bell, Robert G.
Bouchard, Joseph F.
Brackman, Stella S.
Kelly, Sandra L.
McCausland, Jeffrey D.
Mulligan, George D.
Peterman, David (Brian)
Pimentel, Betsy J.
vonLipsey, Roderick K.
Wasserman, Elaine P.
Witkowsky, Anne A.
Barnett, Cheryl E.
Elkind, Jonathan H.
Faranda, Regina D.
Kaufman, Stuart J.
Pascual, Carlos E.
Segal, Jack D.
Silva, Mary Ann T.
Weiss, Andrew S.
Burrell, Christina L.
Lackey, Miles M.
Tavlarides, Mark J.

COPY

TEXT_BODY

We clear with changes as marked.

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From: Kale,
Dora A.
Sent: Monday, March 15, 1999 11:00 AM
To: @DEFENSE - Defense
Policy; @RUSSIA - Russia/Ukraine; @LEGISLAT - Legislative
Affairs
Cc: Kale,
Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: Rqst Concur
on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

Thank
you.

TRANSLATED_ATTACHMENT

1605 AM POTUS.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Letter from Senators Helms and Biden Regarding the
Strategy for Foreign
Affairs Reorganization

Purpose

To respond to a letter from Senators Helms and Biden.

Background

The letter praises the overall plans for restructuring at State, but
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three key concerns. Specifically, Senators Helms and Biden would
favor the
following modifications prior to final submission of the plan on April
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COPY

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the Under Secretary of State for Arms Control.

* a separate State bureau for Educational and Cultural Affairs, as opposed to the
proposed plan which would combine USIA's information function and cultural
exchange programs into a single State bureau.

* a single all-European bureau inclusive of the former Soviet states, as opposed
to the proposed separate Eastern European and Eurasian Bureau (EEE).

The suggested interim response promises that the 90 day review process, now
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hope to address the principles behind their concerns in the final plans for
reorganization.

RECOMMENDATION

That you sign the attached letter at Tab A.

Attachments
Tab A Letters for Signature
Tab B Incoming Correspondence
2

2

1605

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT 1605 AM SRB.doc

COPY

March 15, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ERIC SCHWARTZ

FROM: STEVEN NAPLAN

SUBJECT: Interim Reply to Letter from Senators Helms and Biden.

At Tab I is a memorandum for the President and a proposed interim response to a letter from Senators Helms and Biden expressing concern about three specific elements of the strategy for reorganization of the foreign affairs agencies.

Concurrence by: Defense; RUE; Legislative

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
Tab A Proposed Response
Tab B Incoming Correspondence

1

1605

TRANSLATED_ATTACHMENT 1605 letter.doc

COPY

Dear Senator Helms:

Thank you for your letter concerning our strategy for reorganizing the foreign affairs agencies and implementing the Foreign Affairs Reform and Restructuring Act of 1998.

We are carefully considering the concerns raised in your letter, and are ensuring that this complex process will be informed by your views. When this review period is concluded and we have arrived at final decisions, I will write again in response to the issues you have raised,, all of which we hope can be addressed to your satisfaction.

As a general matter, I remain committed to a strong arms control verification and compliance process that continues to attach priority to these important issues.. Our reorganization plan will yield such an outcome.

The reorganization plan will also ensure that international educational and cultural programs remain a key component of our foreign policy, with the strong leadership they need and the support they deserve. However we organize these activities, they will be under the policy oversight of the new Under Secretary of State for Public Diplomacy and Public Affairs, ensuring very senior level attention to our engagement of foreign audiences and communities.

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COPY

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We will do all we can to be sure that this sensitive process is implemented in an
open and transparent fashion, and in careful consideration of your views.

Best regards.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510
2

2

COPY

Exchange Mail

DATE-TIME 3/18/99 9:37:16 AM

FROM Davies, Glyn T.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Delegating Authority to State on Reorg [UNCLASSIFIED]

TO Krass, Caroline D.

CARBON_COPY

TEXT_BODY

Caroline: Many thanks.

-----Original Message-----
From: Krass,
Caroline D.
Sent: Thursday, March 18, 1999 9:33 AM
To: Davies,
Glyn T.; @MULTILAT - Multilateral and Humanitarian Affairs; @LEGAL - Legal Advisor
Cc: @EXECSEC - Executive Secretary
Subject: RE:
Delegating Authority to State on Reorg [UNCLASSIFIED]

Glyn: Following
is the text of an e-mail we sent Eric on this subject on March 4:

Eric:

We
believe that State is correct that, under the Foreign Affairs Reform and Restructuring Act of 1998, any modifications or revisions to the reorganization plan must be made either before April 1 (for portions of the plan affecting ACDA, AID, and the US International Development Cooperation Agency) or before October 1 (for portions of the plan affecting USIA). The Act permits the President to make these deadlines even earlier, for example if he wants to have the USIA portion of the plan become effective on the same date as the rest of the plan, provided that the plan may not go into effect until at least 90 days after our original transmission.

If the President delegates
his authority to modify or revise the reorganization plan to the Secretary, she remains legally subject to his direction. However, as you point out, there may be process/policy reasons to resist such a delegation if we want to ensure that NSC remains actively consulted.

COPY

Please
let me know if you need anything else.
-----Original Message-----
From: Davies,
Glyn T.
Sent: Thursday, March 18, 1999 8:58 AM
To: @MULTILAT -
Multilateral and Humanitarian Affairs; @LEGAL - Legal Advisor
Cc: @EXECSEC
- Executive Secretary
Subject: Delegating Authority to State on
Reorg [UNCLASSIFIED]

Eric: Further to our conversation this morning,
I spoke with Don Kerrick who wants to ensure that we bring Leon along on delegating to State the authority to sign the Administration's reorganization plan. Sandy's first question when we go to him for the final chop on this will likely be to ask where Leon is on it.
Can
you run the issue past OVP?

Jamie&Co: Can you do some quick
due diligence on the assertion that if this is not transmitted to the Hill by the 31st the Admin loses the ability to amend the Reorg plan? Tx.

COPY

Exchange Mail

DATE-TIME 3/18/99 9:41:10 AM

FROM Naplan, Steven J.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Delegating Authority to State on Reorg [UNCLASSIFIED]

TO Schwartz, Eric P.

CARBON_COPY Naplan, Steven J.

TEXT_BODY

wait - I thought we didn't want to delegate this authority to State.
I'm confused.

-----Original Message-----
From: Schwartz, Eric
P.
Sent: Thursday, March 18, 1999 9:08 AM
To: Davies, Glyn T.;
@MULTILAT - Multilateral and Humanitarian Affairs; @LEGAL - Legal
Advisor
Cc: @EXECSEC - Executive Secretary
Subject: RE: Delegating
Authority to State on Reorg [UNCLASSIFIED]

Steve:

Please follow
up with Babbitt in OVP.

Jamie/Caroline:

As a follow up query
for Legal ...one of key issues is the USIA piece. I know State
would like to send it all up -- the whole package including USIA
-- by March 31. But if the USIA piece is undone by the 31st, are
we out of luck, or do we have a different time line with USIA --
I recall that we do. In addition, if the answer to my first question
is yes, we do have a different time line with USIA, but if we nonetheless
send something up to the Hill on USIA by the 31st, are we then precluded
from sending any additional modifications thereafter (my guess is
yes).

Eric

COPY

-----Original Message-----
From: Davies, Glyn
T.
Sent: Thursday, March 18, 1999 8:58 AM
To: @MULTILAT - Multilateral
and Humanitarian Affairs; @LEGAL - Legal Advisor
Cc: @EXECSEC -
Executive Secretary
Subject: Delegating Authority to State on Reorg
[UNCLASSIFIED]

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COPY

Exchange Mail

DATE-TIME 3/18/99 9:57:46 AM

FROM Krass, Caroline D.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Delegating Authority to State on Reorg [UNCLASSIFIED]

TO Baker, James E.

CARBON_COPY Allen, Charles A.
Baker, James E.
DeRosa, Mary B.
Hunerwadel, Joan S.
Krass, Caroline D.

TEXT_BODY

Jamie: I want to make sure we are on the same page with this (I called Steve Mathias, and he said that he had already talked to you about preparing something on this, which I didn't know when I responded to Glyn), so please let me know if this is o.k. (I will be in my CWC meeting from now until perhaps as late as 1 p.m.)

Eric: I believe that my earlier e-mail answers your first question. Regarding whether the portion of the plan relating to USIA may be modified until October 1, we agree with State/Legal that it may be. As we understand it, the President has not made the effective date of this portion of the plan earlier than October 1 (by publishing an earlier effective date in the Federal Register pursuant to section 1601(g)(3) of the Reorganization Act). Therefore, under the Reorganization Act, the President may modify or revise the USIA part of the plan until that part of the plan becomes effective on the statutory effective date of October 1.

-----Original Message-----
From: Schwartz, Eric P.
Sent: Thursday, March 18, 1999 9:08 AM
To: Davies, Glyn T.; @MULTILAT - Multilateral and Humanitarian Affairs; @LEGAL - Legal Advisor
Cc: @EXECSEC - Executive Secretary
Subject: RE: Delegating Authority to State on Reorg [UNCLASSIFIED]

Steve:

COPY

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Eric

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T.
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and Humanitarian Affairs; @LEGAL - Legal Advisor
Cc: @EXECSEC -
Executive Secretary
Subject: Delegating Authority to State on Reorg
[UNCLASSIFIED]

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Jamie&Co: Can you do some quick
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COPY

Exchange Mail

DATE-TIME 3/18/99 10:58:21 AM

FROM Baker, James E.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Delegating Authority to State on Reorg [UNCLASSIFIED]

TO Krass, Caroline D.

CARBON_COPY Allen, Charles A.
Baker, James E.
DeRosa, Mary B.
Hunerwadel, Joan S.
Krass, Caroline D.

TEXT_BODY

Caroline:

Apologize for not mentioning. Unfortunately was on the run this morning when I called Steve. Thessin raised the issue in context of another call.

-----Original Message-----
From: Krass, Caroline D.
Sent: Thursday, March 18, 1999 9:58 AM
To: Baker, James E.
Cc: @LEGAL - Legal Advisor
Subject: FW: Delegating Authority to State on Reorg [UNCLASSIFIED]
Importance: High

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Eric: I believe that my earlier e-mail answers your first question. Regarding whether the portion of the plan relating to USIA may be modified until October 1, we agree with State/Legal that it may be. As we understand it, the President has not made the effective date of this portion of the plan earlier than October 1 (by publishing an earlier effective date

COPY

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-----Original Message-----
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Sent: Thursday,
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To: Davies, Glyn T.; @MULTILAT - Multilateral
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Cc: @EXECSEC -
Executive Secretary
Subject: RE: Delegating Authority to State on
Reorg [UNCLASSIFIED]

Steve:

Please follow up with Babbitt in
OVP.

Jamie/Caroline:

As a follow up query for Legal ...one
of key issues is the USIA piece. I know State would like to send it all up -- the whole package including USIA -- by March 31. But if the USIA piece is undone by the 31st, are we out of luck, or do we have a different time line with USIA -- I recall that we do. In addition, if the answer to my first question is yes, we do have a different time line with USIA, but if we nonetheless send something up to the Hill on USIA by the 31st, are we then precluded from sending any additional modifications thereafter (my guess is yes).

Eric

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From: Davies, Glyn T.
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8:58 AM
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@LEGAL - Legal Advisor
Cc: @EXECSEC - Executive Secretary
Subject: Delegating
Authority to State on Reorg [UNCLASSIFIED]

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conversation this morning, I spoke with Don Kerrick who wants to

COPY

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Can you run the issue past OVP?

Jamie&Co:
Can you do some quick due diligence on the assertion that if this is not transmitted to the Hill by the 31st the Admin loses the ability to amend the Reorg plan? Tx.

COPY

Exchange Mail

DATE-TIME 3/18/99 1:48:07 PM

FROM Naplan, Steven J.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Delegating Authority to State on Reorg [UNCLASSIFIED]

TO Schwartz, Eric P.

CARBON_COPY Naplan, Steven J.

TEXT_BODY

OVP's Babbit (69513) OK with delegating authority to State, so long as they get to look at the final report and as long as AID remains an "autonomous agency."

-----Original Message-----
From: Schwartz,
Eric P.
Sent: Thursday, March 18, 1999 9:08 AM
To: Davies, Glyn
T.; @MULTILAT - Multilateral and Humanitarian Affairs; @LEGAL - Legal Advisor
Cc: @EXECSEC - Executive Secretary
Subject: RE: Delegating
Authority to State on Reorg [UNCLASSIFIED]

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Eric

COPY

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COPY

Exchange Mail

DATE-TIME 3/18/99 2:02:17 PM

FROM Naplan, Steven J.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Delegating Authority to State on Reorg [UNCLASSIFIED]

TO Schwartz, Eric P.

CARBON_COPY Naplan, Steven J.

TEXT_BODY

Bill Courtney seems to think that the USIA part of this equation really won't be reported on until October 1.

That said, he believes
- as do I - that in the event that the Administration actually gets ahead of the calendar and reports on the USIA part of reorg at the same time as we reports on the ACDA and USAID parts of reorg, that nothing will compel us to implement the USIA Reorg any sooner that Oct 1.

make sense?

-----Original Message-----
From: Krass,
Caroline D.
Sent: Thursday, March 18, 1999 9:33 AM
To: Davies,
Glyn T.; @MULTILAT - Multilateral and Humanitarian Affairs; @LEGAL - Legal Advisor
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COPY

affecting USIA). The Act permits the President to make these deadlines even earlier, for example if he wants to have the USIA portion of the plan become effective on the same date as the rest of the plan, provided that the plan may not go into effect until at least 90 days after our original transmission.

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Jamie&Co: Can you do some quick due diligence on the assertion that if this is not transmitted to the Hill by the 31st the Admin loses the ability to amend the Reorg plan? Tx.

COPY

Exchange Mail

DATE-TIME 3/19/99 4:06:13 PM

FROM Babbitt, James F.

CLASSIFICATION UNCLASSIFIED

SUBJECT DOS Reorg [UNCLASSIFIED]

TO Fuerth, Leon S.
Saunders, Richard M.

CARBON_COPY

TEXT_BODY

Rick -- Eric Schwartz passed a heads up that Leon is likely to be lobbied by both State and USIA on a reorganization issue. The issue involves combining USIA's former bureaus for Educational and Cultural Affairs (the Fulbright Program falls there) and Information into one bureau under an Under Secretary for Public Diplomacy and Public Affairs. There has been substantial debate and a letter writing campaign to override State's intent to consolidate these functions. USIA, members of Congress, and others are urging the separation of these functions into two distinct bureaus, each headed by an Assistant Secretary. The argument is made of the need to maintain the distinction between educational exchange programs and overseas public information programs. Merging, in their view, would be perceived as a downgrading of the independent role of each function.

State is now proposing a revised plan. Educational and Cultural Affairs would become a separate bureau headed by an Assistant Secretary. Information would become an autonomous office with its head, Jonathan Spalter, becoming an Office Director vice an Assistant Secretary. My guess is that this will not sit well with Jonathan.

Leon is likely to get calls from both State and Spalter on this issue. I'm not aware that Leon or the Vice President has expressed an opinion on this element of the reorganization plan. If there is an OVP position, I'd like to know.

I'm not sure that I have the background to make a sound, reasoned call. My first thought is that the information function plays a more important role in advancing our foreign policy strategy and, of the two, should be recognized with an Assistant Secretary at its head. -- Jim

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Babbitt, James F. to Schwartz, Eric P. re: Reorg-USIA (4 pages)	03/26/1999	P5
002. email	Hunderwadel, Joan S. to Krass, Caroline D. re: Reorg (2 pages)	03/26/1999	P5
003. email	Krass to Schwartz re: Reorg (2 pages)	03/26/1999	P5
004. email	Hunderwadel to DeRosa, Mary B. & Krass re: Reorg (2 pages)	03/26/1999	P5
005. email	Schwartz to Allen, Charles A. et al. re: Action Memorandum to the President (3 pages)	03/26/1999	P5
006. email	Schwartz to Davies, Glyn T. et al. re: Reorg: Possible Call from Wendy Sherman (2 pages)	03/26/1999	P5
007. email	Wechsler, William F. to Schwartz re: Reorg: Possible Call from Wendy Sherman (3 pages)	03/26/1999	P5
008. email	Krass to Schwartz re: Action Memorandum to the President (3 pages)	03/26/1999	P5
009. email	Schwartz to Saunders, Richard M. re: Reorg: Possible Call from Wendy Sherman (3 pages)	03/26/1999	P5
010. email	Naplan, Steven J. to Kale, Dora A. re: Rqst Concur on #1605--Interim Rply re Foreign Reorg (5 pages)	03/26/1999	P5
011. email	Naplan to Schwartz re: National Journal and Metzl's PDD (4 pages)	03/26/1999	P5
012. email	Cosgriff, Kevin J. to Kerrick, Donald K. et al. re: Reorg: Possible Call from Wendy Sherman (3 pages)	03/28/1999	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

FOLDER TITLE:
[03/26/1999-03/30/1999]

Eric Holzer
2006-0208-F
eh576

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013. email	Babbitt, James F. to Schwartz re: USIA/State Reorg (4 pages)	03/29/1999	P5
014. email	Kale to Barnett, Cheryl E. et al. re: Rqst Concur on #1605--Interim Rply re Foreign Affairs Reorg (6 pages)	03/29/1999	P5
015. email	Babbitt to Saunders re: Reorg Memo (3 pages)	03/29/1999	P5
016. email	Krass to Schwartz re: Action Memorandum to the President (4 pages)	03/29/1999	P5
017. email	Schwartz to Allen et al. re: Action Memorandum for NSC (3 pages)	03/29/1999	P5
018. email	Schwartz to Babbitt et al. re: Action Memorandum to the President (4 pages)	03/29/1999	P5
019. email	Krass to Schwartz re: Action Memorandum for NSC (3 pages)	03/29/1999	P5
020. email	Schwartz to Davies et al. re: USIA Reorganization (2 pages)	03/29/1999	P5
021. email	Saunders to Schwartz re: Action Memorandum to the President (4 pages)	03/30/1999	P5
022. email	Brody, Richard J. to Saunders re: Action Memorandum to the President (4 pages)	03/30/1999	P5
023. email	Clarke, Richard A. to Wechsler re: USIA Reorganization (2 pages)	03/30/1999	P5
024. email	Schwartz to Saunders re: Action Memorandum to the President (4 pages)	03/30/1999	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

FOLDER TITLE:
[03/26/1999-03/30/1999]

Eric Holzer
2006-0208-F
eh576

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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

Exchange Mail

DATE-TIME 3/26/99 8:54:14 AM

FROM Babbitt, James F.

CLASSIFICATION UNCLASSIFIED

SUBJECT Reorg - USIA [UNCLASSIFIED]

TO Schwartz, Eric P.

CARBON_COPY

TEXT_BODY

Eric -- Attached is the memo I was looking to forward to the VP in his evening briefing book last night. Rick pulled the memo late yesterday. He feels he must talk with Leon directly before he forwards

anything to the VP. He did talk with Leon yesterday, so I hope they will make contact today. I'll let you know what develops .....
Jim

TRANSLATED_ATTACHMENT

Reorg.25mar.doc

March 25, 1999

INFORMATION

MEMORANDUM FOR THE VICE PRESIDENT

FROM: LEON FUERTH

SUBJECT: Foreign Affairs Agency Reorganization - USIA

PURPOSE. To provide you information on key reorganization issues regarding USIA.

BACKGROUND. At the end of last year, the Administration submitted its
Reorganization Plan and Report to Congress as required by the Foreign Affairs and

COPY

Reform and Restructuring Act of 1998. The Act permits, with consultation with Congress, revisions until the end of March (for those portions of the plan impacting ACDA and USAID) and until the end of September (on references to USIA). After those dates, the Plan is final. State intends to submit all final modifications by the end of March. As submitted in the initial reorganization plan, USIA's Bureau of Educational and Cultural Affairs and its Bureau of Information were to be combined into a single State bureau, headed by a single Assistant Secretary reporting to the Under Secretary for Public Diplomacy and Public Affairs.

ISSUE. Consolidating these USIA responsibilities under a single bureau has resulted in significant debate. Congressional and private supporters of the Fulbright Exchange Program argue that there is a separate, preexisting, statutory authority that mandates that educational and cultural exchanges be maintained as a separate, distinct bureau. Although NSC Legal and State/L believe that a consolidation of the bureaus is a legally available option, it is likely that Congress would override such an attempt.

As a result, State now recommends that educational and cultural exchanges be established as a bureau and that USIA's Information Bureau be established as a separate office under the new Under Secretary. The expectation is that Jonathan Spalter would be named as the Office Director. State argues that there is not enough policy content in the Information function to justify its retention as a bureau and that the final decision should rest with the Secretary.

USIA challenges that notion and argue that program responsibilities alone could justify the creation of a State bureau. Currently, the Bureau has nearly 400 staff, which would make it a large bureau by State standards. In addition, USIA believes that our commitment to public diplomacy and government

COPY

reinvention would
be undermined by the State proposal.

OPTIONS. Essentially, there are three options:

* Accept the State Department position.
* Push back and urge State to create an Information Bureau.
* Do not make a decision now -- indicate we want to review the issue further.

I believe USIA's position has merit. I believe that the responsibilities of the
information function exceed that of a bureau for educational and cultural
exchanges.

MEETING AGENDA
GSP - South Africa Issue Meeting
JULY 7, 1998

I. Establish where we are (USTR, COM)

- Define impact of USTR decision on the SAG (USTR, DOS)

II. Define the linkage between GSP and IPR (USTR)

III. Where does the SAG stand related to our IPR concerns? (COM, DOS)

IV. What is it we want them to do? (COM, USTR, DOS)

- Objective criteria
- Suspense
- Evaluation of progress (interagency responsibility)

V. How do we communicate these to the SAG? (DOS)

VI. Issue subsequent tasking (NSC)
1

COPY

COPY

Exchange Mail

DATE-TIME 3/26/99 9:04:16 AM

FROM Hunerwadel, Joan S.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: REORG [UNCLASSIFIED]

TO Krass, Caroline D.

CARBON_COPY

TEXT_BODY

No

-----Original Message-----
From: Krass, Caroline D.
Sent: Friday,
March 26, 1999 8:59 AM
To: Hunerwadel, Joan S.
Subject: FW: REORG
[UNCLASSIFIED]

Jo: Have you seen this package yet?

-----Original
Message-----
From: Schwartz, Eric P.
Sent: Friday, March 26, 1999
8:16 AM
To: @LEGAL - Legal Advisor; @NONPRO - Export Controls; @DEFENSE - Defense Policy; @VP - VP Natl Security Affairs
Subject: REORG
[UNCLASSIFIED]

To Carlos, Gary, Steve, and Caroline: .:

CAROLINE:
To try best to avoid a last minute crunch on the delegation of authority on modifications to reorganization, I am forwarding to you a draft delegation package for your concurrence. I will not forward it, pending resolution of the last remaining policy issue -- the USIA piece. Once that is resolved, I will include appropriate reference to how it was resolved in the memo to the President. But if I have your early clearance on the delegation portion of the memorandum, as well as on the delegation itself, I can simply launch when I get the policy piece. Once State has drafted the submission to the Hill, I will want your clearance on that as well; that should probably

COPY

be on Monday.

CARLOS/STEVE/GARY: I will inform Sandy of the resolution of the EE bureau and the Arms Control issues, but do not feel they need to be in the memo to the President. Thus, I will not send to you the documents for clearance. On the verification issue, I think State is concluding that the Congressional objection to its proposal is not substantial, and I don't think they will modify it. On EE, State is apparently backing down due to the firestorm of protest they feel they will receive from the Hill.

Eric

COPY

Exchange Mail

DATE-TIME 3/26/99 9:12:58 AM

FROM Krass, Caroline D.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: REORG [UNCLASSIFIED]

TO Schwartz, Eric P.

CARBON_COPY Allen, Charles A.
Baker, James E.
DeRosa, Mary B.
Hunerwadel, Joan S.
Krass, Caroline D.

TEXT_BODY

Eric: By what means are you conveying the package? (We don't have it yet.)

I am happy to look at it in advance, but will still want to see it again after the USIA piece is added. I promise a quick turn-around. I know how important the timing is on this.

-----Original Message-----
From: Schwartz, Eric P.
Sent: Friday, March 26, 1999 8:16 AM
To: @LEGAL - Legal Advisor; @NONPRO - Export Controls; @DEFENSE - Defense Policy; @VP - VP Natl Security Affairs
Subject: REORG
[UNCLASSIFIED]

To Carlos, Gary, Steve, and Caroline: .:

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COPY

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Eric

COPY

Exchange Mail

DATE-TIME 3/26/99 10:20:55 AM

FROM Hunerwadel, Joan S.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: REORG [UNCLASSIFIED]

TO DeRosa, Mary B.
Krass, Caroline D.

CARBON_COPY

TEXT_BODY

Whoever is going to do this, we have the incoming by FAX and the delegations memos are on E-mail.

-----Original Message-----
From: Krass,
Caroline D.
Sent: Friday, March 26, 1999 9:13 AM
To: Schwartz,
Eric P.
Cc: @LEGAL - Legal Advisor
Subject: RE: REORG [UNCLASSIFIED]

Eric:
By what means are you conveying the package? (We don't have it yet.)

I am happy to look at it in advance, but will still want to see it again after the USIA piece is added. I promise a quick turn-around. I know how important the timing is on this.

-----Original
Message-----
From: Schwartz, Eric P.
Sent: Friday, March 26, 1999
8:16 AM
To: @LEGAL - Legal Advisor; @NONPRO - Export Controls; @DEFENSE - Defense Policy; @VP - VP Natl Security Affairs
Subject: REORG
[UNCLASSIFIED]

To Carlos, Gary, Steve, and Caroline: .:

CAROLINE:
To try best to avoid a last minute crunch on the delegation of authority

COPY

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CARLOS/STEVE/GARY: I will inform Sandy of the resolution of the EE bureau and the Arms Control issues, but do not feel they need to be in the memo to the President. Thus, I will not send to you the documents for clearance. On the verification issue, I think State is concluding that the Congressional objection to its proposal is not substantial, and I don't think they will modify it. On EE, State is apparently backing down due to the firestorm of protest they feel they will receive from the Hill.

Eric

COPY

Exchange Mail

DATE-TIME 3/26/99 12:06:16 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT Action Memorandum to the President [UNCLASSIFIED]

TO Allen, Charles A.
Baker, James E.
DeRosa, Mary B.
Hunerwadel, Joan S.
Krass, Caroline D.

CARBON_COPY

TEXT_BODY CAROLINE: I THINK I'VE FIGURED OUT A WAY TO GET THE POLICY PIECE
IN THERE WITHOUT PREJUDICE TO WHETHER OR NOT THIS IS RESOLVED PRIOR
TO MARCH 31. IF IT WORKS, WE CAN SIMPLY SEND THIS FORWARD.

ERIC

TRANSLATED_ATTACHMENT

1200 AM POTUS.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

THROUGH: THE EXECUTIVE CLERK

SUBJECT: Delegation of Presidential Authority on Foreign Affairs Reform and
Restructuring

Purpose

COPY

To delegate to the Secretary of State authorities conferred upon the President
under 1601(e) and 1601(g) of the Foreign Affairs Reform and Restructuring Act of
1998 (the FARRA), concerning the submission of modifications or revisions to the
Reorganization Plan and Report by the President of December 30, 1998.

Background

Delegation: This delegation would apply to modifications to your Plan and Report
to reorganize the foreign affairs agencies of the U.S. Government, including the
United States Arms Control and Disarmament Agency, the United States Information
Agency, and the United States International Development Cooperation Agency. The
FARRA requires that certain modifications to the plan be provided to Congress
within 90 days of your December 30, 1988 submission, and this delegation will
ensure that our modifications are submitted in a timely manner.

USIA issue: On the substance of the modifications, there is only one outstanding
issue of significance -- the nature of USIA's incorporation into State. Members
of Congress have inquired about State's intention to combine in one bureau
information activities and educational exchanges, the latter of which include the
Fulbright program. You have also inquired about this proposal, and we are still
discussing possible alternatives with State. As the USIA integration does not
take place until October 1, we have until that date to submit modifications in
that portion of the plan. We will consult with you again prior to submission of
USIA-related modifications.

RECOMMENDATION

That you sign the Presidential Determination at Tab A.

Attachments

COPY

Tab A Presidential Determination
Tab B Incoming Correpondence from the Department of State
2

2

1200

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 3/26/99 2:16:56 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT Reorg: possible call from Wendy Sherman [UNCLASSIFIED]

TO
Davies, Glyn T.
Dejban, Donna D.
Hachigian, Nina L.
Kerrick, Donald L.
Millison, Cathy L.
Moretz, Sheila K.
O'Brien, Penelope R.
Rice, Edward A.
Scott-Perez, Marilyn L.
Storey, Sharon V.
Sutphen, Mona K.
Dejban, Donna D.
Kerrick, Donald L.

CARBON_COPY
Saunders, Richard M.
Babbitt, James F.

TEXT_BODY

For Sandy, Jim S., and Don K:

I want to prepare you for a possible
call from Wendy Sherman, or even from the Secretary.

Leon Fuerth
has asked that we defer a decision on the USIA-related piece of the reorganization modifications that we are sending to the Hill next week.

This is a reasonable request.

I believe that Wendy will
push back hard with several arguments -- I've included them, along with rebuttals in parenthesis:

* If we don't include the USIA
piece with the package that goes forward next week, Congress will legislate on the issue and pre-empt us (but we can submit the USIA piece very shortly, even before the Congress comes back into session);

COPY

* Ron
Klain of OVP has said he is comfortable with State's proposal; that is, to create only one bureau out of the old USIA functions -- an Educational Exchanges Bureau but no Bureau for Information (Ron may have said this, but Ron is almost certainly unaware of the issues of interest to Leon; in any event, Rick Saunders is trying to reach Ron on this to obtain a consolidated OVP position).

* NSC is delaying
the process (untrue -- State had 90 days to come up with a modification package, but we didn't obtain final State positions until Wednesday of this week, despite our continual reminders of the timing issue; moreover, more than two weeks ago, we asked the Department, on behalf of Leon, to reexamine its USIA proposals; we didn't hear a response on this until about two days ago).

If necessary, I suppose OVP
could be asked to put the USIA issues to the Vice President this weekend, but my personal view is that we ought to give deference to Leon's request. (Moreover, even if the issues are put to the VP, Sandy may still conclude they need to be OK'ed by the President, given the President's questions about the USIA piece of this.)

COPY

Exchange Mail

DATE-TIME 3/26/99 3:47:42 PM

FROM Wechsler, William F.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Reorg: possible call from Wendy Sherman [UNCLASSIFIED]

TO Schwartz, Eric P.

CARBON_COPY

TEXT_BODY

maybe Jonathan Spalter will give you a job

-----Original Message-----
From: Schwartz,
Eric P.
Sent: Friday, March 26, 1999 3:39 PM
To: Wechsler, William
F.
Subject: FW: Reorg: possible call from Wendy Sherman [UNCLASSIFIED]

Thought
you'd be amused. I guess I could go to work at Labor.

-----Original
Message-----
From: Schwartz, Eric P.
Sent: Friday, March 26, 1999
3:39 PM
To: @NSA - Natl Security Advisor; Saunders, Richard M.;
Babbitt, James F.; Naplan, Steven J.
Subject: FW: Reorg: possible
call from Wendy Sherman [UNCLASSIFIED]

To all:

Update, as of
3:30 pm Friday, on the attached:

I have now heard from Wendy
Sherman and Elaine Shocus, in rapid succession, on the attached, and I expect that Sandy may hear from the Secretary. State is taking the position that it will be a grave error not to include the USIA piece in the package we submit to the Hill next week. Though I confess I don't understand completely State's position, they seem to believe that -- even if we send up the USIA piece a week or so later, and

COPY

before Congress goes back into session -- the submission next week without USIA would be seen as a breaking of faith with the Hill. I told both Elaine and Wendy that Rick was trying to reach Ron Klain, and that the VP's office would decide on how to resolve this issue.

Eric

-----Original Message-----
From: Schwartz, Eric P.
Sent: Friday,
March 26, 1999 2:17 PM
To: @NSA - Natl Security Advisor; @KERRICK
Cc: Saunders,
Richard M.; Babbitt, James F.
Subject: Reorg: possible call from
Wendy Sherman [UNCLASSIFIED]

For Sandy, Jim S., and Don K:

I
want to prepare you for a possible call from Wendy Sherman, or even from the Secretary.

Leon Fuerth has asked that we defer a decision
on the USIA-related piece of the reorganization modifications that we are sending to the Hill next week.

This is a reasonable request.

I
believe that Wendy will push back hard with several arguments -- I've included them, along with rebuttals in parenthesis:

* If
we don't include the USIA piece with the package that goes forward next week, Congress will legislate on the issue and pre-empt us (but we can submit the USIA piece very shortly, even before the Congress comes back into session);

* Ron Klain of OVP has said he is comfortable
with State's proposal; that is, to create only one bureau out of the old USIA functions -- an Educational Exchanges Bureau but no Bureau for Information (Ron may have said this, but Ron is almost certainly unaware of the issues of interest to Leon; in any event, Rick Saunders is trying to reach Ron on this to obtain a consolidated OVP position).

* NSC is delaying the process (untrue -- State
had 90 days to come up with a modification package, but we didn't

COPY

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If necessary, I suppose OVP could be asked to put the USIA issues to the Vice President this weekend, but my personal view is that we ought to give deference to Leon's request. (Moreover, even if the issues are put to the VP, Sandy may still conclude they need to be OK'ed by the President, given the President's questions about the USIA piece of this.)

COPY

Exchange Mail

DATE-TIME 3/26/99 4:41:54 PM

FROM Krass, Caroline D.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Action Memorandum to the President [UNCLASSIFIED]

TO Schwartz, Eric P.

CARBON_COPY
Allen, Charles A.
Baker, James E.
DeRosa, Mary B.
Hunerwadel, Joan S.
Krass, Caroline D.

TEXT_BODY

We clear with the attached changes (see also minor changes to actual delegation in next e-mail).

-----Original Message-----
From: Schwartz,
Eric P.
Sent: Friday, March 26, 1999 12:06 PM
To: @LEGAL - Legal
Advisor
Subject: Action Memorandum to the President [UNCLASSIFIED]

CAROLINE: I THINK I'VE FIGURED OUT A WAY TO GET THE POLICY PIECE
IN THERE WITHOUT PREJUDICE TO WHETHER OR NOT THIS IS RESOLVED PRIOR
TO MARCH 31. IF IT WORKS, WE CAN SIMPLY SEND THIS FORWARD.

ERIC

TRANSLATED_ATTACHMENT

1200 AM POTUS.doc

ACTION

COPY

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

THROUGH: THE EXECUTIVE CLERK

SUBJECT: Delegation of Presidential Authority on Foreign Affairs Reform and Restructuring

Purpose

To delegate to the Secretary of State authorities conferred upon the President under 1601(e) and 1601(g) of the Foreign Affairs Reform and Restructuring Act of 1998 (the "FARRA"), concerning the submission of modifications or revisions to the Reorganization Plan and Report by the President of December 30, 1998.

Background

Delegation: This delegation would apply to modifications to your Plan and Report to reorganize the foreign affairs agencies of the U.S. Government, including the United States Arms Control and Disarmament Agency, the United States Information Agency, the United States International Development Cooperation Agency, and the Agency for International Development. The FARRA requires that certain modifications to the plan be provided to Congress no later than March 31, and this delegation will ensure that our modifications are submitted in a timely manner.

USIA issue: On the substance of the modifications, there is only one outstanding issue of significance -- the nature of USIA's incorporation into State. Members of Congress have inquired about State's intention to combine in one bureau information activities and educational exchanges, the latter of which include the Fulbright program. You have also inquired about this proposal, and

COPY

we are still
discussing possible alternatives with State. As the USIA integration is not
statutorily required to go into effect until October 1, we have until that date
to submit modifications to that portion of the plan. We will consult with you
again prior to submission of USIA-related modifications.

RECOMMENDATION

That you sign the Presidential Determination at Tab A.

Attachments
Tab A Presidential Determination
Tab B Incoming Correpondence from the Department of State
2

2

1200

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 3/26/99 6:08:39 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Reorg: possible call from Wendy Sherman [UNCLASSIFIED]

TO Saunders, Richard M.

CARBON_COPY

TEXT_BODY

Rick:

I don't have a personal stake in this.

But, as Leon
has said to me, State has been (to quote my 2-year old) a big bully in this process, and will argue in apocalyptic terms to achieve its objective even if the issue is not as clear cut as State claims.

There is a very credible argument to make the "I Bureau" a bureau -- including its mission, its size and the management challenge it represents.

Eric

-----Original Message-----
From: Saunders,
Richard M.
Sent: Friday, March 26, 1999 5:39 PM
To: Schwartz,
Eric P.
Subject: RE: Reorg: possible call from Wendy Sherman [UNCLASSIFIED]

I
talked to Wendy. She agreed to hold off until Monday morning, and I agreed to talk with Leon over the weekend and report back ASAP. She laid out State's arguments which, curiously enough, are the mirror image of yours, point-by-point.

-----Original Message-----
From: Schwartz,
Eric P.
Sent: Friday, March 26, 1999 2:17 PM
To: @NSA - Natl Security

COPY

Advisor; @KERRICK
Cc: Saunders, Richard M.; Babbitt, James F.
Subject: Reorg:
possible call from Wendy Sherman [UNCLASSIFIED]

For Sandy, Jim
S., and Don K:

I want to prepare you for a possible call from
Wendy Sherman, or even from the Secretary.

Leon Fuerth has asked
that we defer a decision on the USIA-related piece of the reorganization
modifications that we are sending to the Hill next week.

This
is a reasonable request.

I believe that Wendy will push back hard
with several arguments -- I've included them, along with rebuttals
in parenthesis:

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package that goes forward next week, Congress will legislate on the
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to obtain a consolidated OVP position).

* NSC is delaying the
process (untrue -- State had 90 days to come up with a modification
package, but we didn't obtain final State positions until Wednesday
of this week, despite our continual reminders of the timing issue;
moreover, more than two weeks ago, we asked the Department, on behalf
of Leon, to reexamine its USIA proposals; we didn't hear a response
on this until about two days ago).

If necessary, I suppose OVP
could be asked to put the USIA issues to the Vice President this
weekend, but my personal view is that we ought to give deference
to Leon's request. (Moreover, even if the issues are put to the
VP, Sandy may still conclude they need to be OK'ed by the President,
given the President's questions about the USIA piece of this.)

COPY

COPY

Exchange Mail

DATE-TIME 3/26/99 7:56:15 PM

FROM Naplan, Steven J.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Rqst Concur on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

TO Kale, Dora A.

CARBON_COPY Naplan, Steven J.

TEXT_BODY did this thing ever go out?

-----Original Message-----
From: Kale,
Dora A.
Sent: Monday, March 15, 1999 11:00 AM
To: @DEFENSE - Defense
Policy; @RUSSIA - Russia/Ukraine; @LEGISLAT - Legislative
Affairs
Cc: Kale,
Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: Rqst Concur
on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

Thank
you.

TRANSLATED_ATTACHMENT

1605 AM POTUS.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

COPY

SUBJECT: Letter from Senators Helms and Biden Regarding the Strategy for Foreign
Affairs Reorganization

Purpose

To respond to a letter from Senators Helms and Biden.

Background

The letter praises the overall plans for restructuring at State, but expresses
three key concerns. Specifically, Senators Helms and Biden would favor the
following modifications prior to final submission of the plan on April 1:

* a separate State bureau for verification and compliance of arms control
treaties instead of that role being played by a Special Advisor to the Under
Secretary of State for Arms Control, as detailed in the proposed reorganizational
plan.

* a separate State bureau for Educational and Cultural Affairs, as opposed to the
proposed plan which would combine USIA's information function and cultural
exchange programs into a single State bureau.

* a single European bureau inclusive of the former Soviet states, as opposed to
the proposed Eastern European and Eurasian Bureau (EEE).

The suggested interim response promises that the 90 day review process, now
underway, will be informed by the concerns expressed by the senators and that we
hope to address the principles behind their concerns in the final plans for
reorganization.

RECOMMENDATION

That you sign the attached letter at Tab A.

COPY

Attachments
Tab A Letters for Signature
Tab B Incoming Correspondence
2

2

1605

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT 1605 AM SRB.doc

March 15, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ERIC SCHWARTZ

FROM: STEVEN NAPLAN

SUBJECT: Interim Reply to Letter from Senators Helms and Biden.

At Tab I is a memorandum for the President and a proposed interim response to a
letter from Senators Helms and Biden expressing concern about three specific
elements of the strategy for reorganization of the foreign affairs agencies.

Concurrence by: Defense; RUE; Legislative

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
Tab A Proposed Response

COPY

Tab B Incoming Correspondence

1

1605

TRANSLATED_ATTACHMENT 1605 letter.doc

Dear Senator Helms:

Thank you for your letter concerning our strategy for reorganizing the foreign affairs agencies and implementing the Foreign Affairs Reform and Restructuring Act of 1998.

We are carefully considering the concerns raised in your letter, and are ensuring that this complex process will be informed by your views. When this review period is concluded and we have arrived at final decisions, I will write again in response to the principles asserted in your letter, all of which we hope will be resolved to your satisfaction.

As a general matter, I remain committed to a strong arms control verification and compliance process that ensures that critical assessments reach the highest levels. Our reorganizational plan will yield such an outcome.

The reorganizational plan will also ensure that international educational and cultural programs remain a key component of our foreign policy, with the strong leadership they need and the support they deserve. However we organize these

COPY

activities, they will be under the policy oversight of the new Under Secretary of
State for Public Diplomacy and Public Affairs, ensuring very senior level
attention to our engagement of foreign audiences and communities.

Finally, our reorganizational plan will ensure that our diplomatic relations with
the independent states of the former Soviet Union - a region of enormous
strategic interest - receive the high level leadership attention they deserve,
consistent with the priority we attach to this part of the world.

Intensive planning and preparation for the reorganization is already underway.
We will do all we can to be sure that this sensitive process is implemented in an
open and transparent fashion, and in careful consideration of your views.

Best regards.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510
2

2

COPY

Exchange Mail

DATE-TIME	3/26/99 10:05:32 PM
FROM	Naplan, Steven J.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	National Journal and Metzl's PDD [UNCLASSIFIED]
TO	Schwartz, Eric P.
CARBON_COPY	Naplan, Steven J.

TEXT_BODY

ERIC:

Jamie Metzl has had contact with with Neil Monroe from National Journal.

He called Jamie with wrong information about the forthcoming IPI PDD.

We (NSC Multi and NSC Press) suggested that Jamie provide him with background information, a view with which State PA concurred.

After their discussion, Monroe promised to call Metzl before the article was finished to go over his characterization of the PDD. He failed to do this, and only called Jamie after the text had gone to press. Jamie reports that the text still links the PDD to information warfare. Jamie is very troubled, as this is completely wrong and could suggest to journalists and others that the PDD is a document about manipulation rather than a humanitarian document.

Because this article is coming out tomorrow (3/27) and may potentially be raised in various contexts, Jamie has drafted the Qs & As that follow. They have not been cleared by State or NSC. Jamie felt they should be cleared by both, as he expects that questions on this

COPY

matter will more
likely come to NSC than State.

Jamie is seeking
State PA clearance.

Jamie is faxing a copy of
the article tonight.

Jamie wants us to get clearance on these TPs from NSC press and NSC legal.

(My view is that National Journal is pretty "inside baseball" and not likely to make much of a splash around this place. Jamie is concerned that this bad press will negatively influence SRB's perception of the IPI PDD. I'm not sure any of this is worth bothering Leavy/Jamie Baker.)

WHAT SAY YOU?

Metzl's
draft Q&A:

What is the goal of the PDD?

The PDD is designed
to improve our ability to use information-based tools to prevent and mitigate foreign crises.

What does the PDD do?

The PDD
calls on all agencies of the government involved in foreign affairs to develop ways of being more proactive and creative in using public affairs, public diplomacy, civil society development, and international military information tools to prevent and mitigate foreign crises. It establishes an interagency coordination mechanism, to be chaired by the new Under Secretary for Public Diplomacy and Public Affairs, which will oversee the inclusion of international information planning in all USG foreign policy strategic planning activities. This body will also oversee enhancing the ability of all foreign policy agencies to engage in IPI activities effectively and in a coordinated manner through training programs, encouraging outreach to and strategic partnerships with NGOs and other non-state actors, and better coordinating with allies and international organizations.

Why is this necessary?

COPY

Events
in the former Yugoslavia and in Rwanda have demonstrated the enormous power which information systems can have in promoting extremism and inciting violence. While we strongly support freedom of expression and the free flow of ideas, we are also mindful of the importance of countering messages of hate and intolerance with messages of peace and reconciliation delivered in a culturally-appropriate manner. To do this, we recognize that we must be much more proactive and creative in how we get our messages across, and must use new methods which utilize all communications media, including internet, video, film, music, etc. We also recognize that government-generated information is a small and shrinking percentage of the information which people of the world receive. To be effective in this environment, we must reach out to a new set of actors, including NGOs, private corporations, independent media organizations, and others.

Isn't this what USIA
already does?

USIA already does an excellent job of reaching out to foreign populations. The PDD adds to this capability by harnessing and coordinating the international information capabilities of all the agencies, facilitating strategic alliances with a new set of governmental and non-governmental partners, and better linking traditional public diplomacy activities with new policy challenges of the decentralized information age.

How does this affect the reorganization of the
Department of State and USIA?

The Foreign Affairs Agency Reorganization and Reform Act of 1998 calls for the abolition of USIA and the establishment of a new Under Secretary for Public Diplomacy and Public Affairs at the Department of State by no later than October 1, 1999. Bringing USIA into the State Department will do a great deal to bring international information perspectives more into the policy development and implementation process at the Department of State. The PDD adds to this by calling on all agencies to develop their IPI capabilities, establishing an inter-agency coordination framework, incorporating information planning into all USG strategic planning, and setting a goal for where reorganization and other initiatives should take us.

Are you creating a dangerous
propaganda machine?

Not at all. IPI activities are designed neither to mislead audiences regarding the content or intent of U.S. foreign policy nor to compromise the integrity of state or non-state institutional partners. Rather, IPI activities can only be effective and credible

COPY

by respecting accuracy and objectivity.

COPY

Exchange Mail

DATE-TIME 3/28/99 1:38:09 PM

FROM Cosgriff, Kevin J.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Reorg: possible call from Wendy Sherman [UNCLASSIFIED]

TO
Kerrick, Donald L.
Bartlett, L. June
Cosgriff, Kevin J.
Davies, Glyn T.
Dejban, Donna D.
Elkon, Nicole L.
Hasman, Thomas M.
Hilliard, Brenda I.
Jacobson, Tracey A.
Joshi, M. Kay
Kerrick, Donald L.
Millison, Cathy L.
Rice, Edward A.

CARBON_COPY

TEXT_BODY

Obtained same today.

-----Original Message-----
From: Kerrick,
Donald L.
Sent: Saturday, March 27, 1999 8:04 PM
To: @EXECSEC
- Executive Secretary
Subject: FW: Reorg: possible call from Wendy
Sherman [UNCLASSIFIED]

Kevin;

This is why I wanted OVP formal
coordination. Should be Rick Saunders in Leon's absence.

-----Original
Message-----
From: Sutphen, Mona K.
Sent: Saturday, March 27,
1999 7:53 PM
To: Schwartz, Eric P.; @NSA - Natl Security Advisor;
Saunders, Richard M.; Babbitt, James F.; Naplan, Steven J.

COPY

Subject: RE:
Reorg: possible call from Wendy Sherman [UNCLASSIFIED]

Eric -
Sandy writes: "Make sure OVP signs off." m

p.s. delegation
of authority memo still w/js.

-----Original Message-----
From: Schwartz,
Eric P.
Sent: Friday, March 26, 1999 3:39 PM
To: @NSA - Natl Security
Advisor; Saunders, Richard M.; Babbitt, James F.; Naplan, Steven
J.
Subject: FW: Reorg: possible call from Wendy Sherman [UNCLASSIFIED]

To
all:

Update, as of 3:30 pm Friday, on the attached:

I have
now heard from Wendy Sherman and Elaine Shocus, in rapid succession, on the attached, and I expect that Sandy may hear from the Secretary. State is taking the position that it will be a grave error not to include the USIA piece in the package we submit to the Hill next week. Though I confess I don't understand completely State's position, they seem to believe that -- even if we send up the USIA piece a week or so later, and before Congress goes back into session -- the submission next week without USIA would be seen as a breaking of faith with the Hill. I told both Elaine and Wendy that Rick was trying to reach Ron Klain, and that the VP's office would decide on how to resolve this issue.

Eric

-----Original Message-----
From: Schwartz,
Eric P.
Sent: Friday, March 26, 1999 2:17 PM
To: @NSA - Natl Security
Advisor; @KERRICK
Cc: Saunders, Richard M.; Babbitt, James F.
Subject: Reorg:
possible call from Wendy Sherman [UNCLASSIFIED]

For Sandy, Jim
S., and Don K:

COPY

I want to prepare you for a possible call from
Wendy Sherman, or even from the Secretary.

Leon Fuerth has asked
that we defer a decision on the USIA-related piece of the reorganization modifications that we are sending to the Hill next week.

This
is a reasonable request.

I believe that Wendy will push back hard
with several arguments -- I've included them, along with rebuttals
in parenthesis:

* If we don't include the USIA piece with the
package that goes forward next week, Congress will legislate on the issue and pre-empt us (but we can submit the USIA piece very shortly, even before the Congress comes back into session);

* Ron Klain
of OVP has said he is comfortable with State's proposal; that is, to create only one bureau out of the old USIA functions -- an Educational Exchanges Bureau but no Bureau for Information (Ron may have said this, but Ron is almost certainly unaware of the issues of interest to Leon; in any event, Rick Saunders is trying to reach Ron on this to obtain a consolidated OVP position).

* NSC is delaying the
process (untrue -- State had 90 days to come up with a modification package, but we didn't obtain final State positions until Wednesday of this week, despite our continual reminders of the timing issue; moreover, more than two weeks ago, we asked the Department, on behalf of Leon, to reexamine its USIA proposals; we didn't hear a response on this until about two days ago).

If necessary, I suppose OVP
could be asked to put the USIA issues to the Vice President this weekend, but my personal view is that we ought to give deference to Leon's request. (Moreover, even if the issues are put to the VP, Sandy may still conclude they need to be OK'ed by the President, given the President's questions about the USIA piece of this.)

COPY

Exchange Mail

DATE-TIME 3/29/99 11:38:19 AM

FROM Babbitt, James F.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: USIA/State Reorg [UNCLASSIFIED]

TO Schwartz, Eric P.

CARBON_COPY Saunders, Richard M.

TEXT_BODY

Eric -- Rick asked me to draft a FF - SRB memo on the USIA issue. I have attached an initial draft and would welcome your comments.
-- Jim

-----Original Message-----
From: Schwartz, Eric
P.
Sent: Monday, March 29, 1999 10:39 AM
To: Saunders, Richard
M.
Cc: Babbitt, James F.
Subject: RE: USIA/State Reorg [UNCLASSIFIED]

I
share your concerns.

Sandy has always told me that VP needs to
be OK with this, so I'm sure he'll back you up.

Eric

-----Original
Message-----
From: Saunders, Richard M.
Sent: Monday, March 29,
1999 9:13 AM
To: Schwartz, Eric P.
Cc: Babbitt, James F.
Subject: USIA/State
Reorg [UNCLASSIFIED]

COPY

I spoke with Leon again last night. We remain concerned that the proposed State reorganization downgrades USIA's principal foreign policy function. I have some calls out this morning, but will soon disappear into marathon Kosovo meetings. As it stands, though, it looks as if "OVP" will non-concur with the proposed Office of Information structure and recommend that the issue be reviewed by Sandy and/or by the President.

I should know whether we will take this position by mid-day. If we do, I'll draft a memo from "Leon" to Sandy and back it up with a memo or e-mail to the Vice President to prepare him for calls from State.

Rick

TRANSLATED_ATTACHMENT Reorg.29mar.doc

March 29, 1999

INFORMATION

MEMORANDUM FOR SANDY BERGER

FROM: LEON FUERTH

SUBJECT: Foreign Affairs Agency Reorganization - USIA

I non-concur with the most recent recommendation of the Department of State to incorporate USIA's Bureau of Information into its structure as a separate office.

As submitted in the initial reorganization plan submitted to Congress, USIA's Bureau of Educational and Cultural Affairs and its Bureau of Information were to be combined into a single State bureau, headed by a single Assistant Secretary reporting to the Under Secretary for Public Diplomacy and Public Affairs. Consolidating these USIA responsibilities under a single bureau resulted in significant debate. Senators Helms and Biden, among others, wrote

COPY

the President
urging that he not proceed with the consolidation of the two bureaus.

As a result, State is now recommending that educational and cultural exchanges be
established as a bureau and that the current Information Bureau be organized as a
separate office. Both would report to the new Under Secretary. The head of the
information function would be named as an Office Director.

State argues that there is insufficient policy content in the information function to warrant its retention as a bureau and that any final decision should
rest with the Secretary. I challenge that notion and believe that the Administration would be ill served by signaling a lessening of the importance we
attribute to our overseas public information programs.

In addition, USIA's Bureau of Information served as a Reinvention Laboratory
under the Vice President's National Performance Review. I am concerned that the
achievements of that effort and the Bureau's ability to serve as a model for
change could be lost by accepting State's recommendation for reorganization.

Standing alone, the program responsibilities of the Information Bureau would seem
to justify the creation of a State bureau. Currently, the Bureau has nearly 400
staff, which would make it a large bureau by State standards. I understand that
State is not capped in the number of Assistant Secretaries it can name and is
able, if they choose, to create both a new Exchange Bureau and a new Information
Bureau, both led by Assistant Secretaries.

The Department is looking to incorporate its revised scheme for USIA in its
modified report to the Hill this week. I recommend that we defer on this
decision until both you and the President have had an opportunity to review the
issue. We have until the end of September to submit revisions on that part of
the Administration's Reorganization Plan related to the incorporation of USIA. I

COPY

don't propose that we delay informing the Hill until then, but only long enough
to assure that State's proposal receives appropriate senior attention.
2

2

COPY

Exchange Mail

DATE-TIME 3/29/99 12:45:19 PM

FROM Kale, Dora A.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Rqst Concur on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

TO
Barnett, Cheryl E.
Elkind, Jonathan H.
Faranda, Regina D.
Kaufman, Stuart J.
Pascual, Carlos E.
Segal, Jack D.
Silva, Mary Ann T.
Tedstrom, John E.
Weiss, Andrew S.
Burrell, Christina L.
Lackey, Miles M.
Tavlarides, Mark J.
Williams, Mary C.

CARBON_COPY
Kale, Dora A.
Hill, Roseanne M.
Naplan, Steven J.

TEXT_BODY

Still waiting for your concurrence on the attached package. Thank you.

-----Original Message-----
From: Witkowsky, Anne A.
Sent: Tuesday,
March 16, 1999 3:31 PM
To: @MULTILAT - Multilateral and Humanitarian Affairs
Cc: @DEFENSE - Defense Policy; @RUSSIA - Russia/Ukraine; @LEGISLAT - Legislative Affairs
Subject: FW: Rqst Concur on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

We clear with changes
as marked.

-----Original Message-----
From: Kale, Dora A.

COPY

Sent: Monday,
March 15, 1999 11:00 AM
To: @DEFENSE - Defense Policy; @RUSSIA - Russia/Ukraine; @LEGISLAT - Legislative Affairs
Cc: Kale, Dora A.;
Hill, Roseanne M.; Naplan, Steven J.
Subject: Rqst Concur on #1605--Interim rply re Foreign Affairs Reorg [UNCLASSIFIED]

Thank you.

TRANSLATED_ATTACHMENT 1605 AM POTUS.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Letter from Senators Helms and Biden Regarding the Strategy for Foreign
Affairs Reorganization

Purpose

To respond to a letter from Senators Helms and Biden.

Background

The letter praises the overall plans for restructuring at State, but expresses
three key concerns. Specifically, Senators Helms and Biden would favor the
following modifications prior to final submission of the plan on April 1:

* a separate State bureau for verification and compliance of arms control
treaties instead of the proposed verification and compliance Special Advisor to
the Under Secretary of State for Arms Control.

COPY

* a separate State bureau for Educational and Cultural Affairs, as opposed to the
proposed plan which would combine USIA's information function and cultural
exchange programs into a single State bureau.

* a single all-European bureau inclusive of the former Soviet states, as opposed
to the proposed separate Eastern European and Eurasian Bureau (EEE).

The suggested interim response promises that the 90 day review process, now
underway, will be informed by the concerns expressed by the senators and that we
hope to address the principles behind their concerns in the final plans for
reorganization.

RECOMMENDATION

That you sign the attached letter at Tab A.

Attachments
Tab A Letters for Signature
Tab B Incoming Correspondence
2

2

1605

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT 1605 AM SRB.doc

March 15, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

COPY

THROUGH: ERIC SCHWARTZ

FROM: STEVEN NAPLAN

SUBJECT: Interim Reply to Letter from Senators Helms and Biden.

At Tab I is a memorandum for the President and a proposed interim response to a
letter from Senators Helms and Biden expressing concern about three specific
elements of the strategy for reorganization of the foreign affairs agencies.

Concurrence by: Defense; RUE; Legislative

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
Tab A Proposed Response
Tab B Incoming Correspondence

1

1605

TRANSLATED_ATTACHMENT 1605 letter.doc

Dear Senator Helms:

Thank you for your letter concerning our strategy for reorganizing the foreign

COPY

affairs agencies and implementing the Foreign Affairs Reform and Restructuring
Act of 1998.

We are carefully considering the concerns raised in your letter, and are ensuring
that this complex process will be informed by your views. When this review
period is concluded and we have arrived at final decisions, I will write again in
response to the issues you have raised,, all of which we hope can be addressed to
your satisfaction.

As a general matter, I remain committed to a strong arms control verification and
compliance process that continues to attach priority to these important issues..
Our reorganization plan will yield such an outcome.

The reorganization plan will also ensure that international educational and
cultural programs remain a key component of our foreign policy, with the strong
leadership they need and the support they deserve. However we organize these
activities, they will be under the policy oversight of the new Under Secretary of
State for Public Diplomacy and Public Affairs, ensuring very senior level
attention to our engagement of foreign audiences and communities.

Finally, our reorganization plan will ensure that our diplomatic relations with
the independent states of the former Soviet Union - a region of enormous
strategic interest - receive the high level leadership attention they deserve,
consistent with the priority we attach to this part of the world.

Intensive planning and preparation for the reorganization is already underway.
We will do all we can to be sure that this sensitive process is implemented in an
open and transparent fashion, and in careful consideration of your views.

COPY

Best regards.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510
2

2

COPY

Exchange Mail

DATE-TIME	3/29/99 6:34:51 PM
FROM	Babbitt, James F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Reorg memo [UNCLASSIFIED]
TO	Saunders, Richard M.
CARBON_COPY	
TEXT_BODY	As requested -
TRANSLATED_ATTACHMENT	Reorg.29mar.doc

March 29, 1999

INFORMATION

MEMORANDUM FOR SANDY BERGER

FROM: LEON FUERTH

SUBJECT: Foreign Affairs Agency Reorganization - USIA

I non-concur with the most recent recommendation of the Department of State to incorporate USIA's Bureau of Information into its structure as a separate office.

As submitted in the initial reorganization plan submitted to Congress, USIA's Bureau of Educational and Cultural Affairs and its Bureau of Information were to be combined into a single State bureau, headed by a single Assistant Secretary reporting to the Under Secretary for Public Diplomacy and Public

COPY

Affairs.
Consolidating these USIA responsibilities under a single bureau resulted in
significant debate. Senators Helms and Biden, among others, wrote the President
urging that he not proceed with the consolidation of the two bureaus.

As a result, State is now recommending that educational and cultural exchanges be
established as a bureau and that the current Information Bureau be organized as a
separate office. Both would report to the new Under Secretary. The head of the
information function would be named as an Office Director.

State argues that there is insufficient policy content in the information function to warrant its retention as a bureau and that any final decision should
rest with the Secretary. I challenge that notion and believe that the Administration would be ill served by signaling a lessening of the importance we
attribute to our overseas public information programs.

In addition, USIA's Bureau of Information served as a Reinvention Laboratory
under the Vice President's National Performance Review. I am concerned that the
achievements of that effort and the Bureau's ability to serve as a model for
change could be lost by accepting State's recommendation for reorganization.

Standing alone, the program responsibilities of the Information Bureau would seem
to justify the creation of a State bureau. Currently, the Bureau has nearly 400
staff, which would make it a large bureau by State standards. I understand that
State is not capped in the number of Assistant Secretaries it can name and is
able, if they choose, to create both a new Exchange Bureau and a new Information
Bureau, both led by Assistant Secretaries.

The Department is looking to incorporate its revised scheme for USIA in its
modified report to the Hill this week. If State is not prepared to accept a
two-bureau model, I recommend that this issue be presented to the President for

COPY

decision
2

2

COPY

Exchange Mail

DATE-TIME	3/29/99 8:33:34 PM
FROM	Krass, Caroline D.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Action Memorandum to the President [UNCLASSIFIED]
TO	Schwartz, Eric P.
CARBON_COPY	Babbitt, James F. Black, Steven K. Bolan, Christopher J. Boulton, Darrien D. Brody, Richard J. Davidson, Leslie K. Fuerth, Leon S. Hilty, Joanne M. Orfini, Michael H. Osius, Theodore G. Pisani, Kristen L. Roberts, Michael W. Saunders, Richard M. Woolston, Ann E. Allen, Charles A. Baker, James E. DeRosa, Mary B. Hunerwadel, Joan S. Krass, Caroline D. Burrell, Christina L. Lackey, Miles M. Tavlarides, Mark J. Williams, Mary C.
TEXT_BODY	Attached are our minor changes to this memo. -----Original Message----- From: Schwartz, Eric P. Sent: Monday, March 29, 1999 8:20 PM To: @VP - VP Natl Security Affairs; @LEGAL - Legal Advisor; @LEGISLAT - Legislative Affairs Subject: Action Memorandum to the President [UNCLASSIFIED]

COPY

for concurrence asap

TRANSLATED_ATTACHMENT reorg usia potus.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: State Reorganization

Purpose

To resolve a reorganization issue relating to the merger of the U.S. Information
Agency into the Department of State.

Background

At the end of last year, we submitted, pursuant to the Foreign Affairs Reform and
Restructuring Act of 1998 (the "Act") -- a State reorganization plan to the Hill.
The Act provides that we may, based on consultations with Congress, present any
modifications or revisions to the plan until the end of March (for parts of the
plan affecting ACDA or AID), and until the end of September (for parts of the
plan affecting USIA). After that point, the plan is final.

We will provide a submission to the Hill on Wednesday, March 31, and intend for
it to include final modifications on all elements of our plan.

Unresolved issue: At this point, there is only one unresolved issue: the nature
of the merger of USIA into the Department of State.

State's initial proposal and Congressional reaction: State initially suggested
combining USIA's former bureaus for Educational and Cultural Affairs (which

COPY

handles the Fulbright program) and International Information (which produces materials and programs in support of our overseas public diplomacy efforts).

Senators Biden and Helms, as well as a number of supporters of the Fulbright program, argued against this shift. Prominent among their concerns was that combining education and cultural affairs with public diplomacy would compromise the non-political character of programs like Fulbright.

State's alternative proposal: State now recommends that Educational and Cultural Affairs be established as a separate bureau, but that the current Information Bureau be organized as an office -- i.e., not be given the status of a bureau.

State argues that there is insufficient policy content in the information function to warrant its retention as a bureau and that any final decision on this issue should rest with the Secretary. Finally, State emphasizes that by putting the office in the Undersecretariat for Public Affairs and Public Diplomacy, the Department will ensure that international information issues are given the priority they deserve.

Office of the Vice President's view: Leon Fuerth believes that international information issues warrant a separate bureau, and believes that State's proposal would signal a lessening of the importance we attribute to overseas public information programs. He argues that the program responsibilities of the Information Bureau would be substantial: with 400 staff, it would in fact be a large bureau by State standards. Finally, Leon argues that the Information Bureau served as a "Reinvention Laboratory" under the Vice President's National Performance Review, and Leon is concerned that the achievements of that effort and the Bureau's ability to serve as a model for change would be lost by accepting State's recommendation.

RECOMMENDATION

COPY

That you choose either the State or OVP-supported option.

_____ State Option (one bureau for educational exchanges, and an office --
but not a bureau -- for information).

_____ OVP Option (two bureaus, one for educational exchanges, and one for
information).

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME	3/29/99 7:08:49 PM
FROM	Schwartz, Eric P.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Action Memorandum for NSC [UNCLASSIFIED]
TO	Allen, Charles A. Baker, James E. DeRosa, Mary B. Hunerwadel, Joan S. Krass, Caroline D. Burrell, Christina L. Lackey, Miles M. Tavlarides, Mark J. Williams, Mary C. Babbitt, James F. Black, Steven K. Bolan, Christopher J. Boulton, Darrien D. Brody, Richard J. Davidson, Leslie K. Fuerth, Leon S. Hilty, Joanne M. Orfini, Michael H. Osius, Theodore G. Pisani, Kristen L. Roberts, Michael W. Saunders, Richard M. Woolston, Ann E.
CARBON_COPY	
TEXT_BODY	NEED CONCURRENCE ON ATTACHED COVER NOTE AND MEMO TO COME -- PLEASE, BY TONIGHT. ERIC
TRANSLATED_ATTACHMENT	reorg usia srb.doc

March 29, 1999

ACTION

COPY

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

I have attached a action memorandum for the President on a USIA-related reorganization issue in which OVP (Leon Fuerth) and State disagree.

OVP believes that, in the context of the merger, the substantive functions of USIA should be included in two bureaus -- one dealing with educational exchanges and the other with information. State would have the latter function handled by an "office" (rather than a bureau), associated with the new Public Affairs and Public Diplomacy Undersecretariat.

I concur with OVP.

Although I do not know whether the Secretary has very strong feelings on the substance of this issue, I know that both Wendy Sherman and Elaine Shocus do. Thus, if this issue is to be resolved in the absence of a memo to the President, I believe you will have to discuss it with the Secretary.

But the time is very short, as the modification submission referred to in the attached memorandum must be provided to the Hill by Wednesday. (Technically, we could defer the decision on USIA and let the rest of the modifications go forward, as USIA does not merge with State until October, but -- given Congressional interest -- State has strongly urged that all the modifications go forward as a package and we see no reason for NSC to delay a decision.)

Concurrence by: Caroline Krass, Miles Lackey

RECOMMENDATION

That you sign the attached memorandum to the President.

COPY

Approve _____ Disapprove _____

Attachment
Tab I Memorandum to the President
2

COPY

Exchange Mail

DATE-TIME 3/29/99 8:20:00 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT Action Memorandum to the President [UNCLASSIFIED]

TO
Babbitt, James F.
Black, Steven K.
Bolan, Christopher J.
Boulton, Darrien D.
Brody, Richard J.
Davidson, Leslie K.
Fuerth, Leon S.
Hilty, Joanne M.
Orfini, Michael H.
Osius, Theodore G.
Pisani, Kristen L.
Roberts, Michael W.
Saunders, Richard M.
Woolston, Ann E.
Allen, Charles A.
Baker, James E.
DeRosa, Mary B.
Hunerwadel, Joan S.
Krass, Caroline D.
Burrell, Christina L.
Lackey, Miles M.
Tavlarides, Mark J.
Williams, Mary C.

CARBON_COPY

TEXT_BODY for concurrence asap

TRANSLATED_ATTACHMENT
reorg usia potus.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

COPY

FROM: SAMUEL BERGER

SUBJECT: State Reorganization

Purpose

To resolve a reorganization issue relating to the merger of the U.S. Information
Agency into the Department of State.

Background

At the end of last year, we submitted, pursuant to the Foreign Affairs Reform and
Restructuring Act of 1998 -- a State reorganization plan to the Hill. The Act
provides that we may, based on consultations with Congress, present any
modifications or revisions to the plan until the end of March (for parts of the
plan affecting ACDA or AID), and until the end of September (for parts of the
plan affecting USIA). After that point, the plan is final.

We will provide a submission to the Hill on Wednesday, and intend for it to
include final modifications on all elements of our plan.

Unresolved issue: At this point, there is only one unresolved issue: the nature
of the merger of USIA into the Department of State.

State's initial proposal and Congressional reaction: State initially suggested
combining USIA's former bureaus for Educational and Cultural Affairs (which
handles the Fulbright program) and International Information (which produces
materials and programs in support of our overseas public diplomacy efforts).
Senators Biden and Helms, as well as a number of supporters of the Fulbright
program, argued against this shift. Prominent among their concerns was that
combining education and cultural affairs with public diplomacy would compromise
the non-political character of programs like Fulbright.

State's alternative proposal: State now recommends that Educational

COPY

and Cultural
Affairs be established as a separate bureau, but that the current Information
Bureau be organized as an office -- i.e., not be given the status of a bureau.
State argues that there is insufficient policy content in the information function to warrant its retention as a bureau and that any final decision on this
issue should rest with the Secretary. Finally, State emphasizes that by putting
the office in the Undersecretariat for Public Affairs and Public Diplomacy, the
Department will ensure that international information issues are given the
priority they deserve.

Office of the Vice President's view: Leon Fuerth believes that international
information issues warrant a separate bureau, and believes that State's proposal
would signal a lessening of the importance we attribute to overseas public
information programs. He argues that the program responsibilities of the
Information Bureau would be substantial: with 400 staff, it would in fact be a
large bureau by State standards. Finally, Leon argues that the Information
Bureau served as a "Reinvention Laboratory" under the Vice President's National
Performance Review, and Leon is concerned that the achievements of that effort
and the Bureau's ability to serve as a model for change would be lost by
accepting State's recommendation.

RECOMMENDATION

That you choose either the State or OVP-supported option.

_____ State Option (one bureau for educational exchanges, and an office --
but not a bureau -- for Information).

_____ OVP Option (two bureaus, one for educational exchanges, and one for
Information).

COPY

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME	3/29/99 8:35:31 PM
FROM	Krass, Caroline D.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Action Memorandum for NSC [UNCLASSIFIED]
TO	Schwartz, Eric P.
CARBON_COPY	Allen, Charles A. Baker, James E. DeRosa, Mary B. Hunerwadel, Joan S. Krass, Caroline D. Burrell, Christina L. Lackey, Miles M. Tavlarides, Mark J. Williams, Mary C. Babbitt, James F. Black, Steven K. Bolan, Christopher J. Boulton, Darrien D. Brody, Richard J. Davidson, Leslie K. Fuerth, Leon S. Hilty, Joanne M. Orfini, Michael H. Osius, Theodore G. Pisani, Kristen L. Roberts, Michael W. Saunders, Richard M. Woolston, Ann E.
TEXT_BODY	Legal's changes are noted in the attached. -----Original Message----- From: Schwartz, Eric P. Sent: Monday, March 29, 1999 7:09 PM To: @LEGAL - Legal Advisor; @LEGISLAT - Legislative Affairs; @VP - VP Natl Security Affairs Subject: Action Memorandum for NSC [UNCLASSIFIED] NEED

COPY

CONCURRENCE ON ATTACHED COVER NOTE AND MEMO TO COME -- PLEASE, BY TONIGHT.

ERIC

TRANSLATED_ATTACHMENT reorg usia srb.doc

March 29, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

I have attached an action memorandum for the President on a USIA-related reorganization issue on which OVP (Leon Fuerth) and State disagree.

OVP believes that, in the context of the merger, the substantive functions of USIA should be included in two bureaus -- one dealing with educational exchanges and the other with information. State would have the latter function handled by an "office" (rather than a bureau), associated with the new Public Affairs and Public Diplomacy Undersecretariat.

I concur with OVP.

Although I do not know whether the Secretary has very strong feelings on the substance of this issue, I know that both Wendy Sherman and Elaine Shocus do. Thus, if this issue is to be resolved in the absence of a memo to the President, I believe you will have to discuss it with the Secretary.

But the time is very short, as the modification submission referred to in the attached memorandum must be provided to the Hill by Wednesday. (Technically, we could defer the decision on USIA and let the rest of the modifications go

COPY

forward, as USIA is not required to merge with State until October, but -- given
Congressional interest -- State has strongly urged that all the modifications go
forward as a package and we see no reason for NSC to delay a decision.)

Concurrence by: Caroline Krass, Miles Lackey

RECOMMENDATION

That you sign the attached memorandum to the President.

Approve _____ Disapprove _____

Attachment
Tab I Memorandum to the President
2

COPY

Exchange Mail

DATE-TIME 3/29/99 8:52:21 PM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: USIA Reorganization [UNCLASSIFIED]

TO
Davies, Glyn T.
Dejban, Donna D.
Hachigian, Nina L.
Kerrick, Donald L.
Millison, Cathy L.
Moretz, Sheila K.
O'Brien, Penelope R.
Rice, Edward A.
Scott-Perez, Marilyn L.
Storey, Sharon V.
Sutphen, Mona K.

CARBON_COPY

TEXT_BODY

Sandy:

Memo referred to by Rick will be to you in the morning.
It is short -- issue is straightforward.

Eric

-----Original
Message-----
From: Saunders, Richard M.
Sent: Monday, March 29,
1999 8:20 PM
To: @NSA - Natl Security Advisor
Cc: Schwartz, Eric
P.; Clarke, Richard A.; Babbitt, James F.
Subject: USIA Reorganization
[UNCLASSIFIED]

Please pass to Sandy:

We understand that State
is about to come forward with a reorganization plan that -- we fear
-- will short-change the international information function. The
proposal would create two bureaus under the new Under Secretary for
Public Diplomacy. Once would be Public Affairs (Jamie Rubin) and

COPY

the other would be Education and Exchanges (Fulbright programs, etc.). USIA's current Information Bureau would become a separate office headed by an Office Director reporting to the Under Secretary.

I've consulted with Leon. As you know, the Vice President has emphasized the importance of carefully tailored information strategies in support of our policy goals. Leon's concern is that State's plan gives insufficient bureaucratic clout to the one part of USIA that has real significance for implementation of our foreign policy. Perhaps it will work out if the new Under Secretary gives international information strategy his/her closest attention. Nevertheless, there is the risk that an Office Director-level head of this function will not be able to wield enough influence within State or in interagency discussions to be effective.

Eric will be coming forward with a memo tomorrow asking you to either consult with Secretary Albright or refer the issue to the President as you see fit.

Thanks,

Rick Saunders

COPY

Exchange Mail

DATE-TIME	3/30/99 8:08:10 AM
FROM	Saunders, Richard M.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Action Memorandum to the President [UNCLASSIFIED]
TO	Schwartz, Eric P.
CARBON_COPY	
TEXT_BODY	I've made a change. I was surprised to see that this is being portrayed as a "Leon against State" issue, though. I thought that NSC staff has a view as well. Are you and Sandy totally indifferent as to the outcome?

-----Original Message-----
From: Schwartz, Eric
P.
Sent: Monday, March 29, 1999 8:20 PM
To: @VP - VP Natl Security
Affairs; @LEGAL - Legal Advisor; @LEGISLAT - Legislative
Affairs
Subject: Action
Memorandum to the President [UNCLASSIFIED]

for concurrence asap

TRANSLATED_ATTACHMENT

reorg usia potus.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: State Reorganization

Purpose

COPY

To resolve a reorganization issue relating to the merger of the U.S. Information
Agency into the Department of State.

Background

At the end of last year, we submitted, pursuant to the Foreign Affairs Reform and
Restructuring Act of 1998 -- a State reorganization plan to the Hill. The Act
provides that we may, based on consultations with Congress, present any
modifications or revisions to the plan until the end of March (for parts of the
plan affecting ACDA or AID), and until the end of September (for parts of the
plan affecting USIA). After that point, the plan is final.

We will provide a submission to the Hill on Wednesday, and intend for it to
include final modifications on all elements of our plan.

Unresolved issue: At this point, there is only one unresolved issue: the nature
of the merger of USIA into the Department of State.

State's initial proposal and Congressional reaction: State initially suggested
combining USIA's former bureaus for Educational and Cultural Affairs (which
handles the Fulbright program) and International Information (which produces
materials and programs in support of our overseas public diplomacy efforts).
Senators Biden and Helms, as well as a number of supporters of the Fulbright
program, argued against this shift. Prominent among their concerns was that
combining education and cultural affairs with public diplomacy would compromise
the non-political character of programs like Fulbright.

State's alternative proposal: State now recommends that Educational and Cultural
Affairs be established as a separate bureau, but that the current Information
Bureau be organized as an office -- i.e., not be given the status of a bureau.
State argues that there is insufficient policy content in the information

COPY

function to warrant its retention as a bureau and that any final decision on this issue should rest with the Secretary. Finally, State emphasizes that by putting the office in the Undersecretariat for Public Affairs and Public Diplomacy, the Department will ensure that international information issues are given the priority they deserve.

Office of the Vice President's view: Leon Fuerth believes that international information issues warrant a separate bureau, and believes that State's proposal would signal a lessening of the importance we attribute to overseas public information programs. He argues that the program responsibilities and policy relevance of the Information Bureau would be substantial -- with 400 staff, it would in fact be a large bureau by State standards, and the Information Bureau is the principal division of USIA that has a day-to-day operational role in the implementation of U.S. foreign policy. Finally, Leon argues that the Information Bureau served as a "Reinvention Laboratory" under the Vice President's National Performance Review, and Leon is concerned that the achievements of that effort and the Bureau's ability to serve as a model for change would be lost by accepting State's recommendation.

RECOMMENDATION

That you choose either the State or OVP-supported option.

_____ State Option (one bureau for educational exchanges, and an office -- but not a bureau -- for Information).

_____ OVP Option (two bureaus, one for educational exchanges, and one for Information).

COPY

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 3/30/99 8:25:43 AM

FROM Brody, Richard J.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Action Memorandum to the President [UNCLASSIFIED]

TO Saunders, Richard M.

CARBON_COPY

TEXT_BODY Rick -- OVP is front and center in this memo, but I don't know who has the issue. -- Richard

-----Original Message-----
From: Schwartz,
Eric P.
Sent: Monday, March 29, 1999 8:20 PM
To: @VP - VP Natl
Security Affairs; @LEGAL - Legal Advisor; @LEGISLAT - Legislative
Affairs
Subject: Action Memorandum to the President [UNCLASSIFIED]

for concurrence asap

TRANSLATED_ATTACHMENT reorg usia potus.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: State Reorganization

Purpose

To resolve a reorganization issue relating to the merger of the U.S.

COPY

Information
Agency into the Department of State.

Background

At the end of last year, we submitted, pursuant to the Foreign Affairs Reform and
Restructuring Act of 1998 -- a State reorganization plan to the Hill. The Act
provides that we may, based on consultations with Congress, present any
modifications or revisions to the plan until the end of March (for parts of the
plan affecting ACDA or AID), and until the end of September (for parts of the
plan affecting USIA). After that point, the plan is final.

We will provide a submission to the Hill on Wednesday, and intend for it to
include final modifications on all elements of our plan.

Unresolved issue: At this point, there is only one unresolved issue: the nature
of the merger of USIA into the Department of State.

State's initial proposal and Congressional reaction: State initially suggested
combining USIA's former bureaus for Educational and Cultural Affairs (which
handles the Fulbright program) and International Information (which produces
materials and programs in support of our overseas public diplomacy efforts).
Senators Biden and Helms, as well as a number of supporters of the Fulbright
program, argued against this shift. Prominent among their concerns was that
combining education and cultural affairs with public diplomacy would compromise
the non-political character of programs like Fulbright.

State's alternative proposal: State now recommends that Educational and Cultural
Affairs be established as a separate bureau, but that the current Information
Bureau be organized as an office -- i.e., not be given the status of a bureau.
State argues that there is insufficient policy content in the information
function to warrant its retention as a bureau and that any final decision on this

COPY

issue should rest with the Secretary. Finally, State emphasizes that by putting the office in the Undersecretariat for Public Affairs and Public Diplomacy, the Department will ensure that international information issues are given the priority they deserve.

Office of the Vice President's view: Leon Fuerth believes that international information issues warrant a separate bureau, and believes that State's proposal would signal a lessening of the importance we attribute to overseas public information programs. He argues that the program responsibilities of the Information Bureau would be substantial: with 400 staff, it would in fact be a large bureau by State standards. Finally, Leon argues that the Information Bureau served as a "Reinvention Laboratory" under the Vice President's National Performance Review, and Leon is concerned that the achievements of that effort and the Bureau's ability to serve as a model for change would be lost by accepting State's recommendation.

RECOMMENDATION

That you choose either the State or OVP-supported option.

_____ State Option (one bureau for educational exchanges, and an office -- but not a bureau -- for Information).

_____ OVP Option (two bureaus, one for educational exchanges, and one for Information).

cc: Vice President

COPY

Chief of Staff

COPY

Exchange Mail

DATE-TIME 3/30/99 9:10:47 AM

FROM Clarke, Richard A.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: USIA Reorganization [UNCLASSIFIED]

TO Wechsler, William F.

CARBON_COPY

TEXT_BODY

-----Original Message-----
From: Saunders, Richard M.
Sent: Monday,
March 29, 1999 8:20 PM
To: @NSA - Natl Security Advisor
Cc: Schwartz,
Eric P.; Clarke, Richard A.; Babbitt, James F.
Subject: USIA Reorganization
[UNCLASSIFIED]

Please pass to Sandy:

We understand that State
is about to come forward with a reorganization plan that -- we fear -- will short-change the international information function. The proposal would create two bureaus under the new Under Secretary for Public Diplomacy. Once would be Public Affairs (Jamie Rubin) and the other would be Education and Exchanges (Fulbright programs, etc.). USIA's current Information Bureau would become a separate office headed by an Office Director reporting to the Under Secretary.

I've
consulted with Leon. As you know, the Vice President has emphasized the importance of carefully tailored information strategies in support of our policy goals. Leon's concern is that State's plan gives insufficient bureaucratic clout to the one part of USIA that has real significance for implementation of our foreign policy. Perhaps it will work out if the new Under Secretary gives international information strategy his/her closest attention. Nevertheless, there is the risk that an Office Director-level head of this function will not be able to wield enough influence within State or in interagency discussions to be effective.

COPY

Eric will be coming forward with a memo tomorrow asking you to either consult with Secretary Albright or refer the issue to the President as you see fit.

Thanks,

Rick Saunders

COPY

Exchange Mail

DATE-TIME	3/30/99 11:27:24 AM
FROM	Schwartz, Eric P.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	Action Memorandum to the President [UNCLASSIFIED]
TO	Saunders, Richard M.
CARBON_COPY	
TEXT_BODY	rick: i received some suggested text from state, which i incorporated, but that required i do some small changes to the memo, as well as shorten it a bit to keep it to two pages. would appreciate your giving it another very quick look. eric
TRANSLATED_ATTACHMENT	reorg usia potus_.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: State Reorganization

Purpose

To resolve a reorganization issue relating to the merger of the U.S. Information
Agency into the Department of State.

Background

At the end of last year, we submitted, pursuant to the Foreign Affairs Reform and
Restructuring Act of 1998 -- a State reorganization plan to the Hill. The Act
provides that we may, based on consultations with Congress, present

COPY

any
modifications or revisions to the plan until the end of March (for parts of the
plan affecting ACDA or AID), and until the end of September (for parts of the
plan affecting USIA). After that point, the plan is final.

Unresolved issue: At this point, there is only one unresolved issue, which we
hope to settle by March 31: the nature of the merger of USIA into the Department
of State.

State's initial proposal and Congressional reaction: State initially suggested
combining USIA's former bureaus for Educational and Cultural Affairs (which
handles the Fulbright program) and International Information (which produces
materials and programs in support of our overseas public diplomacy efforts).
Senators Helms and Biden, as well as a number of supporters of the Fulbright
program, argued against this shift. Prominent among their concerns was that
combining education and cultural affairs with public diplomacy would compromise
the non-political character of programs like Fulbright.

State's current proposal: State now recommends that Educational and Cultural
Affairs be established as a separate bureau, but that the current USIA
Information Bureau be organized as an office reporting directly to the new
Undersecretary for Public Diplomacy and Public Affairs -- i.e., not be given the
status of a bureau. State argues that producing international information
programs involve fewer resources and will not require the policy attention of a
full-time Assistant Secretary. They argue that this office will be much smaller
than the current Information Bureau in USIA, as State is spinning off several
major functions to other bureaus. Finally, State contends that, as the
Department already has a Public Affairs Bureau, having a separate bureau for
international information will send a confusing message to external audiences
about who speaks authoritatively at State.

COPY

Office of the Vice President's view: Leon Fuerth believes that international information issues warrant a separate bureau, as the public diplomacy mandate -- to inform foreign publics of U.S. foreign policy -- is distinct from public affairs and is critically important, and that the Information Bureau is the principal division of USIA that has a day-to-day operational role in the implementation of U.S. foreign policy. He argues that the program responsibilities and policy relevance of the Information Bureau would be substantial -- even with streamlining, State's current plan is to staff its proposed Information Office with more than 200 persons, which is larger than many existing bureaus at State. Finally, Leon argues that the Information Bureau served as a "Reinvention Laboratory" under the Vice President's National Performance Review, and Leon is concerned that the achievements of that effort and the Bureau's ability to serve as a model for change would be lost by accepting State's recommendation.

Comment: Either option would satisfy the concerns of advocates for the Fulbright program (several of whom have contacted you on this), as each option retains educational and cultural affairs in a separate bureau. The issue is whether international information activities also warrant a separate bureau at State.

OPTIONS

You should choose one of the following options.

_____ State Option (one bureau for educational exchanges, and an office -- but not a bureau -- for Information).

_____ OVP Option (two bureaus, one for educational exchanges, and one for Information).

COPY

cc: Vice President
Chief of Staff

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Kale, Dora A. to Babbitt, James F. et al. re: Correct Version: Rqst Concur on #2290--State Reorganization (4 pages)	03/31/1999	P5
002. email	DeRosa, Mary B. to Krass, Caroline D. re: Rqst Concur on #2290--State Reorganization (6 pages)	03/31/1999	P5
003. email	Kale to Naplan, Steven J. re: Correct Version: Rqst Concur on #2290--State Reorganization (4 pages)	03/31/1999	P5
004. email	Kale to Hill, Roseanne M. re: Correct Version: Rqst Concur on #2290--State Reorganization (4 pages)	03/31/1999	P5
005. email	Naplan to Kale re: Rqst Concur #1605-Reply to Helms/Biden re Reorg (6 pages)	04/13/1999	P5
006. email	Naplan to Kale re: Rqst Concur #1605-Reply to Helms/Biden re Reorg (7 pages)	04/16/1999	P5
007. email	Andreasen, Steven P. to Kale et al. re: Rqst Concur #1605-Reply to Helms/Biden re Reorg (6 pages)	04/19/1999	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 620000

FOLDER TITLE:
[03/30/1999-09/29/1999]

Eric Holzer
2006-0208-F
eh577

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

Exchange Mail

DATE-TIME 3/31/99 8:42:34 AM

FROM Kale, Dora A.

CLASSIFICATION UNCLASSIFIED

SUBJECT CORRECT VERSION: Rqst Concur on #2290 -- State Reorganization [UNCLASSIFIED]

TO
Babbitt, James F.
Lackey, Miles M.
Krass, Caroline D.

CARBON_COPY
Babbitt, James F.
Black, Steven K.
Bolan, Christopher J.
Boulton, Darrien D.
Brody, Richard J.
Davidson, Leslie K.
Fuerth, Leon S.
Hilty, Joanne M.
Orfini, Michael H.
Osius, Theodore G.
Pisani, Kristen L.
Roberts, Michael W.
Saunders, Richard M.
Woolston, Ann E.
Allen, Charles A.
Baker, James E.
DeRosa, Mary B.
Hunerwadel, Joan S.
Krass, Caroline D.
Burrell, Christina L.
Lackey, Miles M.
Tavlarides, Mark J.
Williams, Mary C.
Kale, Dora A.
Schwartz, Eric P.
Hill, Roseanne M.

TEXT_BODY

Your clearance is requested by 9am today. These new memos reflect OVP's agreement with State's proposal. Thanks for your quick attention!

COPY

TRANSLATED_ATTACHMENT 2290SRBReorgMemo.doc

March 31, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

I have attached an information memorandum for the President on a USIA-related reorganization issue.

As you recall, the President expressed concerns about the status of the Fulbright program in State's initial reorganization plan. The resolution now proposed by State satisfies concerns raised by the President. Moreover, Leon Fuerth has withdrawn his non-concurrence to State's proposal, so we plan to submit to the Hill today.

Concurrences by: Legislative Affairs, Legal, OVP

Recommendation

That you sign the attached memorandum to the President.

Attachment
Tab I Memorandum to the President

2

2290

TRANSLATED_ATTACHMENT 2290POTUSReorgMemo.doc

COPY

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: State Reorganization

At the end of last year, we submitted, pursuant to the Foreign Affairs Reform and Restructuring Act of 1998 ("the Act") -- a State reorganization plan to the Hill. The Act provides that we may, based on consultations with Congress, present any modifications or revisions to the plan until the end of March (for parts of the plan affecting ACDA or AID), and until the end of September (for parts of the plan affecting USIA). After that point, the plan is final.

State's initial proposal and Congressional reaction: State initially suggested combining USIA's Bureau for Educational and Cultural Affairs (which handles the Fulbright program) with its Bureau for Information (which produces materials and programs in support of our overseas public diplomacy efforts). Senators Helms and Biden, as well as a number of supporters of the Fulbright program, argued against this shift. Prominent among their concerns was that combining education and cultural affairs with public diplomacy would compromise the non-political character of programs like Fulbright.

After you received representations on this issue, you asked whether there was a way we could address the matter.

Our approach: The modification plan we are submitting to the Hill today will meet concerns of Fulbright supporters. In particular, the Educational

COPY

and
Cultural Affairs will now be established as a separate bureau at State, as
requested by Fulbright supporters. USIA's current Information Bureau will be
separated from Educational and Cultural Affairs, and will be organized as an
office reporting directly to the new Undersecretary for Public Diplomacy and
Public Affairs.
2

2

2290

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 3/31/99 8:42:34 AM

FROM DeRosa, Mary B.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Rqst Concur on #2290 -- State Reorganization [UNCLASSIFIED]

TO Krass, Caroline D.

CARBON_COPY

TEXT_BODY Seems like a pretty silly thing to be fighting with State over.

-----Original Message-----
From: Kale, Dora A.
Sent: Wednesday,
March 31, 1999 8:30 AM
To: Babbitt, James F.; Lackey, Miles M.;
Krass, Caroline D.
Cc: Kale, Dora A.; Hill, Roseanne M.; Schwartz,
Eric P.; @LEGAL - Legal Advisor; @LEGISLAT - Legislative Affairs;
@VP - VP Natl Security Affairs
Subject: Rqst Concur on #2290 --
State Reorganization [UNCLASSIFIED]
Importance: High

Your clearance
is requested by 9am today. These new memos reflect OVP's agreement
with State's proposal. Thanks for your quick attention!

TRANSLATED_ATTACHMENT

2290SRBReorgMemo.doc

March 31, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

COPY

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

I have attached an action memorandum for the President on a USIA-related reorganization issue on which OVP (Leon Fuerth) and State disagree.

OVP believes that, in the context of the merger, the substantive functions of USIA should be included in two bureaus -- one dealing with educational exchanges and the other with information. State would have the latter function handled by an "office" (rather than a bureau), associated with the new Public Affairs and Public Diplomacy Undersecretariat.

I think Leon is correct, and I concur with OVP's views. I appreciate that you have not focused on this issue in detail and may not have strong views. Nonetheless, as I assumed that your views would be sought, the draft associates you with Leon's position. Altering that would simply mean changing one sentence at the end of the memo, as well as the recommendation line.

I do not know whether the Secretary has very strong feelings on the substance of this issue, but I know that both Wendy Sherman and Elaine Shocas do. Thus, if this issue is to be resolved in the absence of a memo to the President, I believe you will have to discuss it with the Secretary.

But time is very short, as the modification submission referred to in the attached memorandum must be provided to the Hill by Wednesday. (Technically, we could defer the decision on USIA and let the rest of the modifications go forward, as USIA is not required to merge with State until October, but -- given Congressional interest -- State has strongly urged that all the modifications go forward as a package. We see no reason for NSC to delay a decision if one can be obtained in a timely manner.)

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Concurrences by: Caroline Krass, Miles Lackey, OVP

RECOMMENDATION

That you sign the attached memorandum to the President.

Attachment
Tab I Memorandum to the President
2

2290

TRANSLATED_ATTACHMENT 2290POTUSReorgMemo.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: State Reorganization

Purpose

To resolve a reorganization issue relating to the merger of the U.S. Information
Agency into the Department of State.

Background

At the end of last year, we submitted, pursuant to the Foreign Affairs Reform and
Restructuring Act of 1998 ("the Act") -- a State reorganization plan to the Hill.
The Act provides that we may, based on consultations with Congress, present any
modifications or revisions to the plan until the end of March (for parts of the

COPY

plan affecting ACDA or AID), and until the end of September (for parts of the plan affecting USIA). After that point, the plan is final.

Unresolved issue: There is only one unresolved issue, which we hope to settle by March 31: the nature of the merger of USIA into the Department of State.

State's initial proposal and Congressional reaction: State initially suggested combining USIA's Bureau for Educational and Cultural Affairs (which handles the Fulbright program) with its Bureau for Information (which produces materials and programs in support of our overseas public diplomacy efforts). Senators Helms and Biden, as well as a number of supporters of the Fulbright program, argued against this shift. Prominent among their concerns was that combining education and cultural affairs with public diplomacy would compromise the non-political character of programs like Fulbright.

State's current proposal: State now recommends that Educational and Cultural Affairs be established as a separate bureau, but that the existing USIA Information Bureau be organized as an office reporting directly to the new Undersecretary for Public Diplomacy and Public Affairs -- i.e., not be given the more elevated status of a bureau. State argues that producing international information programs will not require the policy attention of a full-time Assistant Secretary. They also argue that this office will be much smaller than the current Information Bureau in USIA, as State is spinning off several major functions to other bureaus. Finally, State contends that, as the Department already has a Public Affairs Bureau, having a separate bureau for international information will send a confusing message externally about who speaks for State.

COPY

Office of the Vice President's view: Leon Fuerth believes that international information issues warrant a separate bureau, as the public diplomacy mandate -- to inform foreign publics -- is distinct from public affairs and is critically important, and that the Information Bureau is the principal division of USIA that has a day-to-day role in implementing U.S. foreign policy. He argues that the program responsibility and policy relevance of the Information Bureau would be substantial -- even with streamlining, State's current plan is to staff its proposed Information Office with more than 200 persons, which is larger than many existing bureaus at State. Finally, Leon argues that the Information Bureau served as a "Reinvention Laboratory" under the Vice President's National Performance Review, and Leon is concerned that the achievements of that effort and the Bureau's ability to serve as a model for change would be lost by accepting State's recommendation.

Comment: Either option would satisfy the concerns of advocates for the Fulbright program, as each retains educational and cultural affairs in a separate bureau. The issue is whether international information activities also warrant a separate bureau at State. On balance, I believe that Leon's views are more compelling and should prevail.

Options

You should choose one of the following options.

_____ State Option (one bureau for Educational Exchanges, and an office -- but not a bureau -- for Information).

_____ OVP/NSC Option (two bureaus, one for Educational Exchanges, and one for Information).

COPY

2290

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME	3/31/99 1:44:53 PM
FROM	Kale, Dora A.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: CORRECT VERSION: Rqst Concur on #2290 -- State Reorganization [UNCLASSIFIED]
TO	Naplan, Steven J.
CARBON_COPY	
TEXT_BODY	

-----Original Message-----
From: Krass, Caroline D.
Sent: Wednesday,
March 31, 1999 8:58 AM
To: Schwartz, Eric P.
Cc: Kale, Dora A.;
@VP - VP Natl Security Affairs; @LEGAL - Legal Advisor;
@LEGISLAT
- Legislative Affairs
Subject: FW: CORRECT VERSION: Rqst Concur
on #2290 -- State Reorganization [UNCLASSIFIED]
Importance: High

Legal
clears with the attached changes.

-----Original Message-----
From: Kale,
Dora A.
Sent: Wednesday, March 31, 1999 8:43 AM
To: Babbitt, James
F.; Lackey, Miles M.; Krass, Caroline D.
Cc: @VP - VP Natl Security
Affairs; @LEGAL - Legal Advisor; @LEGISLAT - Legislative
Affairs;
Kale, Dora A.; Schwartz, Eric P.; Hill, Roseanne M.
Subject: CORRECT
VERSION: Rqst Concur on #2290 -- State Reorganization
[UNCLASSIFIED]
Importance: High

Your

COPY

clearance is requested by 9am today. These new memos reflect OVP's agreement with State's proposal. Thanks for your quick attention!

TRANSLATED_ATTACHMENT 2290SRBReorgMemo.doc

March 31, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

I have attached an information memorandum for the President on a USIA-related reorganization issue.

As you recall, the President expressed concerns about the status of the Fulbright program in State's initial reorganization plan. The resolution now proposed by State satisfies concerns raised by the President. Moreover, Leon Fuerth has withdrawn his non-concurrence to State's proposal, so we plan to submit State's proposal to the Hill today, together with other modifications to the reorganization plan.

Concurrences by: Legislative Affairs, Legal, OVP

Recommendation

That you sign the attached memorandum to the President.

Attachment
Tab I Memorandum to the President

COPY

2290

TRANSLATED_ATTACHMENT 2290POTUSReorgMemo.doc

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: State Reorganization

At the end of last year, we submitted, pursuant to the Foreign Affairs Reform and Restructuring Act of 1998 ("the Act") -- a State reorganization plan to the Hill. The Act provides that we may, based on consultations with Congress, present any modifications or revisions to the plan until the end of March (for parts of the plan affecting ACDA or AID), and until the end of September (for parts of the plan affecting USIA). After that point, the plan is final.

State's initial proposal and Congressional reaction: State initially suggested combining USIA's Bureau for Educational and Cultural Affairs (which handles the Fulbright program) with its Bureau for Information (which produces materials and programs in support of our overseas public diplomacy efforts). Senators Helms and Biden, as well as a number of supporters of the Fulbright program, argued against this shift. Prominent among their concerns was that combining education and cultural affairs with public diplomacy would compromise the non-political character of programs like Fulbright.

After you received representations on this issue, you asked whether there was a

COPY

way we could address the matter.

Our approach: The modification plan we are submitting to the Hill today will
meet concerns of Fulbright supporters. In particular, the Bureau for Educational
and Cultural Affairs will now be established as a separate bureau at State, as
requested by Fulbright supporters. USIA's current Information Bureau will be
separate from the Bureau for Educational and Cultural Affairs, and will be
organized as an office reporting directly to the new Undersecretary for Public
Diplomacy and Public Affairs.
2

2

2290

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME	3/31/99 3:51:18 PM
FROM	Kale, Dora A.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: CORRECT VERSION: Rqst Concur on #2290 -- State Reorganization [UNCLASSIFIED]
TO	Hill, Roseanne M.
CARBON_COPY	Schwartz, Eric P. Kale, Dora A.
TEXT_BODY	FYI: The attached files have been saved in: g/docs (NOT SCHWARTZ'S FOLDER W/IN G/DOCS.) -----Original Message----- From: Babbitt, James F. Sent: Wednesday, March 31, 1999 3:02 PM To: Kale, Dora A.; Lackey, Miles M.; Krass, Caroline D. Cc: @LEGAL - Legal Advisor; @NSA - Natl Security Advisor; @LEGISLAT - Legislative Affairs; Schwartz, Eric P.; Hill, Roseanne M.; Naplan, Steven J.; Saunders, Richard M.; Babbitt, James F. Subject: FW: CORRECT VERSION: Rqst Concur on #2290 -- State Reorganization [UNCLASSIFIED] Importance: High OVP clears with changes. -- Jim -----Original Message----- From: Kale, Dora A. Sent: Wednesday, March 31, 1999 8:43 AM To: Babbitt, James F.; Lackey, Miles M.; Krass, Caroline D. Cc: @VP - VP Natl Security Affairs; @LEGAL - Legal Advisor; @LEGISLAT - Legislative Affairs; Kale, Dora A.; Schwartz, Eric P.; Hill, Roseanne M.

COPY

Subject: CORRECT
VERSION: Rqst Concur on #2290 -- State Reorganization
[UNCLASSIFIED]
Importance: High

Your
clearance is requested by 9am today. These new memos reflect OVP's agreement with State's proposal. Thanks for your quick attention!

TRANSLATED_ATTACHMENT 2290SRBReorgMemo.doc

March 31, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

I have attached an information memorandum for the President on a USIA-related
reorganization issue.

As you recall, the President expressed concerns about the status of the Fulbright
program in State's initial reorganization plan. The resolution now proposed by
State satisfies concerns raised by the President. Moreover, Leon Fuerth has
withdrawn his non-concurrence to State's proposal. Although he would prefer that
the international information function be lodged in a separate bureau headed by
an Assistant Secretary, he does not propose to micromanage the reorganization.
Instead, he prefers to focus attention on finalizing and implementing a PDD
outlining a more effective international information policy. Therefore, we plan
to submit State's proposal to the Hill today.

COPY

Concurrences by: Miles Lackey, Caroline Krass, OVP

Recommendation

That you sign the attached memorandum to the President.

Attachment
Tab I Memorandum to the President

2

2290

TRANSLATED_ATTACHMENT 2290POTUSReorgMemo.doc

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: State Reorganization

At the end of last year, we submitted, pursuant to the Foreign Affairs Reform and
Restructuring Act of 1998 ("the Act") -- a State reorganization plan to the Hill.
The Act provides that we may, based on consultations with Congress, present any
modifications to the plan until the end of March for parts of the plan affecting
ACDA or AID; and until the end of September for parts of the plan affecting USIA.
After that point, the plan is final.

State's initial proposal and Congressional reaction: State initially suggested
combining USIA's Bureau for Educational and Cultural Affairs

COPY

(which handles the
Fulbright program) with its Bureau for Information (which produces materials and
programs in support of our overseas public diplomacy efforts). Senators Helms
and Biden, as well as a number of supporters of the Fulbright program, argued
against this shift. Prominent among their concerns was that combining education
and cultural affairs with public diplomacy would compromise the non-political
character of programs like Fulbright.

After you received representations on this issue, you asked whether there was a
way we could address the matter.

Our approach: The modification plan we are submitting to the Hill today will
meet concerns of Fulbright supporters. In particular, USIA's current Educational
and Cultural Affairs Bureau will be established as a separate bureau at State
upon merger. USIA's current Information Bureau will be separated from
Educational and Cultural Affairs, and will be organized as an office reporting
directly to the new Undersecretary for Public Diplomacy and Public Affairs.
2

2

2290

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 4/13/99 1:50:28 PM

FROM Naplan, Steven J.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Rqst concur #1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]

TO Kale, Dora A.

CARBON_COPY Naplan, Steven J.

TEXT_BODY has this one gone up to SRB yet?

-----Original Message-----
From: Kale,
Dora A.
Sent: Thursday, April 08, 1999 12:39 PM
To: @RUSSIA -
Russia/Ukraine; @DEFENSE - Defense Policy; @LEGISLAT - Legislative
Affairs
Cc: Kale, Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: Rqst
concur #1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]
Importance: High

Thanks
for your attention.

TRANSLATED_ATTACHMENT

1605 AM POTUS.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

COPY

SUBJECT: Letter from Senators Helms and Biden Regarding the Strategy for Foreign
Affairs Reorganization

Purpose

To respond to a letter from Senators Helms and Biden.

Background

Senators Helms and Biden wrote to you to express their concerns with three
specific elements of the Administration's preliminary Reorganizational Plan and
Report.

This preliminary report has been overtaken by a revised report that has been
delivered to Congress.

The Helms-Biden letter praised the overall plans for restructuring at State, but
expresses three key concerns. We resolved two of the three concerns in
accordance with the preferences expressed by the Senators.

Consistent with these preferences, the revised reorganization plan includes:

* a separate State Bureau of Educational and Cultural Affairs (including the
Fulbright Scholarship program), independent from USIA's Office of International
Information Programs.

* a single European bureau inclusive of the former Soviet states, without the
creation of an Eastern European and Eurasian Bureau (EEE), to which the Senators
objected.

The revised reorganization plan does not, however, include the separate State
Bureau for Verification and Compliance of Arms Control Treaties which Senators
Helms favored. Subsequent to sending the letter, however, Senator Helms agreed
to the creation of a Special Advisor for Verification and Compliance for Arms

COPY

Control, as proposed by the Secretary of State.

The suggested response notes that the revised reorganization report was
significantly informed by the views expressed by the senators in their letter.

RECOMMENDATION

That you sign the attached letter at Tab A.

Attachments
Tab A Letters for Signature
Tab B Incoming Correspondence
1

2

1605

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT 1605 AM SRB.doc

April 8, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ERIC SCHWARTZ

FROM: STEVEN NAPLAN

SUBJECT: Reply to Letter from Senators Helms and Biden.

At Tab I is a memorandum for the President and a proposed response to a letter
from Senators Helms and Biden expressing concern about three specific elements
from the Administration's preliminary strategy for reorganization of

COPY

the foreign
affairs agencies.

The preliminary strategy has been overtaken by a revised strategy, recently
approved, which addresses the concerns expressed by Senators Helms and Biden.

An interim reply was drafted and then pulled back as final resolution of the
issues raised in the letter from Senator Helms and Biden emerged in time to send
a complete reply.

Concurrences by: Defense; RUE; Legislative

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
Tab A Proposed Response
Tab B Incoming Correspondence

1

1605

TRANSLATED_ATTACHMENT 1605 letter.doc

Dear Senator Helms:

Thank you for your letter concerning our strategy for reorganizing the

COPY

foreign
affairs agencies and implementing the Foreign Affairs Reform and Restructuring
Act of 1998.

Your views on these matters were very important to me, and had a significant
impact on our final conclusions. When you review our revised March 1999
Reorganization Plan and Report, you will see that it proposes, consistent with
your preferences, the formation of a separate Bureau of Educational and Cultural
Affairs. This new bureau will ensure that international educational and cultural
programs will remain a key component of our foreign policy, with the strong
leadership they need and the support they deserve. As you know, this new bureau
will be under the policy oversight of the new Under Secretary of State for Public
Diplomacy and Public Affairs, thus ensuring very senior level attention to our
engagement of foreign audiences and communities.

Also consistent with your stated views, our reorganization plan ensures that our
diplomatic relations with the independent states of the former Soviet Union - a
region of enormous strategic importance - will continue to be managed by the
Bureau of European Affairs. This region will continue to receive the high-level
leadership attention it deserves.

Finally, the creation of the new position of Special Advisor for Verification and
Compliance will help maintain our commitment to a strong arms control
verification and compliance process that ensures that critical assessments reach
the highest levels.

Intensive planning and preparation for the reorganization is well underway. We
will do all we can to ensure that this sensitive process is implemented in an
open and transparent fashion, and with continued consideration of

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your
perspectives.

Best regards.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510
2

COPY

Exchange Mail

DATE-TIME	4/16/99 3:41:33 PM
FROM	Naplan, Steven J.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Rqst concur #1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]
TO	Kale, Dora A.
CARBON_COPY	Naplan, Steven J.

TEXT_BODY

has this been cleared yet?

-----Original Message-----
From: Kale,
Dora A.
Sent: Tuesday, April 13, 1999 2:16 PM
To: Andreasen, Steven
P.
Cc: Kale, Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: FW:
Rqst concur #1605 - Reply to Helms/Biden re Reorg
[UNCLASSIFIED]
Importance: High

Per
Joe Bouchard's reply on 4/8 -- still awaiting your clearance on this package. Would appreciate your prompt action. Thanks!

-----Original
Message-----
From: Pascual, Carlos E.
Sent: Thursday, April 08,
1999 7:49 PM
To: Kale, Dora A.
Cc: @MULTILAT - Multilateral and
Humanitarian Affairs; @RUSSIA - Russia/Ukraine; @LEGISLAT - Legislative
Affairs
Subject: FW: Rqst concur #1605 - Reply to Helms/Biden re
Reorg [UNCLASSIFIED]
Importance: High

Changes to POTUS memo and

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the letter. Please note: NIS management will not under the Europe Bureau -- it will be under the Ambassador at Large for the NIS as it currently is.

-----Original Message-----
From: Kale, Dora
A.
Sent: Thursday, April 08, 1999 12:39 PM
To: @RUSSIA - Russia/Ukraine;
@DEFENSE - Defense Policy; @LEGISLAT - Legislative Affairs
Cc: Kale,
Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: Rqst concur
#1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]
Importance: High

Thanks
for your attention.

TRANSLATED_ATTACHMENT 1605 AM POTUS.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Letter from Senators Helms and Biden Regarding the Strategy for Foreign
Affairs Reorganization

Purpose

To respond to a letter from Senators Helms and Biden.

Background

Senators Helms and Biden wrote to you to express their concerns with three
specific elements of the Administration's preliminary Reorganizational Plan and
Report.

COPY

This preliminary report has been overtaken by a revised report that has been
delivered to Congress.

The Helms-Biden letter praised the overall plans for restructuring at State, but
expresses three key concerns. We resolved two of the three concerns in
accordance with the preferences expressed by the Senators.

Consistent with these preferences, the revised reorganization plan includes:

* a separate State Bureau of Educational and Cultural Affairs (including the
Fulbright Scholarship program), independent from USIA's Office of International
Information Programs.

* dropping our proposal to create a new Eastern European Bureau for the former
Soviet states and keeping their management under the Ambassador-at-Large and the
Special Advisor to the Secretary for the NIS.

The revised reorganization plan does not, however, include the separate State
Bureau for Verification and Compliance of Arms Control Treaties which Senators
Helms favored. Subsequent to sending the letter, however, Senator Helms agreed
to the creation of a Special Advisor for Verification and Compliance for Arms
Control, as proposed by the Secretary of State.

The suggested response notes that the revised reorganization report was
significantly informed by the views expressed by the senators in their letter.

RECOMMENDATION

That you sign the attached letter at Tab A.

Attachments
Tab A Letters for Signature
Tab B Incoming Correspondence

COPY

1

2

1605

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT 1605 AM SRB.doc

April 8, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ERIC SCHWARTZ

FROM: STEVEN NAPLAN

SUBJECT: Reply to Letter from Senators Helms and Biden.

At Tab I is a memorandum for the President and a proposed response to a letter from Senators Helms and Biden expressing concern about three specific elements from the Administration's preliminary strategy for reorganization of the foreign affairs agencies.

The preliminary strategy has been overtaken by a revised strategy, recently approved, which addresses the concerns expressed by Senators Helms and Biden.

An interim reply was drafted and then pulled back as final resolution of the issues raised in the letter from Senator Helms and Biden emerged in time to send a complete reply.

Concurrences by: Defense; RUE; Legislative

COPY

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
Tab A Proposed Response
Tab B Incoming Correspondence

1

1605

TRANSLATED_ATTACHMENT 1605 letter.doc

Dear Senator Helms:

Thank you for your letter concerning our strategy for reorganizing the foreign affairs agencies and implementing the Foreign Affairs Reform and Restructuring Act of 1998.

Your views on these matters were very important to me, and had a significant impact on our final conclusions. When you review our revised March 1999 Reorganization Plan and Report, you will see that it proposes, consistent with your preferences, the formation of a separate Bureau of Educational and Cultural Affairs. This new bureau will ensure that international educational and cultural programs will remain a key component of our foreign policy, with the strong

COPY

leadership they need and the support they deserve. As you know, this new bureau
will be under the policy oversight of the new Under Secretary of State for Public
Diplomacy and Public Affairs, thus ensuring very senior level attention to our
engagement of foreign audiences and communities.

In light of your views on the creation of a new Bureau of East European and
Eurasian Affairs, our reorganization plan ensures that our diplomatic relations
with the independent states of the former Soviet Union - a region of enormous
strategic importance - will continue to be managed by the Ambassador-at-Large and
Special Adviser to the Secretary of State for the New Independent States. This
will ensure that the region will continue to receive the high-level leadership
attention it deserves.

Finally, the creation of the new position of Special Advisor for Verification and
Compliance will help maintain our commitment to a strong arms control
verification and compliance process that ensures that critical assessments reach
the highest levels.

Intensive planning and preparation for the reorganization is well underway. We
will do all we can to ensure that this sensitive process is implemented in an
open and transparent fashion, and with continued consideration of your
perspectives.

Best regards.

Sincerely,

The Honorable Jesse Helms

COPY

United States Senate
Washington, D.C. 20510
2

3

COPY

Exchange Mail

DATE-TIME 4/19/99 7:11:56 PM

FROM Andreasen, Steven P.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Rqst concur #1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]

TO Kale, Dora A.
Hill, Roseanne M.
Naplan, Steven J.

CARBON_COPY Bell, Robert G.
Bouchard, Joseph F.
McCausland, Jeffrey D.

TEXT_BODY

Steve -- Regarding the attached package, I did not realize that, subsequent to sending his letter, Senator Helms "agreed to the creation

of a Special Advisor for Verification and Compliance for Arms Control,
as proposed by the Secretary of State." Let me just check with (a) my office (Bob? Joe? Jeff?) to see if anyone can verify, and if not, (b) State, before we pull the trigger on this. Of course, if you know this to be affirmatively true, please advise. Thanks. Steve.

-----Original Message-----
From: Kale, Dora A.
Sent: Monday,
April 19, 1999 6:58 PM
To: Andreasen, Steven P.
Cc: Kale, Dora
A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: FW: Rqst concur
#1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]
Importance: High

package
for clearance. thx.

-----Original Message-----
From: Kale, Dora
A.
Sent: Thursday, April 08, 1999 12:39 PM

COPY

To: @RUSSIA - Russia/Ukraine;
@DEFENSE - Defense Policy; @LEGISLAT - Legislative Affairs
Cc: Kale,
Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: Rqst concur
#1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]
Importance: High

Thanks
for your attention.

TRANSLATED_ATTACHMENT 1605 AM POTUS.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Letter from Senators Helms and Biden Regarding the Strategy for Foreign
Affairs Reorganization

Purpose

To respond to a letter from Senators Helms and Biden.

Background

Senators Helms and Biden wrote to you to express their concerns with three
specific elements of the Administration's preliminary Reorganizational Plan and
Report.

This preliminary report has been overtaken by a revised report that has been
delivered to Congress.

The Helms-Biden letter praised the overall plans for restructuring at State, but
expresses three key concerns. We resolved two of the three concerns in

COPY

accordance with the preferences expressed by the Senators.

Consistent with these preferences, the revised reorganization plan includes:

* a separate State Bureau of Educational and Cultural Affairs (including the Fulbright Scholarship program), independent from USIA's Office of International Information Programs.

* a single European bureau inclusive of the former Soviet states, without the creation of an Eastern European and Eurasian Bureau (EEE), to which the Senators objected.

The revised reorganization plan does not, however, include the separate State Bureau for Verification and Compliance of Arms Control Treaties which Senators Helms favored. Subsequent to sending the letter, however, Senator Helms agreed to the creation of a Special Advisor for Verification and Compliance for Arms Control, as proposed by the Secretary of State.

The suggested response notes that the revised reorganization report was significantly informed by the views expressed by the senators in their letter.

RECOMMENDATION

That you sign the attached letter at Tab A.

Attachments
Tab A Letters for Signature
Tab B Incoming Correspondence

COPY

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT 1605 AM SRB.doc

April 8, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ERIC SCHWARTZ

FROM: STEVEN NAPLAN

SUBJECT: Reply to Letter from Senators Helms and Biden.

At Tab I is a memorandum for the President and a proposed response to a letter from Senators Helms and Biden expressing concern about three specific elements from the Administration's preliminary strategy for reorganization of the foreign affairs agencies.

The preliminary strategy has been overtaken by a revised strategy, recently approved, which addresses the concerns expressed by Senators Helms and Biden.

An interim reply was drafted and then pulled back as final resolution of the issues raised in the letter from Senator Helms and Biden emerged in time to send a complete reply.

Concurrences by: Defense; RUE; Legislative

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
Tab A Proposed Response

COPY

Tab B Incoming Correspondence

1

1605

TRANSLATED_ATTACHMENT 1605 letter.doc

Dear Senator Helms:

Thank you for your letter concerning our strategy for reorganizing the foreign affairs agencies and implementing the Foreign Affairs Reform and Restructuring Act of 1998.

Your views on these matters were very important to me, and had a significant impact on our final conclusions. When you review our revised March 1999 Reorganization Plan and Report, you will see that it proposes, consistent with your preferences, the formation of a separate Bureau of Educational and Cultural Affairs. This new bureau will ensure that international educational and cultural programs will remain a key component of our foreign policy, with the strong leadership they need and the support they deserve. As you know, this new bureau will be under the policy oversight of the new Under Secretary of State for Public Diplomacy and Public Affairs, thus ensuring very senior level attention to our engagement of foreign audiences and communities.

COPY

Also consistent with your stated views, our reorganization plan ensures that our diplomatic relations with the independent states of the former Soviet Union - a region of enormous strategic importance - will continue to be managed by the Bureau of European Affairs. This region will continue to receive the high-level leadership attention it deserves.

Finally, the creation of the new position of Special Advisor for Verification and Compliance will help maintain our commitment to a strong arms control verification and compliance process that ensures that critical assessments reach the highest levels.

Intensive planning and preparation for the reorganization is well underway. We will do all we can to ensure that this sensitive process is implemented in an open and transparent fashion, and with continued consideration of your perspectives.

Best regards.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

2

Withdrawal/Redaction Sheet
Clinton Library

COPY

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Davis, William K. to Bendick, Gordon L. et al. re: State Auth. (1 page)	06/13/1997	P5
002. email	Kessinger, Jodi to Bendick re: Legislative Update (6 pages)	06/16/1997	P5
003. email	Davis to Bendick et al. re: Reorg E-mail (5 pages)	06/30/1997	P5
004. email	Davis to Bendick et al. re: Broadcasting & Public Diplomacy Memo to the President (4 pages)	08/15/1997	P5
005. email	Joshi, M. Kay to Cosgriff, Kevin J. et al. re: Planning Document (33 pages)	09/15/1997	P5
006. email	Luzzatto, Anne R. to Benjamin, Daniel et al. re: Uncleared Q's (16 pages)	11/08/1997	P5
007. email	Saunders to Barks-Ruggles, Erica et al. re: FY2000 Budget-Urgent (6 pages)	10/26/1998	P5
008. email	Uyehara, Margaret A. to Bandler, Donald K. & McEldowney, Nancy E. re: USIA Photo Essay (2 pages)	02/03/1999	P5
009. email	Schwartz, Eric P. to Lackey, Miles M. re: Action Memorandum for NSC (6 pages)	03/05/1999	P5
010. email	Babbitt, James F. to Saunders re: Proposed VP Memo-Reorg (3 pages)	03/25/1999	P5
011. email	Schwartz to Saunders re: USIA/State Reorg (1 page)	03/29/1999	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Non-Record (Mar 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 630000

FOLDER TITLE:
[06/13/1997-04/22/1999]

Eric Holzer
2006-0208-F
eh578

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet
Clinton Library

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
012. email	Andreasen, Steven P. to Kale, Dora A. et al. re: Rqst Concur #1605-Reply to Helms/Biden re Reorg (7 pages)	04/22/1999	P5

COLLECTION:
Clinton Presidential Records
NSC Emails
Exchange-Non-Record (Mar 97-Jan 01) ([USIA near reorganiz*...])
OA/Box Number: 630000

FOLDER TITLE:
[06/13/1997-04/22/1999]

Eric Holzer
2006-0208-F
eh578

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

Exchange Mail

DATE-TIME 6/13/97 10:42:00 AM

FROM Davis, William K.

CLASSIFICATION UNCLASSIFIED

SUBJECT State Auth. [UNCLASSIFIED]

TO Bendick, Gordon L.
Burrell, Christina L.
Danvers, William C.
Davis, William K.

CARBON_COPY

TEXT_BODY

- - The House passed the State Department Authorization Bill (HR 1757) on Wednesday. The bill authorizes funding for State Department, USIA, ACDA and contributions to international organizations such as the UN. The bill is generally close to the Administration request in terms of funding levels. It is silent on UN arrears. It contains language the Administration can support on reorganizing the State Department and the other foreign affairs agencies. The bill also contains troublesome foreign policy provisions as well as language restricting family planning assistance that has resulted in vetos in the past.

- - The SFRC reported out their version of the State Authorization bill Thursday. It does contain acceptable language on UN arrears, but is short in several funding areas, has troublesome foreign policy provisions, and has language on reorganization that goes beyond our announced intentions (especially with regard to AID). It is expected to be on the Senate floor next week.

COPY

Exchange Mail

DATE-TIME 6/16/97 1:49:00 PM

FROM Kessinger, Jodi

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Legislative Update [UNCLASSIFIED]

TO Bendick, Gordon L.

CARBON_COPY Bendick, Gordon L.
Burrell, Christina L.
Danvers, William C.
Davis, William K.

TEXT_BODY

Anything yet?

_____
From: Bendick, Gordon L.
To: Kessinger,
Jodi
CC: @LEGISLAT - Legislative Affair; /R, Records at A1
Subject:
RE: Legislative Update [UNCLASSIFIED]
Date: Thursday, June 12, 1997
10:27 AM

Jodi

State is preparing a summary of all amdts from
State Auth bill today. When I get it I'll send you a copy. Don't
currently have the info that she needs

Gordy

_____
From:
Kessinger, Jodi
To: @LEGISLAT - Legislative Affairs
CC: /R Records
Subject:
FW: Legislative Update [UNCLASSIFIED]
Date: Thursday, June 12, 1997
10:01 AM

In reference to the House State Auth. - - Nancy would
like to know what the specific provisions are for Sudan anti-terrorism
and sanctions on nations providing assistance to Libya.

COPY

From:
Danvers, William C.
To: @NSA - Natl Security Advisor; @UP - APNSA
Special Assistants; Kerrick, Donald L.
CC: @LEGISLAT - Legislative
Affairs; /R Records; Fuerth, Leon S.; Luzzatto, Anne R.; Wise, William M.
Subject: Legislative Update [UNCLASSIFIED]
Date: Tuesday, June
10, 1997 09:12 PM

Note for Sandy, Jim and Don:

CHINA MFN:
Good hearing with Charlene and MKA today before Finance. No Ct. dissenters. A main topic of conversation was the need to get rid of annual ritual.

-- MKA asked to appear before House Dem Caucus

-- Need feedback from calls to members.

-- Meeting with moderate
Dems tomorrow-- State will send someone from human rights bureau; business community will also be there.

-- Meeting with House
Ag Ct. today and Ag businesses.

-- Big 450 event with Sandy,
Susan and the business community.

ENCRYPTION: Met with Senate
Commerce Comm today to ensure that DoJ equities were protected in the McCain-Kerrey bill. They were very agreeable to our suggestions. They plan to introduce the bill on Thursday June 12.

- Markup
of McCain- Kerrey is scheduled for June 18. At the markup, McCain and Kerrey expect Burns to offer his original bill as an alternative. Kerrey and McCain have asked us to contact the Dems on the Comm to ensure they know of our support for McCain-Kerrey and our problems with the Burns alternative. Will work with Commerce Dept to get Daley to make some calls.

- Will meet with Solomon tomorrow
to enlist his support - not only as a sponsor, but in keeping the House process moving a pace and in a direction that allows us to

COPY

get the Senate bill into a form that we can fully support and take to the House.

- Lott has told McCain and Kerrey that they can expect their bill to get floor time in September (however, late July is a possibility if other legislation slows).

HOUSE DOD AUTH
MARK UP: COSCO-- HCONS willl markup an amendment tomorrow at full Comm that denies the SecDef the ability to convey property to foreign powers. This will kill the deal for COSCO.

- We are told by the Comm staff that the CFIUS Report would be very helpful in combatting the killer amendment.

- CFIUS Report is stuck in Reno's office awaiting a letter that will accompany the report. We are told that it will not be available by tomorrow for use with HCONS Members.

-- Other amendments of note at tomorrow's full comm markup:
-
Harman amdt to repeal abortion ban - expected to fail
- Bartlett
amdt to ban gender-integrated training - expected to fail
- Rodriguez
amdt to strike the anti-privatization language in Sub markup - will fail
- Hunter amdt to cut A/F-18 E/F funds to be used in B-2 and JSF program - toss up
- Talent amdt to restore A/F-18 E/F funds
- toss up
- Virginia Members amdt to forward fund CVN-77 - likely pass
- HCONS will markup Spence DOD Reform Bill - will be added to DOD Auth on floor

SASC MARKUP: Sub markup delayed because Dems objected to Comm meetings during floor activity. Lott passed an adjournment motion and SASC went into markup around 5 PM.

- DOD sent a letter to SASC leadership (Thurmond, Warner, McCain) objecting to Smith amdt regarding POW/MIA. We are attempting to get the amdt defeated in Sub where Smith is the Chairman. If that fails, we have a CIA paper being prepared for tomorrow and will get to McCain and attempt to kill the amdt in full Comm.

HOUSE STATE

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AUTH: Bill considered on House floor today. (European Security Act could be considered tomorrow.)

-- State continues to work with
Gilman's Ct. on reorg language that could be acceptable. If language is adopted on floor, State is considering not actively opposing bill.

-- Don and I talked to Joe Duffy, and I talked to Penn Kemble about a possible provision in new Gilman reorg amend that would rescind the Smith-Mundt amend which establishes a firewall between the use of USIA funds in the States and overseas. According to Duffy and Penn, State would like firewall taken down so it could have flexibility to use funds as it sees fit. They feel this is a very bad idea.
I have relayed this to State. Unclear as of tonight where things stand. Will follow up with them first thing in the morning. Gilman amend likely to be considered on the floor tomorrow if they reached agreement.

-- Numerous amdts were debated today (Some votes
were rolled until tomorrow. Debate and votes on final passage are expected tomorrow.):

- Passed the Jerusalem as Capital Sense
of Congress resolution
- Moving the UN HQ from NY failed
-
Sudan anti-terrorism amdt passed
- Release of Kashmir hostages
passed
- Condemnation of Syrian terrorism passed
- Sanctions
on nations providing assistance to Libya passed
- Aid to Latvia
and Lithuania passed
- Assistance to Zaire (DROC) passed
-
Indonesia vote rolled to Wednesday
- Palestinian land transfer
vote rolled to Wednesday
- Arms transfers code of conduct vote
rolled to Wednesday
- Denial of Russian aid if they transfer missiles
to China vote rolled
- East Timor vote rolled to Wednesday
-
Debate and vote on Gilman En Bloc amdt (State Reorg) will be on Wednesday
- Debate and vote State Atuh funding level freeze will
be on Wednesday

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SFRC STATE AUTH BILL: SFRC mark up scheduled for Thurs. As reported the other night, there is an agreement on UN arrears:

-- A total of $923 ($816 million plus $107 million) million in arrears over 3 yrs. with acceptable conditionality, including a ratcheting down of assessments from 22%, eventually to 20%.

--

Reorg package which is problematic-- i.e. at odds with President's proposal-- and more far reaching than Gilman proposal (over which we threatened a veto). Package would, among other things:

-

Dismantle AID
- Give USIA more latitude than President's proposal; also creates an independent b-casting entity
- Limits latitude of SecState to reorganize Dept.

-- Biden's COS called to say that Biden supports the reorg proposal. Said if Admin threatens a veto then whole package could fall apart. Biden wants SANDY to know this.

-- Issue for us is how farreaching should State letter to Ct. be on Thurs., and if, as expected, bill comes to floor next week, should SAP threaten a veto over reorg language.

-- State worked to improve language today. Will follow up with them tomorrow on details of where things stand.

-- Unclear how much Dems support Helms-Biden bill.

-- ON PRESS FRONT: State said Richardson has talked to press on UN deal on the record. Helms has done the same. State previously wanted to keep things quiet so as not to undermine the deal with Helms.

150: Meeting with MKA, Rubin, Raines and Sandy on Thurs with key R&D House members on Thurs. Not essential that Sandy participate. Please advise.

-- Senate for ops SCt. may mark up next week.

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NATO ENLARGEMENT: POTUS meeting set for tomorrow evening. WHLA making calls to Senators. Will need you to make calls tomorrow to a few key House members in order to consult with them the way we will with the Senate tomorrow evening.

--

SANDY'S CALLS: Gingrich and Gephardt; JIM'S CALLS: Armey and Bonior; DON'S CALL: DeLay. Need calls to be completed by end of day, before President checks box on NATO.

-- Trip seems to be coming together for CODEL.

AFRICA/HILL: WHLA is contacting Payne's office.

-- Calls went to Hill to invite them to Tues Africa trade event.

-- We continue to let CBC know we are ready to meet with them on Africa and Caribbean. WHLA is letting them know about Africa trade event.

COPY

Exchange Mail

DATE-TIME	6/30/97 7:55:00 PM
FROM	Davis, William K.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	reorg e-mail [UNCLASSIFIED]
TO	Bendick, Gordon L. Burrell, Christina L. Danvers, William C. Davis, William K.
CARBON_COPY	
TEXT_BODY	Note for Sandy:

As promised, attached please find the list of significant issues of concern contained in both the House and Senate versions of the State Department Authorization legislation. This list was initially based on material from the agencies, then cleared through all NSC directorates.

We held an inter-agency conference call today to get clarity on several issues. First, on the state of play, it is clear that little work has been done to prepare for conference. Atwood's memo notwithstanding, AID Leg Affairs concedes there has been very little contact as of yet between the House and Senate to get ready for a conference. However, the House conferees (led by Gilman) desperately want a bill, so there may be an impetus for the House to quickly accept much of the Senate language. Overall,

with many key staff out of town this week, work will seriously begin next week and our best estimate is that we could see a conference report by the 3rd week of July - certainly before the August recess.

In the near term, the Administration is working on two letters: 1) a letter from State to be ready to go early next week that addresses the big issues (Mexico City, UN arrears, foreign policy micromangement, and reorg - including broadcasting); 2) there will be a second letter to conferees that will have a more comprehensive list of concerns with the bills produced by the two chambers.

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We need to decide
two things before the letters can move: 1) our position regarding the Biden broadcasting language; and 2) whether or not we threaten veto over the broader Helms/Biden reorg language.

Re: broadcasting,
USIA defers to State and NSC as to whether or not Biden's language goes too far (i.e. violates the hard fought agreement we had with the Hill from a couple of years ago regarding the independence of international broadcasting agencies). While no one has called for a veto over Biden's language, we need to decide how hard to push back. We will work with Eric to get you an assessment.

Re: veto,
the question is whether to threaten veto primarily on the Helms/Biden reorg language, although Mexico City and the combination of other foreign policy provisions may elicit a veto threat. We polled the agencies on the conference call today:

-- AID and ACDA recommend
a veto threat on the Helms/Biden reorg language;

-- USIA is neutral;

-- State (and OMB) are unclear as they have yet to get guidance from principals;

To answer the veto question, you may want to talk
to Albright, Atwood and Fuerth this week. We feel confident that Holum and Duffy are not dug in. There is obviously tension between State and AID. A possible way around forcing a decision is to craft language in the letter that references a blanket veto threat - namely list our concerns (including Mexico City which is certain veto bait) and conclude with "if the aformentioned concerns are not addressed, the President's senior advisors would recommend he veto the bill".

Once
we come to closure, you can call Biden and tell him that a letter is forthcoming and that it will outline concerns, but that we expect to be able to work things out.

TRANSLATED_ATTACHMENT AUTHPROB.DOC
MAJOR ISSUES OF CONCERN IN HOUSE AND SENATE VERSIONS OF FY 1998 STATE DEPARTMENT AUTHORIZATION LEGISLATION

REORGANIZATION (Senate version/House language acceptable)
- goes beyond President's statement in terms of merging AID into State

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- gives greater autonomy to the broadcasting board of governors

FAMILY PLANNING (House version) - contains Mexico City restriction

AUTHORIZATION OF ARREARS TO INTERNATIONAL ORGANIZATIONS (Senate version/House is silent)
- does not provide authority to apply $107M owed by UN to the US to our arrears
- contains excessively broad reimbursement language for US support to PKOs
- contains unrealistic contested account benchmark - need to shift from FY 1998 to FY 1999
- omits $19M contingency fund from UN's regular budget cap of $2.533 billion

FUNDING (Senate bill)
- levels for CIO ($58M) and CIPA ($40M) are below request, leading to perpetuation of arrears

FUNDING (Senate bill)
- levels for CIO ($59M) and CIPA ($40M) are below request, leading to perpetuation of arrears
- State Dept. operations $140M below request due to bill's denial of State request for authority to use revenues from their Machine Readable Visa Program
- ACDA cut $7M

SUDAN/SYRIA SANCTIONS (House and Senate) - House bill contains Sudan-specific language banning financial transactions with Sudan (with exemptions for humanitarian and diplomatic activities) unless President certifies Sudan is not a state sponsor of terrorism; Senate bill contains broader language imposing ban on financial transactions with all 6J terrorist countries (with exemptions for humanitarian, journalistic and diplomatic activities; also contains a national security interest waiver);

JERUSALEM (Senate and House versions) - in slightly differing forms, both

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versions state that US treat Jerusalem as capital of Israel in government
publications and passports and requires us to move the embassy to Jerusalem.
NE/SA hears from State that they believe there is considerable wiggle room in
implementing the language, for example, the language moving the Embassy to
Jerusalem is "unusual" and might be considered hortatory based on the legislative
history.

IRAQI CLAIMS (Senate version) - does not allow claims by members of the military
injured in Iraqi attack on the Stark and preclude US from meeting its obligations
under a number of international agreements.

SPECIAL ENVOY FOR TIBET (House and Senate versions) - mandates appointment of
special Presidential envoy for Tibet within the Department of State.

HAITI (Senate version) - would require denial of visa or exclusion from US of any
Haitian the Sec. State has reason to believe is a person who has been credibly
alleged to have ordered, carried out or materially assisted in extrajudicial and
political killings.

GREENHOUSE GAS EMISSIONS (Senate version) - requires a report not less than six
months prior to a vote by the parties on economic impact of any moves to be voted
on under the UN Framework Convention on Climate Change - could impair the
President's power to conduct negotiations and enter into agreements with foreign
countries.

PARTICIPATION IN INTERNATIONAL CRIMINAL COURTS (Senate version) - restricts US
participation in international criminal courts only to those instances made
pursuant to a treaty or authorized by statute.

COUNTERNARCOTICS (Senate version) - Coverdell sense of the Congress resolution
encouraging POTUS to discuss with regional governments the prospect of forming a

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multilateral alliance against drugs and a requirement to submit a report by
October 1 on reactions, assessment, alternatives.

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Exchange Mail

DATE-TIME 8/15/97 10:18:03 AM

FROM Davis, William K.

CLASSIFICATION UNCLASSIFIED

SUBJECT Broadcasting & Public Diplomacy memo to the President [UNCLASSIFIED]

TO Bendick, Gordon L.
Burrell, Christina L.
Danvers, William C.
Davis, William K.

CARBON_COPY

TEXT_BODY

Chris,
in case this thing comes back (again) from across the street, here are copies (they're also on the G: drive). thanks

TRANSLATED_ATTACHMENT 5594NSCredo.doc

August 14, 1997

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ERIC SCHWARTZ
WILLIAM C. DANVERS

FROM: WILLIAM K. DAVIS

SUBJECT: International Broadcasting

Attached is an information memo to the President responding to issues that he raised concerning public diplomacy and international broadcasting. The memo outlines issues raised by Lew Manilow regarding the need to be more aggressive on public diplomacy. It also summarizes where we are in negotiations with the Congress and describes the substance of the agreement on

COPY

international
broadcasting we have struck with the conferees in the State Department
Authorization bill.

Concurrence by: Bill Wise, Tony Blinken, Will Wechsler

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

Attachment
Tab I Memorandum to the President
1

5594

TRANSLATED_ATTACHMENT 5594presredo.doc

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL R. BERGER

SUBJECT: International Broadcasting

During your Monday morning meeting with the Vice President and Jim Steinberg, you
asked Jim for additional information about public diplomacy and international
broadcasting.

State Authorization Bill: The State Department Authorization bill currently
under consideration on Capitol Hill will have important ramifications for both
these issues. The legislation contains language that would implement many of the

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decisions you made to reorganize the foreign affairs agencies earlier this year,
including merging many of the functions of the U.S. Information Agency (USIA)
into the State Department. Specifically with regard to international broadcasting functions, the bill contains language proposed by Senator Biden that
would increase the independence of U.S. broadcast entities such as Voice of
America, Radio Free Europe, Radio and TV Marti, and Radio Free Asia. Current law
allows for the Broadcasting Board of Governors (BBG), whose members are appointed
by you, to set the policy and budget for the radios. Though the BBG has
independent policy-making authority, it is part of USIA, and the BBG passes its
budget request to OMB through USIA. The Biden language makes the BBG and the
international broadcasting services a completely independent federal agency; not
merging it into State as is the case with the rest of USIA under the Administration's proposal. The Biden language would also forbid members
currently on the board from being reappointed.

There were concerns about the impact of the Biden language on our ability to
ensure that US international broadcasting reflected our broad foreign policy
priorities. However, principals concluded that in order to try and get an
agreement on the State Authorization bill, which also includes authorization for
repayment of a significant portion of our UN arrears, it was in our interest to
accept the Biden language. While conference on the bill is not completed -- it
will resume in September -- it is Senator Biden's expectation that his language
will be accepted as part of the final bill.

U.S. Advisory Commission on Public Diplomacy: The State Department bill does not
currently include language affecting the operations of this statute-based
Advisory Commission. However, Senator Biden and his staff are reportedly
considering adding language in conference that would ban USIA from continuing to

COPY

fund the Commission. While Biden has yet to unveil a concrete proposal, we will
work with Senator Biden and follow this issue closely with State and USIA.

Further, the Commission, chaired by Lew Manilow, has released a report that
advocates more aggressive use of public diplomacy. USIA feels that the current
approach to reorganization, both on the Hill and within the Administration, does
not take advantage of reorganization as an opportunity to reinvigorate the public
diplomacy aspects of our foreign policy. In particular, Joe Duffy is concerned
that, with merger as envisioned by State, the longer term public diplomacy
objectives of U.S. foreign policy may be sacrificed to the shorter-term
requirements of press relations and public affairs. I will pursue this issue
with Secretary Albright at one of our regularly scheduled lunches.

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5594

cc: Vice President
Chief of Staff

COPY

Exchange Mail

DATE-TIME 9/15/97 1:58:54 PM

FROM Joshi, M. Kay

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: Planning Document [UNCLASSIFIED]

TO
Cosgriff, Kevin J.
Davies, Glyn T.
Elkon, Nicole L.
Hilliard, Brenda I.
Hurwitz, Marc I.
Joshi, M. Kay
Kerrick, Donald L.
Millison, Cathy L.
Poole, Jennifer C.
Quinn, Mary E.
Rice, Edward A.

CARBON_COPY

TEXT_BODY

Per Wendy, attached is the latest foreign policy chart.

-----Original Message-----
From: Gray, Wendy E.
Sent: Monday, September 15, 1997 1:51 PM
To: Joshi, M. Kay
Subject: FW: Planning Document [UNCLASSIFIED]

This is it Kay
-----Original Message-----
From: Leavy, David C.
Sent: Wednesday, September 10, 1997 4:36 PM
To: @PLANNING - Strat Plan & Comm; @EUROPE - European Affairs
Subject: Planning Document [UNCLASSIFIED]

Nancy--have fun!

COPY

TRANSLATED_ATTACHMENT

planningfinal.doc
AMERICAN LEADERSHIP ABROAD

BUILDING BLOCKS OF PILLAR
DESCRIPTION
TIMELINE
BENEFITS
(e.g. Who does this help?
How does it help them?)
COSTS/FEASIBILITY
(e.g. What does it take to achieve? Who pays ($ or capital)? What is the
likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
UNDIVIDEDEUROPE
UNDIVIDED EUROPE
UNDIVIDEDEUROPE
UNDIVIDED
EUROPE
UNDIVIDED
EUROPE
UNDIVIDED
EUROPE
NATO Enlargement Ratification

Secure Senate ratification for admitting Poland, Czech Republic and Hungary to
NATO.
Implement strategy on second group(s) of invitees

Introduce legislation early 1998; seek ratification by March-April. First new
members admitted Spring 1999 at NATO summit in Washington.
Review timing for second group in 1999, possibly invite others to begin accession
talks.

Strengthens NATO to meet core mission of self-defense and to take on new missions
like peacekeeping.
Helps lock in gains of democracy, free markets in Central Europe and promotes

COPY

stability in part of world that sparked two world wars.
Ratification likely but not assured. Will require serious effort by the President to convince individual Senators and to rally support from American
people.
NATO direct costs are $9 to 12 billion for '97 through '09. US share is

estimated at $1.5 to 2 billion or $200 million per year for the next 13 years.
Allies pay about 50%; new members about 35%.
Additional costs of $8 to 10 billion for Allies and $10 to $13 billion for new
members for certain national force enhancements.

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likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
NATO Adaptation and Enhancing Cooperation/Integration

Continue internal NATO adaptation (command structure; Spanish, French integration
expand Euro role.)
Strengthen Partnership for Peace/EAPC; develop NATO-Russia & NATO-Ukraine
partnerships.
Strengthen integration of the Baltics and Southeastern Europe
Now through NATO ministerial in December, 1997.

Through 1998

Through 1998

COPY

Adaptation strengthens NATO's ability to meet core mission of self defense and
new missions like peacekeeping.
Outreach promotes integration and stability throughout Europe.

Adaptation on course. Spanish integration likely, French integration questionable; dispute with U.S. may require occassional intervention by
President.
Leads to more equitable defense burdensharing with Europe, thereby shoring up
domestic support for residual defense spending and our presence in Europe.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Advance Self-Sustaining Peace in Bosnia
Support full implementation of Dayton Accords (including: bring war criminals to
justice, help refugees return, promote economic reconstruction, democratization,
arms reduction, support institutions.)
Complete SFOR mission on schedule. Decide on post-SFOR participation by U.S., if
any, to ensure implementation continues. Build public and congressional support
for continuing role.
Promote democracy in Serbia and Croatia and regional and economic development.
Now through June 1998: use SFOR presence to push for full implementation of
Dayton.

COPY

Fall 1997 decide post SFOR presence, if any.
Strengthen self-sustaining peace in Bosnia; save countless lives; preserve
stability at heart of Europe; help hundreds of thousands displaced persons return
home.
SFOR likely to complete mission on schedule. But ability to advance individual
components of Dayton uncertain - especially provisions on war criminals, refugee
return. Will require difficult policy decisions by President, agreement with
allies and could entail risks to troops.
Would be difficult to build public and Congressional support for post-SFOR
military presence by U.S., easier to garner support for out-of-country military
effort and/or continued economic, humanitarian assistance. Either way, President
would have to take lead in making case to Congress, American people.
Cost? [Unknown]

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Push to improve ties btw. Greece & Turkey

Use current promising circumstances for major effort to improve bilateral ties,
building on momentum of Madrid agreement on principles to govern bilateral
relations; address core issue of dispute over continental shelf.
Initial push now through end of 1997.
Additional specific steps contemplated for 1998.

Opportunity to further defuse enduring and dangerous flashpoint for

COPY

conflict in
Europe, promote productive ties between NATO allies
Uncertain. Recent steps forward encouraging but history of conflict sobering.
Would require high profile engagement by President if agreement within reach.

Advance Resolution to Cyprus Dispute
Capitalize on appointment of Presidential emissary and initiation of UN-sponsored
direct talks and urging EU accession talks to bring parties to framework
negotiations and move them toward bizonal, bicommunal federation
In 1998, seek to open framework negotiations.

1999-2000: Work to overcome Turkish objections to EU membership for Cyprus

Same as above.
Same as above.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Russia/NIS

For NIS security, arms control and trade goals, see also above and below.
Advance Minsk Group negotiations on Nagorno-Karabac toward goal of peace
agreement.

Play more active role in conflict resolution in Georgia/Abkhazia

Encourage free and fair elections throughout region

COPY

Intensified negotiations Fall 1997 Target Phase I agreement by end of '97
Phase II agreement by '98
Negotiations process led by UN during fall 1997

Russia: Parliament '99;President '00
Ukraine Parliament March '98; President Oct. 99

Resolution of NK and Abkhazia conflicts promotes regional stablity and
cooperation in Caucasus and strengthens prospects of rapid energy development in
Caspain Basin.

Key to reinforcing principals of democracy and elections as basis for political
transition in NIS.

Final push for necessary concessions for NK may require intervention by the
President, together with Presidents Yeltsin and Chirac. Prospects for peace are

COPY

good.

Requires broad and high-level diplomatic engagement on free and fair elections;
as needed, consider targeted technical assistance for electoral processes.

Support regional and international integration of NIS states, e.g. WTO, OECD,
NATO and IFIs.

Begin in 1998
Promotes democracy by enhancing economic, political and military development.
Requires broad and high-level diplomatic engagement and trade negotiations.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
STABLE
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STABLE

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ASIA
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STABLE
ASIA
Advance Engagement with China
Work to rebuild bipartisan consensus on engagement with China. Draw China into
world community to encourage economic and political change, respects for human
rights and non-proliferation norms.
Promote WTO accession (see below), permanent MFN, end to Tiananmen sanctions in
context of Chinese actions improving rights and Chinese performance on other
issues
Gain broad China conformity with non-proliferation regime and cut off arms sales
to rogue states
Stabilize PRC-Taiwan relationship through enhanced cross-strait ties.
Jiang State Visit: October 1997. POTUS return visit: late 1998 (T)
U.S. has profound stake in China's evolution as peaceful, open, stable country.
Americans will benefit from cooperation with China on trade, non-proliferation,
stability on Korean peninsula. Chinese will benefit from greater political
freedom, economic opportunity if China abides by international rules of conduct
on trade, nonproliferation, human rights, etc. China that turns inward is
destabilizing factor for Asia Pacific region.
In wake of MFN vote, opportunity to rebuild consensus on engagement and reverse
demonization of China. Key moments are state visits. Will require high profile
Presidential leadership; Congressional effort (permanent MFN, Tiananmen
sanctions) only in context of significant Chinese progress.

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COPY

the
likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Promote Peace and Stability on Korean Peninsula
Pursue Four-Party Peace Talks toward goal of peace between Koreas, normalize of
U.S.-DPRK relations.
Implement dismantling of frozen North Korean nuclear weapons program.
Seek limits on North Korean missile and CW program.
Continue to provide humanitarian assistance to avert famine

Talks: Fall 1997.

Nuclear dismantlement: Ongoing.

Ongoing

Ongoing
As Cold War's last armed frontier, Korean peninsula remains dangerous flashpoint
for conflict, with 37,000 U.S. troops on frontline. Peace talks could finally
defuse danger, increase stability in Asia. Implementing nuclear agreement makes
unpredictable North Korea less dangerous to neighbors, region.

Helps ensure against massive population displacements and general disorder which
might result in irrational military action.
Preliminary negotiations for peace talks difficult but ongoing - chance parties
will agree to begin formal talks in fall. But highly volatile, given history.
Grave risk of instability in North due to economic collapse. Little POTUS
involvement likely.
Nuclear accord moving forward. $30 million/year US costs. Groundbreaking for
replacement light water reactor in August.

COPY

The overall food situation continues to deteriorate. Likely to face continued
need to provide emergency assistance to avert famine. Have provided $60 million
over past three years.

Strengthen U.S.-Japan Partnership
Deepening security cooperation and resolving trade and economic issues will
strengthen alliance that is bulwark for regional stability and catalyst for
regional growth.
Encourage Russian-Japanese Cooperation
Finish guidelines by 1997.
Trade and economics ongoing.

No defined timeline

Benefits people of both countries in increased security, economic opportunities.
Increases stability in volatile region going through profound change.

Reduces longstanding regional tensions and opens prospects for more constructive
cooperation among the Eight.

Trade deficit and macro-economic issues remain difficult; and subject of
Congressional interest; guidelines pose some potential challenge for Hashimoto,
but should prove achievable. Roughly bi-annual summits with POTUS.

US encouragement has already facilitated dialogue.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
South Asia (India-Pakistan)
Use Secretary of State visit, POTUS trip to broaden dialogues; strengthening
bilateral ties; promote regional stability including non-proliferation, economic,
and regional security
SecState visit: 1997.
POTUS trip: 1998 (T)

Regional stability in South Asia; promotes trade and economic development and
straightens democracy.
POTUS visit 1998, with some prior involvement if serious initiatives warrant.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
LEADER FOR PEACE
LEADER FOR PEACE
LEADER FOR PEACE
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FOR PEACE
LEADER
FOR PEACE

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LEADER
FOR PEACE
Promote international cooperation on democracy and human rights
Strengthen authority and resources of UN High Commissioner for Human Rights and
War Crimes Tribunals for Bosnia and Rwanda
Establish program for action for Democracy Working Group of the Denver Summit of
the Eight

Pursue US ratification of human rights treaties dealing with women and children.
Ongoing
Strengthening High Commissioner will enhance UN's ability to monitor abuses and
thus alleviate suffering by victims: strengthening tribunals will help to promote
justice necessary for reconciliation and long term stability in post-conflict
societies; coordinating democracy promotion among the Eight will improve
collective efforts on promoting democratic transitions worldwide; ratification of
human rights treaties will bring our commitments into accord with our actions
and strengthen our international advocacy efforts on these issues.
Budget costs are not substantial. High potential for US impact on High
Commissioner and War Crimes Tribunal. Will be more difficult to establish
formalized coordination of democracy promotion among the Eight. Given objections
of Sen. Helms, ratification of treaties dealing with women and children will be
very difficult, though there may be possibility to move on former if we can
obtain support from Republican Senators-women in particular.
Minimal POTUS
involvement.

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COSTS/FEASIBILITY

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likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Pursue Middle East Peace Process
Restart meaningful Israeli-Palestinian cooperation and negotiations. Fully
implement interim accord and make progress on permanent status talks.
Pursue peace between Israel and Lebanon and Israel and Syria
Promote regional economic and political cooperation
Restart cooperation: Fall 1997.
Complete interim accord and progress on final status: 1998.
Progress with Lebanon and Syria: 1998-9.

Doha 1997
Move closer to resolution one of great conflicts of 20th century. Dramatically
improve security and prosperity for Israelis, Palestinians, Arabs. Advance goal
long sought by all U.S. presidents since creation on Israel.
Israel/PA progress: Highly uncertain. Will require regular attention by the
President; high intensity/high risk involvement if peace process on verge of
collapse or breakthrough. Key first step is defusing present crisis and resuming
cooperation.
Israel/Lebanon; Israel/Syria: likely to take back seat to progress on Palestinian
track. President will need to be involved if there is an endgame

Continue to Support Haiti's Transition to Democracy.
Promote peaceful parliamentary elections, UN mission transition.
Work with GOH to improve security.
Support free presidential elections
Parliamentary election and UNTMIH transition: through 1997.
Focus on security: 1998.
Presidential elections: 2000
Dramatically improve lives of Haitian people (greater security, political
freedom, prospects for economic stability.) Sustain one of President's signature
achievements.
Prevent return to refugee exodus and attendant costs to U.S..
Maintain stability in Caribbean
Haiti bogged down in political paralysis. Need to break election logjam.
Security more positive. Civilian police force major improvement.

COPY

Need to
strengthen court system.
Congress fear that gains threatened, could help secure commitment to continued
assistance. Cost: $100 million per year including food aid.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Pursue Settlement in Northern Ireland
Support British and Irish governments in effort to start all-party talks process
toward goal of final settlement.
Support economic development in Northern Ireland
Support all talks beginning Sept 1997.
Support possible agreement in 1998.
People of Northern Ireland and UK benefit from end to terrorism, possibility of
leading normal lives and ending inter-communal tensions.
US contributes $20 million to International Fund for Ireland. Real agreement a
long-shot; Presidential visit could be necessary to clinch agreement.

Promote Peru-Ecuador Peace Process
As co-guarantor of Peru-Ecuador peace process, encourage parties to reach
definitive resolution of border dispute while avoiding arms race.
Seek resolution of border dispute by April 1998 Santiago Summit.
People of both countries benefit from absence of tension, increased stability,
improved climate for trade and investment, dampened arms race and reduced chance
of conflict
Strengthens stability and integration, give U.S. stronger partners for dealing
with common problems like crime, drugs etc...
Chances are good for significant progress toward definitive resolution by next

COPY

April. President will address during fall trip.
May be minor costs associated with supporting final peace agreement. Current US
supported PKO force is paid for by Peru and Ecuador.

Continue to Promote Peaceful Transition to Democracy in Cuba
Maintain economic embargo on Castro. Periodically Review Helms-Burton Title III
sanctions on foreign entities doing business in Cuba. Continue to reach out to
Cuban people.
Helms-Burton review every six months (October 1997; March, 1988.) Continuing
review of Cuba policy.
Democracy to last holdout in hemisphere would dramatically improve lives,
prospects for Cuban people. remove source of regional instability 100 miles from
U.S. Sudden collapse of Cuban regime or internal strife could cause major
instability, refugee crisis dramatically affecting southern U.S.
Continuing to suspend application of Helms-Burton Title III feasible provided we
can show continued allied support for Cuban democracy, condemnation of human
rights abuses. Democratic transition unpredictable.
Public and private funding by the international community projected in event of
democratic transition estimated at $4-8 billion over six years.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Agent for Peace in Africa
In coordination with African & European states, work to promote implementation of
Angolan peace accords; political settlements and respect for human rights in

COPY

Great Lakes; constructive government in Congo; free and transparent elections in
Liberia; resolution to civil war in Sudan; free and fair elections in Kenya;
return to civilian government in Nigeria; Africa Trade and Investment Initiative.
POTUS trip in 1998 (T)
POTUS trip offers unique opportunity to advance U.S. intersts in democracy and
economic development in Africa; educate American people to diversity, success
stories of Africa; long-term benefits in stability, humanitarian gains, trade and
investment.
Africa Trade and Investment Initiative could cost $200 million in the early
stages; will be difficult on Hill but strong CBC allies.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
TRANS-NATIONAL THREATS
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THREATS
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THREATS
TRANS-NATIONAL
THREATS
Chemical Weapons Convention
Secure passage of implementing legislation.
Advance broader participation including Russia.
Fall 1997.
Brings U.S. law in line with all treaty requirements so we can fully implement
landmark agreement that bans production, use, transfer of poison gas.
Troops and

COPY

citizens will be safer.
High probability of passage in the Fall. Minimal POTUS involvement.

Compre--hensive Test Ban Treaty
Submit for ratification to Senate historic treaty banning all nuclear testing by
explosions. Seek India's accession to treaty.
Submit: Fall 1997. Seek ratification by early 1998, entry into force by end of
1998.
Achieve goal set by Eisenhower, advanced by Kennedy to end nuclear testing for
all time. Will help prevent development of more sophisticated nuclear weapons,
and help prevent their spread.
Submission requires closure within administration on funding for stockpile
stewardship program (up to $500 million add on/years for 5 years.)
Ratification achievable, but likely to be more difficult than CWC. Will require
leadership role by the President. Will also require difficult diplomacy with
India to secure its signature or commitment.

START II
Encourage ratification by Russian Duma and complete protocol on extension
Fall 1997.
Ratification by Duma would put treaty into force, requiring U.S. and Russia to
reduce nuclear arsenals to and opening door for further reductions under START
III.
U.S. can have only modest influence on Duma decision. In Russia's hands.
Prospects highly uncertain.

ABM/TMD
Complete agts. on ABM/TMD demarcation, ABM succession.
Fall 1997
Would preserve cornerstone of arms control, allow research on defense vs. short
range missiles. Make troops, allies safer from theater missile attacks.
Will be highly contentious in Senate which must ratify. Some POTUS involvement.

START III

After START II ratification, negotiate START III.
Initiate negotiations 1998; ideally conclude 1999-2000.

COPY

Would reduce strategic nuclear arsenals 80% below Cold War levels; historic
achievement.
Depends upon Russian ratification of START II, which is uncertain.
POTUS
decision needed.

CFE Treaty
Conclude negotiations on an adapted "Conventional Forces in Europe" treaty.
1998
Success would promote stability throughout Europe by ensuring that verifiable
limits on conventional weapons are maintained into next century, as NATO
enlarges.

Requires agreement of all 30 CFE States Parties; implementation costs of new
treaty not likely to be significantly different from current treaty. All states
parties share goal of concluding in 1998. Little POTUS involvement.

Nuclear Weapons Free Zones
Send to Senate for ratification South Pacific and African Nuclear Weapons Free
Zones Treaties.
1998
Would help prevent proliferation of nuclear weapons to South Pacific and Africa.
Ratification likely, although there will be opposition.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Fissile Material Cutoff Convention
Begin negotiations on international treaty to end production of fissile materials

COPY

for nuclear weapons.
Start negotiations: 1999/2000.
Treaty would help prevent proliferation and cap existing nuclear weapons program.
Unlikely negotiations stalled due to Pakistani/Indian opposition. No POTUS
involvement.

Plutonium Disposition
Reach agreement through G-7/ Russia and build pilot plant to convert plutonium
from nuclear weapons to peaceful uses.
Lay out options: 1998.
Secure G/7-Russia agreement: 1998
Build plant: 2001.
Dispose of weapons plutonium reduce risk of proliferation and nuclear smuggling.
Delicate negotiations remain with Russia; prospects uncertain; no POTUS
involvement.

Biological Weapons
Strengthen compliance with Biological Weapons Convention to prevent use of
disease as weapon of war.
1998-1999.
Help prevent BW proliferation and threat to US and allies.
Negotiation difficult. Would require Senate ratification. POTUS involvement
only if needed at end.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Landmines
Negotiate worldwide ban on anti-personnel landmines and secure Senate
ratification of treaty.

COPY

Achieve Senate Ratification of CCW Amended Mines Protocol restricting use of
landmines
Expand USG humanitarian Demining program

1997

1997

Ongoing
Would help end worldwide scourge of landmines which kill thousands every year.

Would help limit threat to civilians from landmine use through specific
protections, even as we pursue a global ban.

By helping return unproductive lands, the areas once again become inhabitable.
Requires key September policy decision by President whether to continue pursuing
global ban in Geneva (CD) or to take part in more limited Ottawa process. Ban in
Geneva not achievable in near term Ottawa achievable by end of 1997 though may
not be supported by US military. Could be costs associated with development of
alternatives.

Budget is on the rise. However, technical advances must be achieved or
completion of the goal of returning all landmined areas will be distant.

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(e.g. Who does this help?

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How does it help them?)
COSTS/FEASIBILITY
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likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Rogue States
Continue unilateral and multilateral efforts to contain Iran, Iraq, Libya -
especially ability to conduct terrorism and access to WMD.
Ongoing.
Prevent terrorism against citizens of democracies, including Americans. Advance
regional stability. Protect energy supply in Persian Gulf. Advance Middle East
peace process.
Will require persistent effort to keep allies behind multilateral sanctions;
POTUS involvement in decision-making and crisis management.

Energy Security
Take steps to ensure continued stable supply of energy from diversified sources
(e.g. Venezuela; Caspian Basin; Persian Gulf)
Ongoing
New Caspian reserves could provide 1-2 million barrels/day by 2000 in new oil
production.
POTUS visit to Venezuela in October will highlight this theme. Increased
attention to Caspian region.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Continue to Combat Terrorism

COPY

Reorganize and elevate anti-terrorism efforts.
Press arrest, extradition, prosecution of foreign terrorists who violate U.S.
law.
Improve ability to prevent terrorists from entering U.S., locate, expel.
Adopt ten major anti-terrorism conventions.
Secure funding to implement Gore Commission steps on aviation security.
These are long term programs, most of which began in this Adm. and will continue
through FY 2000
Protect Americans against increasingly likely terrorist attacks.
Reorganization planning underway.
Programs are feasible, but will not provide total protection against terrorist
attacks. Protection of infrastructure, especially cyber systems will be long
term and costly both to the USG and the private sector/public utilities whose
cooperation will be essential. Building local capabilities to cope with a WMD
terrorist attack will cost approx. $100m over 5 years. As technologies improve
and population increases, cost could grow. Minimal aviation security improvement
will cost $220 m over 4 years.
Preventing terrorists from entering the US will require additional resources for
INS; expelling terrorists will require new legislation.

POTUS involvement minimal except in event of terrorist action.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Continue Fight Against Drug Trafficking
Within Hemisphere, work with major drug-producing countries to develop
multi-lateral strategy against drugs; negotiate agreement with Panama

COPY

for
multinational counter-narcotics center; establish U.S.-Mexico drug strategy.
Annually certify counter-narcotics cooperation.
Explore new United Nations anti-narcotics unit and possible P-8 Justice
Ministerial
Hemispheric goals: 1997-1998.
Report to Congress Sept. 1 on prospects of hemispheric alliance.
Annual certifications: January-March 1998, 1999, 2000.
Zedillo working visit in November will address drug strategy due by end of 1997.
Save countless lives in hemisphere and in U.S. lost to overdoses, drug-associated violence. Diminish corrosive effects of corruption that

undermines new democracies.
Absent unsustainable increase in federal budget for enforcement, crop substitution, ending drug trafficking impossible, dramatic supply reductions
difficult.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Increase Cooperation Against Arms Trafficking
Negotiate, sign and ratify hemispheric convention against illegal arms trafficking.
Develop technical approaches so that sophisticated conventional weaponry
automatically disarms if it falls into wrong hands
Negotiate convention: 1997. sign and ratify: 1998
Convention would save lives by helping reduce gun violence throughout hemisphere,
decrease number of legally sold weapons that wind up on black market in U.S.,
decrease number of weapons easily available to drug traffickers.
Very likely agreement will be signed. Ratification and implementation should be

COPY

manageable.

Increase Cooperation Against International Crime
Pass International Crime Control Act
Establish regional law enforcement academy in Panama similar to one in Budapest.
Extend Colombia anti-money laundering program to other nations.
Fall 1997 or winter 1998.

Regional academy: 1997

Will help train police forces throughout region in modern techniques, imbue
respect for human rights, promote cooperation and information sharing.

Cost: TK

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likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Increase Cooperation Against Corruption
Ratify Organization of American States Anti-Corruption Convention.
Ratification: 1999-2000
Will help combat corrosive effect of corruption on fragile democracies in
hemisphere.
TK
TK

COPY

Increase Cooperation on Migration to Promote Regional Stability
Seek legislation restoring ex-ante deportation rules for Central Americans and
certain others and/or undertake administrative action to ensure against mass
deportations to region.
Through end of 1997
Promote fairness for certain immigrant groups and enhance peace and stability in
region.
TK

Combat Illegal Migration
Implement and streamline new criminal deportation procedures
Now through end of 1997.
Help prevent criminals from remaining in U.S. Increase support for generous legal
migration laws.
TK

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DESCRIPTION
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BENEFITS
(e.g. Who does this help?
How does it help them?)
COSTS/FEASIBILITY
(e.g. What does it take to achieve? Who pays ($ or capital)? What is the
likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
OPEN TRADING SYSTEM
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Fast Track Trading Authority
Introduce and secure passage of legislation granting President fast track

COPY

authority to conclude trade agreements.
Introduce legislation September 1997. Seek votes starting in October, final
passage by end of 1997, early 1998.
Vital tool for sustaining record economic growth, 25% of which due to exports.
Passage uncertain but achievable. Will require difficult political decision on
labor and environment standards, major campaign, heavy Presidential engagement.

Caribbean Basin Trade Enhancement Act
Make good POTUS/VPOTUSpledge to win Congressional passage of act to promote trade
and investment in Caribbean.
By end of 1997.
Important tool to promote increased U.S. trade with, investment in neighboring
Caribbean states. Spur their depressed economies, avoiding destabilizing
collapse, creating jobs, while making it easier for U.S. business to take
advantage of opportunities.
TK

Free Trade Area of Americas
Negotiate free trade agreement with Chile once Fast Track secured - first step to
FTAA.
Start negotiations toward FTAA by 2005.
Chile: 1998
FTAA preparatory work: 1997.
Begin FTAA negotiations: Santiago Summit in April 1998.
Dramatic benefits to American workers, businesses that export by taking down
trade barriers throughout hemisphere (already leading market for U.S. exports.)
Will help create, sustain better paying jobs. Will also promote growth, wealth
in Latin America and so strengthen new democracies.
Both FTAA and Chile controversial. Tied up with Fast Track authority.
Step-by-step approach and long time line should make Chile FTA, FTAA feasible
politically in U.S. Passage of free trade agreement with Chile more problematic.

COPY

BUILDING BLOCKS OF PILLAR
DESCRIPTION
TIMELINE
BENEFITS
(e.g. Who does this help?
How does it help them?)
COSTS/FEASIBILITY
(e.g. What does it take to achieve? Who pays ($ or capital)? What is the
likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
WTO Negotiations
Pursue Uruguay Round "built-in" agenda of future negotiations to liberalize trade
in key sectors - agriculture; services; government procurement; intellectual
property
Initiate negotiations: Agriculture (1999); Services(2000) But preliminary talks
could begin sooner if U.S. has Fast Track authority.
Would make trade more free, fair for American workers, business in sectors vital
to U.S. economy and/or where U.S. already world leader. Will create, sustain
higher paying jobs and growth.
Dependent on President securing Fast Track authority.
Negotiations will be difficult but should be achievable. POTUS involvement
limited.

Open Asia-Pacific Markets Thru APEC

In working toward free trade in Asia Pacific by 2010/2020, will seek key sectoral
agreements (e.g. energy related technology; environmental technology; medical
equipment). APEC agreements could then become basis for global agreements in WTO
(e.g. ITA).
From November 1997 APEC Summit through 2000
Would make trade more free, fair for American workers, business in sectors vital
to U.S. economy and/or where U.S. already world leader. Will create,

COPY

sustain
higher
Negotiations difficult. POTUS involvement: annual APEC summit (Vancouver '97;
KL '98; New Zealand '99; Brunei '00).

NIS Economic Reform
Support development on new tax laws, commercial codes, financial markets key to
economic growth and opening economies to foreign investment

Pass Partnership for Freedom in 1997; 1999-2000 reforms assistance on investment
bottlenecks
Locks in nascent reforms in NIS, opens NIS markets to American exports, creates
conditions for American development of NIS resources, needed for NIS integration
into global markets.
Partnership for Freedom FY '98 request; $900 million; Senate mark $800 million;
House mark $625 million need to preserve Senate level.

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likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Russia/NIS accession to WTO
Help bring Russia and NIS into global marketplace.
1998: Russia Ukraine, Armenia, Georgia possible, all NIS on path to membership
As NIS adopts international standards for trade and investment, U.S. firms will
gain access to export markets and vast natural resources. Increased prosperity in
NIS will help democracy take hold.
Achievable. Gore-Chernomyrdin and Gore-Kuchma best vehicles to promote progress.

COPY

Little POTUS involvement.

China Accession to WTO
Complete negotiations with China to allow its accession to WTO on commercially
acceptable terms.
Between now and 2000 (1998 target).
Major benefits to U.S. workers, business as WTO accession requires China to
eliminate trade barriers. Important component of engagement policy that seeks to
draw China into world community.
Difficult but achievable. Jiang Summit in D.C. and POTUS return visit could
catalyze progress.

Africa Trade & Investment Initiative

Help secure passage of legislation to promote U.S. trade with and investment in
Africa.
Early 1998.
Major benefits to American workers, business by increasing market share (now just
7%) in emerging African economies. By increasing African prosperity, will
strengthen stability and fragile democracies.
Strong chance for success given bipartisan support in Congress. $200 million in
the early stages.

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POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
STRONG MILITARY, DPLOMACY
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STRONG MILITARY, DPLOMACY
STRONG MILITARY, DPLOMACY
STRONG MILITARY, DPLOMACY

COPY

STRONG MILITARY, DPLOMACY
Maintain a Strong and Ready Military
Implement QDR Report's blueprint for maintaining strong and ready military;
increase funding for force modernization; take care of our men and women in
uniform; work with Congress to enact infrastructure, management and business
practice reforms.
1997: Ensure FY-98 Auth and Approp bills support QDR plan.
1998: Ensure FY-99 Auth and Approp bills support QDR plan.
1999: Ensure FY-00 Auth and Approp bills support QDR plan.
By protecting and advancing peace and security, provide foundation for American
leadership and a stable environment for prosperity.
QDR plan is based on a fiscally-constrained defense budget consistent with the
balanced budget agreement, thus ensuring national security while supporting
efforts to reduce the deficit and the control national debt.
The QDR was based on a projection that the defense budget would remain level at
about $250 billion in constant FY-97 dollars.
The budget agreement that was reached between Congress and the Administration
provides slightly more than the QDR projected.
Achieving the modernization and readiness goals stated in the QDR Report is
feasible if Congress can be persuaded to support infrastructure, defense
management and business practice reforms.

Peacekeeping
Enhance capabilities of US, friends, allies, internt. orgs. for peacekeeping
(e.g. PDD-56; EIPC program; through ACRI, ASEAN)

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COSTS/FEASIBILITY
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COPY

the
likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Gulf War Illness
Continue effort to discover causes for GWI, repair health of veterans, integrate
lessons learned into military planning.
Final PAC Report due 10/97.
Ongoing effort through 2000.
Help thousands of sick veterans discover cause of illness, find treatments.
Restore public confidence in DoD, military, USG. Ensure future recruitment does
not suffer. Sustain flexibility of military to deploy troops where and when
necessary, improve defenses against disease. Reduce post-conflict/deployment
health problems.
Discovering cause highly uncertain given difficulty to date. Improvements in
treatment, planning more feasible. Will require continued low level Presidential engagement; onus of action with Pentagon and VA.

Strong bipartisan support.
United Nations
Encourage UN. reform, refocus on challenges of 21st century, strengthen security
council, including international campaign to achieve S.903 benchmarks, thereby
enabling payment of arrears.

S.903 benchmarks campaign - 1997.
Pay arrears: 1998 - 2000

Even with S9O3, still roughly $400 million shortfall in arrears.
Presidential statements.

International Resources
Ensure passage of Foreign operations and CJS appropriations bills.
Fall 1997.

President's budget request for function 150 is $19.45billion; Budget agreement
would allow for full funding. Individual appropriations bills still in play.

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likelihood it will occur?)
POLITICAL RAMIFICATIONS
(e.g. How does it affect the party?)
Reorg. of State, USIA, AID, and ACDA
Reinvent our foreign affairs agencies to meet the needs of the 21st century.
Legislation should be passed this year. ACDA will integrate with State over one
year; USIA will integrate in two years; AID will integrate certain functions over
two years. State will reinvent itself.
Helps foreign policy makers by streamlining operations while preserving functions
of integrated agencies. Helps taxpayers by promoting efficiency.
Uncertain.

??

COPY

Exchange Mail

DATE-TIME	11/8/97 1:21:25 PM
FROM	Luzzatto, Anne R.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	uncleared Q's [UNCLASSIFIED]
TO	Benjamin, Daniel Blinken, Antony J. Gray, Wendy E. LaFleur, Vinca S. Leavy, David C. Naplan, Steven J. Widmer, Edward L.
CARBON_COPY	
TEXT_BODY	
TRANSLATED_ATTACHMENT	prezmeet1.doc

PRESIDENTIAL PRESS GUIDANCE
FOREIGN POLICY ISSUES

FRIDAY, NOVEMBER 7, 1997

IRAQI NONCOMPLIANCE WITH UNSCOM INSPECTORS
BOSNIA
BURTON COMMITTEE
MIDDLE EAST PEACE
RUSSIA IRAN MISSILE COOPERATION
RUSSIA SUPERCOMPUTERS
TOTAL IRAN DEAL
GULF WAR ILLNESS REPORT
JIANG SUMMIT ACCOMPLISHMENTS
FOREIGN POLICY ACCOMPLISHMENTS

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IRAQI NONCOMPLIANCE WITH UNSCOM

What happened in Baghdad? Are you sure UNSCOM isn't being sold down the river?
It sure looks like the mission has been an abject failure.

* We have made it very clear that Iraq must comply with the UN resolutions and
let UNSCOM get back to work.

* The mandate of the UN envoys was unambiguous -- they were to listen to Iraq's
position, present the Security Council's united view that Iraq must comply and
report to the Council.

* We expect UNSC to take this up on Monday and take firm stand.

* We expect full Iraqi compliance. I'm not going to speculate about what actions
we and others in the international community may take. Nothing has been ruled in
or out.

There are reports that France, Russia and Egypt all oppose military action.
Aren't there cracks in the coalition? How will you assure unanimity going
forward?

* Not one of our Security Council allies, after this event, argued for

COPY

lifting
sanctions. Not one of our Security Council allies has suggested Iraq has come
near enough to compliance to have sanctions lifted.

* There is bedrock unanimity on Iraq's need to comply.

* Our response has been to work closely with our Security Council colleagues.
This is what we will continue to do.

How long are you willing to wait? Would the US ever act unilaterally?

* We intend to continue to work closely with our Security Council allies in ways
that will force Iraq to reverse its unacceptable demands.

* I will not speculate on any actions we or the international community may take.
Nothing has been ruled in or out.

What is your position on Sadam's hiding of evidence and disabling surveillance
equipment?

* It's a direct challenge to the UN and a clear violation of the Security Council
resolutions - this is exactly why we need UNSCOM, and why it is important that
UNSCOM inspectors be able to do their job.

* The UN representatives went to Baghdad, to deliver a message -- to present to
the Iraqis the unequivocal Security Council consensus that they must comply. We
expect them to report Monday.

Aziz is saying that the inspection teams should not have US members because the
US hates Iraq and will never certify that Iraq is in compliance. How do you
respond?

* If Iraq has nothing to hide, they should let the teams do their job.

Aziz is saying that the U2 flights are being used by the US to plan air strikes

COPY

against Iraq - is this true?

* These U2 flights are in support of UNSCOM - they'll continue to fly for UNSCOM.

Aziz wants a visa to come to the UN to make Iraq's case - will you let him come?

* The U.S. traditionally has been prepared to grant visas in connection with work
of the Security Council But this should not be used as a stalling tactic.

Cohen is being quoted this morning on the wires as saying that "some action has
to be taken against Iraq." Do you think it will be necessary to use force?

* We expect the matter to be taken up in the UNSC Monday when we receive the
report of the envoys. There are a variety of options. We're ruling nothing in
and nothing out.

But what about the canceling of the Nimitz' port visit in the United Arab
Emirates? Are you trying to send a signal?

* It's a prudent decision under the circumstances. We did not want to take any
action that would reduce our options.

* Port calls are frequently adjusted to suit the circumstances.

* But it's important to remain focused on the diplomatic efforts to assure
compliance.

Turkish Prime Minister Yilmaz is quoted as saying we have asked to use Turkish
bases to strike Iraq?

* I'll let the Prime Minister speak for himself, but we have not asked for the
use of Turkish facilities.

BOSNIA

News reports suggest that your Administration has already
reached consensus on the need to keep US troops in Bosnia after the June 1998

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SFOR mission is due to end. Is this true? Do you agree with this decision?

? We've made a lot of progress in Bosnia - now we're consulting with our allies
and with Congress on what we need to do to sustain that progress and keep the
process on track. The discussion with Congress on Tuesday night was extremely
thoughtful and I look forward to working with them as we develop our position.

Is there a consensus?

? I think there's a growing sense of the importance of keeping the process on
track - but we've made no decision on what role the United States should play
post June.

First you said you'd have the troops out of Bosnia in a year. Then you said 18
months. How do you expect to maintain the confidence of the American people that
you can have a credible exit strategy this time if you decide to stay?

* Our efforts to anticipate duration have always been made in good faith - but
it's important to relate duration to achieving our objectives. Experience has
taught us the risks of setting deadlines.
* As a result of progress over the last nine months, we now know what it takes to
make implementation work -- and we can begin to see what it will take to sustain
it.

* I am working now on concrete criteria for self-sustaining peace. The most
important of these is that we are able to achieve full compliance on the three
key instruments of suppression -- army, police, and media.
* Much progress has been made in each of these areas -- and we expect more in the
next eight months -- but we do not expect that peace will be self-sustaining by
June 1998.
* Even if circumstances change, our interests don't. It would be foolish to run
the risk of another war in Europe or undoing the genuine progress we

COPY

have
achieved.

BURTON COMMITTEE

Rep. Burton has accused the White House of failing to cooperate with his request
for information about Charlie Trie. Did you ask Jiang about Trie?

* Requests for cooperation in the ongoing investigations concerning campaign
finance issues have been made to Chinese officials in China by both Vice
President Gore and Secretary of State Albright.

* During the state visit, I spoke to Jiang about the importance of Chinese
cooperation with these investigations.

* We intend to continue to push the Government of China to cooperate with these
investigations

MIDDLE EAST

Why should Secretary Albright meet with Bibi and Arafat next week when it appears
the peace process is dead?

* The two parties just completed serious talks this week here in Washington.
There is a lot of hard work yet to be done to overcome their differences.

* This is an appropriate point given the progress made this week to impress on
both leaders that we need to keep up the pace. Secretary Albright's direct
involvement can help build on what has been achieved up to this point.

* We will continue to remain engaged.

Will you see Prime Minister Netanyahu?

* Nothing is scheduled yet. I do plan to see him. It's not a question of if,
but when.

Some are still calling for four-party talks along the lines of the Camp

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David
process. What is your reaction?

* I would not rule out such an approach in the long term, but right now it would
not be appropriate. The parties to the peace process have a lot of steps they
need to take themselves before we can talk along those lines.

Would you be snubbing Netanyahu by not meeting with him but meeting with Shimon
Peres when he comes to Washington later this month?

* No. Shimon Peres will be here to participate in an event which was scheduled
long ago. Any possible proximity of the two visits is coincidental.

RUSSIA IRAN MISSILE COOPERATION

There has been extensive press reporting on Russia-Iran missile cooperation.
What is the US doing about this? Will you impose sanctions on Russia?

* I take these reports very seriously - we have been concerned for some time
about Iranian efforts worldwide to acquire missile technology.

* I discussed this issue with President Yeltsin in Helsinki this spring and then
at the Denver Summit, where we agreed to work together closely.

* As a result of those talks, Ambassador Frank Wisner and the head of the Russian
Space Agency have met along with teams of experts from both our governments.
This is an effective mechanism to address our concerns, and they will reconvene
soon.

* We vigorously follow-up on any reports, and, when the facts warrant, we will
take what steps are necessary.

RUSSIA SUPERCOMPUTERS

Recent news reports suggest that the US promised Russia it could have access to

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our supercomputers in exchange for its cooperation on the Test Ban Treaty. Did
we make such a promise?

* The U.S. never promised to provide high performance computers for Russia's
management of its nuclear weapons inventory, neither in conjunction with the CTBT
nor in any other context -- we made clear to Russia that U.S. law and long-standing policy would not allow it.

Then what steps did you take following the discovery of the transfer of the
supercomputers to military end-users?

* Under U.S. policy, exports of these kinds of computers to military and nuclear
end-users in Russia require an individual validated license before the computer
may be exported.

* We immediately began an investigation of the U.S. companies selling the
computers and contacted the Russian government to seek their cooperation in the
investigation so we could have the machines returned or reach another mutually
acceptable solution.

* We continue to follow up with the Russians at senior levels to try to resolve
this problem.

Does the failure to resolve this disagreement indicate a problem with U.S.-Russian relations?

* We believe this problem can be resolved satisfactorily. We'll continue to work
closely with the Russians to this end.

* Our ongoing, intensive dialogue with Russia on a whole range of security
matters, including export controls, is an essential component of our relationship.

TOTAL IRAN DEAL

Will the US impose sanctions under the Iran Libya Sanctions Act?

? Iran's behavior has long been of great concern to the United States.

COPY

Our goal
is to deny Iran the capacity to develop weapons of mass destruction, and to have
them stop their support for acts of terrorism and other acts that undermine peace
and stability.

? We want to advance these goals in cooperation with our allies.

? Unless Iran changes its behavior, we are simply not going to carry on business
as usual with them - and we feel very strongly that our allies and friends
shouldn't either.

? ILSA is the law, and we will fully and completely implement it.

What happens if Goldman underwrites Gazprom's bond offering? Will you sanction
Gazprom?

? We intend to implement the law, and the law makes clear that sanctions are a
real option, if sanctionable activity has occurred. We haven't ruled out any
options.

? We're conducting an intensive review now, and we'll pursue this directly
through consultations with the companies and the countries involved.

GULF WAR ILLNESS REPORT

Your own Advisory Committee on Gulf War Illnesses claims the Pentagon has lost
credibility -- do you agree with this judgment?

? Let me first say that I have been deeply troubled by the pain and frustration
our veterans have felt - and I thank Hillary for doing so much to bring attention to their plight and to galvanize the effort to help them.

? The PAC deserves a great deal of credit for its role in highlighting the areas
in which the government needed to improve its approach to this issue.

? The Defense Department is responsible for what happened in the Gulf, both good
and bad, and the Defense Department has a responsibility to the Gulf War

COPY

veterans to thoroughly investigate events that may have a bearing on why they are
ill..

? I have asked former Senator Rudman to lead an oversight board to assure that
the remaining Defense Department investigations meet the highest standards.

The PAC thinks you should take the oversight authority away from the Pentagon.
What will you do now that this whole thing has been so badly bungled?

* I have made it a priority to care for and compensate our Gulf War veterans who
had fallen ill...to find out why they were sick...to make public the facts as we
established them...and to apply the lessons we learned for the future.

* But when answers didn't come fast enough, I asked some of America's best
doctors and scientists, as well as Gulf War veterans, to do an independent and
open review of the government's response to our veterans' health care concerns.

* Now, this group -- the Presidential Advisory Committee -- has delivered its
final report. Based on their recommendations, I am taking the following actions.

First, we will work to establish a new benefits system similar to the one created
for Vietnam veterans -- this will ensure that Gulf War veterans receive treatment
and compensation for all illnesses linked to service in the Gulf. We will ask
the National Academy of Sciences to study the connections between all reported
illnesses and Gulf War service -- so we have the best understanding of the health
consequences of that service and can help the broadest number of veterans. And
we will work with Congress on legislation to guarantee that this system of
benefits is maintained in all Administrations to come.

Second, we will dedicate more than $13 million for new research on low-level

COPY

exposure to chemical agents and other possible causes of illness.

Third, former Senator Warren Rudman has agreed to lead an oversight board to assure that the Defense Department's ongoing investigations into events in the Gulf meet the highest standards.

Fourth, I am directing the Departments of Defense and Veterans Affairs to create a new Force Health Protection Program. Every soldier, sailor, airman and marine will have an exhaustive medical record of all illnesses and injuries they suffer, the care and inoculations they receive and their exposure to different hazards -- from basic training through retirement. These records will help us prevent illness and identify and cure those that occur.

* From the beginning, I vowed that we would not rest until we uncovered all the facts about Gulf War illnesses. And now we are working to fulfill that pledge - as we must every day. Our veterans put everything on the line for us. We must show the same resolve for them.

JIANG SUMMIT

What do you think you accomplished with the Jiang visit?

* A great deal was accomplished. Look at what our goals were - first, to develop a more effective, more normal relationship with China. This is a vital, emerging major power and we are going to want to influence its behavior for the better, and to integrate it into world community on acceptable terms; second, we wanted concrete results in a number of very important areas, such as curtailing China's nuclear and missile proliferation activities; third, we wanted to make absolutely clear that we will continue to be forceful and candid on human rights; and fourth, we wanted to try to build a broad domestic consensus -- including in Congress and among the American people -- for a policy of engagement. So I think

COPY

if you look at what we set out to do, we achieved important accomplishments
across a broad range of areas.

But didn't you get stiffed on human rights?

* President Jiang was left with no illusions about the importance of this issue
for me and for the American people.

* My Administration's efforts over the next several months, and going forward,
are going to be focused on this issue. We will be continuing to make very clear
that this is high on our agenda with China.

* I believe that our approach of engagement with China is the best way to improve
the human rights situation there. The visit by American religious leaders, one
of the things we agreed on last week, is an example of this.

FOREIGN POLICY ACHIEVEMENTS

What do you consider your major foreign policy accomplishments?

I. BUILDING A PEACEFUL, UNDIVIDED, DEMOCRATIC EUROPE:

* At the Madrid Summit and in my visits to Warsaw and Bucharest, we reached a
milestone in realizing the vision of an undivided, democratic, peaceful Europe.
At Madrid, the Allies invited Poland, Hungary and the Czech Republic to join
NATO.

* I traveled to Helsinki and Paris to help forge a new security partnership
between the NATO Alliance and the Russian Federation. My meeting with Yeltsin
secured Russia's acceptance of NATO enlargement and built the foundation for the
historic signing of the NATO-Russia Founding Act in Paris.

* We launched an intensive campaign to reinvigorate Dayton. My foreign policy
team has built on the successes by targeting economic assistance to those who
support Dayton; denying political participation to officials who

COPY

obstruct Dayton;
and bringing indicted war criminals to justice.

Our continuing priorities in Europe are:
Continuing to push for Senate ratification of NATO expansion and internal
adaptation, strengthening PFP, and building partnerships with Russia, Ukraine.
Supporting full implementation of Dayton.
Improving ties between Greece and Turkey and moving the Cyprus peace process
forward.
Continuing to promote Russian democracy, Western integration and our arms control
agenda with Moscow.

II. FORGING STABLE ASIA-PACIFIC COMMUNITY:

* We won passage of MFN trading status with China and strengthened the bipartisan
consensus on engagement with China. With Jiang summit, we continue to foster a
stable, secure and prosperous China that is in partnership with us on common
interests.

* We imposed a ban on new US investment in Burma, established an arms embargo,
and suspended all assistance to demonstrate our condemnation of Burma's
suppression of political freedom and our commitment to seeing Burma evolve into a
democratic, law abiding society.

Our continuing priorities in Asia include:

Promoting peace on the Korean Peninsula (through Four Party Talks); implementing
the agreement to dismantle the frozen North Korean nuclear reactor.

III. REMAINING LEADING FORCE FOR PEACE AND PROSPERITY:

* During February and March, I hosted at the White House Prime Minister
Netanyahu, Chairman Arafat, President Mubarak and King Hussein as part of our
continuing work to keep the peace process on track, with the ultimate goal of
helping to forge a comprehensive peace in the Middle East.

COPY

* We brokered an agreement that advanced the Middle East Peace Process by implementing the Israeli troop withdrawal from Hebron.

* I visited Mexico and attended regional summits for Caribbean and Central American heads of state on my first trip to our hemispheric neighbors, then visited three key nations in South America on my second trip. These trips produced agreements on drugs, trade and regional security that help integrate the hemisphere and increase the security and prosperity of all Americans.

Our continuing priorities include:

Pursuing a comprehensive Middle East Peace Process
Continuing to support Haiti's transition to democracy.
Pursuing a lasting settlement in Northern Ireland
Pursuing efforts to strengthen democracy and free markets in the Americas.

IV. MEETING NEW SECURITY THREATS:

* The Senate ratified the Chemical Weapons Convention, which bans the production, stockpiling and distribution of chemical weapons.

* I hosted Denver summit that enhanced our cooperation on the new global challenges of the 21st century. We worked together to lay a strong foundation for our common security and prosperity, and took specific steps to fight terrorism, drug trafficking, the spread of infectious diseases and the spread of weapons of mass destruction.

* The FBI, CIA and other national security agencies successfully arrested the suspect in the killings of two CIA employees. The strong cooperative effort of the nation's law enforcement agencies is a model for deterring international crimes.

Key issues on our agenda for the coming months include:
Secure Congressional passage of CTBT implementing legislation.
Encourage ratification of START II by the Russian Duma.

COPY

V. BUILDING AN OPEN TRADING SYSTEM:

* We completed and ratified NAFTA and brought GATT negotiations to a close to create the WTO, negotiated over 200 other trade agreements, and hosted the first Summit of the Americas in Miami.

* We successfully negotiated a market access agreement to open international global information technology markets to US companies. This agreement eliminated tariffs and unshackled $500 billion of trade in semiconductors, computers, telecommunications equipment and software, amounting to a $5 billion tax cut in tariffs on American exports.

* We launched an ambitious and innovative program aimed at spurring Africa's integration into the global economy through promotion of increased trade and investment.

* We laid the groundwork for continued progress toward free trade with Asian nations in the period leading up to the APEC summit in Vancouver.

VI. KEEPING MILITARY STRONG AND DIPLOMACY FULLY FUNDED:

* My Administration succeeding in securing full funding for international relations programs in the balanced budget agreement. This was the first time in a decade that spending on foreign affairs did not decrease.

* To be more accountable and responsive to the challenges of the 21st century, I proposed the consolidation of the government agencies charged with conducting US foreign policy. We worked out a plan with the Congress to consolidate the State Department, ACDA, USIA, and AID to streamline decision-making, make communications more efficient and strengthen the conduct of our foreign policy.

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* We and the Congressional leadership agreed on a package to pay off our arrears
to the U.N. and other international organizations. In conjunction with our
repayment plan, we also agreed on a reform plan to streamline and strengthen the
United Nations for the challenges of the next century.

Key objectives for the future include:
Implementing the Quadrennial Defense Review's recommendations.
Securing U.N. arrears legislation and encourage U.N. reform.
Continuing our reorganization of the foreign affairs agencies.

COPY

Exchange Mail

DATE-TIME 10/26/98 7:25:39 PM

FROM Sanders, Robin R.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: FY2000 budget - URGENT [UNCLASSIFIED]

TO Barks-Ruggles, Erica
Battenfield, Pat A.
Prendergast, John P.
Sanders, Robin R.
Smith, Gayle E.

CARBON_COPY

TEXT_BODY

ok - reviewed, may a few additions
-----Original Message-----
From: Sanders,
Robin R.
Sent: Monday, October 26, 1998 5:58 PM
To: @AFRICA -
African Affairs
Subject: FW: FY2000 budget - URGENT [UNCLASSIFIED]
Importance: High

Made
my changes. JP - you might want to add on to mine - rrs

-----Original
Message-----
From: Barks-Ruggles, Erica
Sent: Monday, October
26, 1998 4:21 PM
To: Prendergast, John P.; Sanders, Robin R.
Cc: @AFRICA
- African Affairs
Subject: FY2000 budget - URGENT [UNCLASSIFIED]
Importance: High

Robin/John
-
I have put down an outline for what we might want to highlight
in FY2000 budget request, keeping in mind our experience last year
with new initiatives while sustaining current intitiatives, etc.
This is based on last year's submission and on State's FY2000
submission.

COPY

I think I have hit the high points, but am missing a lot of background and a lot of the info on Safe Skies and Food Security and Radio Democracy
in Particular. I will work with Nancy on the 050 Account stuff to try and flesh out. Please email me yoru additions (don't worry about doing sequentially - we don't have time unless we can do it efficiently),
I will throw it all back together and shoot around one more time for everyone to chop on before it goes to Joe. Thanks

- Erica

TRANSLATED_ATTACHMENT FY2000budget.doc

Africa: FY 2000 Budget
Promoting Partnership into the 21st Century

Our policy in Africa continues to be based on striving to reach two fundamental
goals: 1) integrating Africa into the global economy, and 2) defending the
United States, and our interests from transnational threats emanating from
Africa. We strongly support the State Department's budget submission for FY2000.
We also believe we do have serious strategic, economic and political interests
at stake in Africa and that we begin to devote the resources necessary to
effectively implement our policy goals and objectives toward the continent This
includes enhanced military-to-military engagement in Africa to promote military
justice, civil-military relationships which includes support for democratization, better respect for human rights and rule of law, and increased
professionalization and interoperability African forces for peacekeeping and
peacemaking efforts. We have carefully reviewed the commitments the President
made during his March 1998 trip to Africa, the budget submissions of State, USAID
and DOD, and would like to highlight a number of initiatives that we consider
critical to achieving our policy goals and objectives in Africa.

Education Initiative: Fundamental to the viability and sustainability of

COPY

any
economically and politically vibrant democracy is an educated citizenry. One of
the major obstacles we face as we attempt to help Africa construct a stable
prosperous future is the limited human capacity that hinders efficiency and the
ability of citizens to participate in decision-making and governance issues.
During the President's trip, he announced an Education Initiative to increase
accessto better education and related technology for the people of Africa. The
Initiative aims to enhance partnerships between and amongst African and American
educational and civic institutions to increase literacy, education's relevance to
economic activity, and civic education. We also will target girls education and
access to technology as priority areas. From the FY98 and FY99 budgets,
agencies sought to identify /or agreed to fund $120 million in support of the
President's Education Initiative. We strongly support the State request for $30
million in DA and $15 million in ESF in FY 2000 to sustain implementation of the
Initiative.

Countries in Transition Fund: The unpredictable nature of politics, and
economics in Africa was underscored this year by a number of momentous events:
the death of General Abacha in Nigeria, the precipitous drop in the South African
rand and Zimbabwe dollar mid-year, and the explosion of conflict in Central
Africa and the Great Lakes. Changes often occur unexpectedly and must be met
with a timely and appropriate response. Currently only the military (evacuation
and disaster) and humanitarian (OFDA) operating budgets have the kind of
flexibility needed to meet these unexpected challenges. Often times (as is the
case in Nigeria and Liberia) we need more flexible funds to respond more quickly
to narrow windows of opportunity to stabilize an unexpected event, and to
further enhance our efforts to promote and support fragile

COPY

democracies and
encourage internal and regional stability. . We fully support State's request
for the creation of a $40 million "Countries in Transition" ESF fund for
FY2000.

Countering Terrorism: In FY98 Africa received less than 4% of the overall
antiterrorism budget worldwide. While funds were allocated in the FY99 emergency
supplemental request for the training of African countries in counter terrorism, we need to devote more resources to ensuring that African nations are
able to work with us not only to combat terrorism, but to ensure, as evident by
the recent bombings in Kenya and Tanzania, that their nations are not used to
carry out terrorists activity. We support a request for $15 million in FY2000
NADR funds to sustain and build on vigorous anti-terrorism training programs,
furthering efforts begun under the FY99 emergency supplemental request, for
police forces, customs and immigration officers and civil aviation authorities in
sub-Saharan Africa.

Counter-narcotics and anti-crime: We support $16.6 million increase in INC in
FY2000 and $3 million in ESF(??) in FY2000 (on the ESF request how do we factor
out this from other ESF money. I thought in the budget request that ESF was one
overall request and then State divides this up as per discussions within State
)to support continent-wide counter-narcotics efforts [EJBR to add more]

Great Lakes Justice: We support State's request for $10 million in ESF in FY2000
to support this initiative.
John/Robin please add

Food Security: We support States request for $17 million (we need to ask for
more than $17 million for food security, needs to be comparable or higher than
previous requests. Previous request was $67 million over two years. I

COPY

would
raise to $30) in FY 2000 DA for food security and $173.3 million in PL 480 Title
II emergency funds. The President announced on his trip support for food
security initiatives in Africa. (Will leave the PL 480 stuff to JP)
John please add

Safe Skies: As part of one of our keys goals to promote US-Africa trade and
investment, it will be important to assist African nations improve the safety
and security of their airports. This year State and the Department of Transportation launched a series of technical assistance programs, including
region conferences to discuss how we can assist African nations improve airport
security. We need to continue this efforts in FY 2000 and support the budget
request for $2million in ESF.

Radio Democracy for Africa: (my understanding was that radio democracy was to be
moved into the USIA operational budget. However, with consolidation, USIA will
be part of State by October 1999. Most of USIA's functions will be under a new
Bureau of Public Diplomacy. State needs to ask for funding to support this.
Original cost was $3 million (I need to check). We can say here that we support
$3-5 million to support the Radio Democracy Program announced by the President
during his Africa trip. If we do not ask for this here, we will not have any
funds to fulfill the request given the reorganization, I cannot believe that
anyone is focused on this. Are we asking for FY2000 funds?

African Crisis Response Initiative (050 Account and 150 Account): We fully
support a request for $15 million in PKO and $5 million in FMF in FY 2000 to
continue and expand implementation of this effort to professionalize African

COPY

militaries and increase cooperation in conflict resolution and peacekeeping
efforts. John please add

African Security Studies Center (050 Account): Who has this?

FMF plus up (050 account): We support a request for a $10 million increase in
FMF to implement the Deputies' decision to assist Rwanda in countering continued
insurgency [John/ (nothing to add - rrs) please add as needed], and a further $5
million increase to restore the FMF program in Nigeria once a successful
transition to democracy has occurred.

IMET training: $10 million in FY2000 (increase of $2 million). As we seek to
enhance the professionalization of African militaries, it will be important to
expand our training efforts to promote military justice, civil-military relations
and the rule of law. We support the request for $10 million in FY2000 as part of
our overall policy objectives of ensuring that Africa's full integration into the
global economy includes a well-trained, apolitical military which is key to peace
and stability in the region.

COPY

Exchange Mail

DATE-TIME 2/3/99 2:13:43 PM

FROM Uyehara, Margaret A.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: USIA Photo Essay [UNCLASSIFIED]

TO Bandler, Donald K.
McEldowney, Nancy E.

CARBON_COPY

TEXT_BODY

I'm still researching, but understand that Pat Kennedy is concerned that this legislation might interfere with actions on the Hill affecting the pending reorganization of the foreign affairs agencies and the dissolution of USIA. FYI, USIA never intended to pay for the domestic printing of this with their funds. They agreed to seek the legislative rider which would allow the photo essay to be distributed domestically. The plan was always that the Host Committee or some other organization/agency would fund printing. One possible workaround would be to take material in the public domain and repackage it under the Host Committee logo. Let me see what I can do.

-----Original Message-----
From: McEldowney,
Nancy E.
Sent: Tuesday, February 02, 1999 12:59 PM
To: Uyehara,
Margaret A.
Cc: Bandler, Donald K.
Subject: RE: USIA Photo Essay
[UNCLASSIFIED]

Margaret: Annette Rooney from OMB (5-7300) is looking for our guidance on next steps. I suggested that you might get back to her once you and Don had a chance to deliberate. (She's actually a good ally and quite helpful, so you may want to use her as an asset.)

-----Original Message-----
From: Uyehara, Margaret
A.
Sent: Monday, February 01, 1999 5:10 PM
To: McEldowney, Nancy
E.
Cc: @NATO

COPY

Subject: RE: USIA Photo Essay [UNCLASSIFIED]

apparently
this has to do with USIA becoming part of State. Am trying to determine if there is a workaround. Gorman is aware of the problem.

-----Original
Message-----
From: McEldowney, Nancy E.
Sent: Monday, February
01, 1999 2:45 PM
To: Uyehara, Margaret A.
Cc: @NATO
Subject: USIA
Photo Essay [UNCLASSIFIED]

Margaret: OMB just called to say that
State (Pat Kennedy) had sent them a memo objecting to USIA's plan to distro the photo essay domestically. Do you know (or can you find out) what this is about? State, in the form of PA, EUR, and the Task Force, has been on board with this plan for months and OMB is rather floored to be getting this word now.....

COPY

Exchange Mail

DATE-TIME	3/5/99 8:36:23 AM
FROM	Schwartz, Eric P.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Action Memorandum for NSC [UNCLASSIFIED]
TO	Lackey, Miles M.
CARBON_COPY	
TEXT_BODY	with carlos's comments on eastern europe.

-----Original Message-----
From: Krass,
Caroline D.
Sent: Thursday, March 04, 1999 1:56 PM
To: Schwartz,
Eric P.
Cc: Samore, Gary S.; Bell, Robert G.; Wechsler, William
F.; @LEGAL - Legal Advisor
Subject: Action Memorandum for NSC [UNCLASSIFIED]

Attached
are Legal's comments to the AID section of the revised version of
Eric's memorandum.

TRANSLATED_ATTACHMENT reorg 3-32newaid.doc

MASTER MASTER MASTER
March 3, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ERIC SCHWARTZ

SUBJECT: State Reorganization

Purpose

To obtain your guidance on key re-organization issues.

COPY

Background

Status: Status: At the end of last year, we submitted -- pursuant to the Foreign Affairs Reform and Restructuring Act of 1998 (the "Act") -- a State reorganization plan to the Hill. The Act provides that we may, based on consultations with Congress, present any modifications or revisions to the plan until the end of March (for the portions of the plan that affect ACDA, the U.S. International Development Cooperation Agency, or AID) and until the end of September (for the portions of the plan that affect USIA.) After that point, the plan is final. [Eric: The Act also provides discretion for the President to determine that the effective date of the plan will be earlier than either the end of March, or the end of September for USIA, so long as the effective date of the plan is at least 90 days after the plan was initially submitted to the Hill. Is this authority being used to include USIA in the revised plan to be submitted by the end of March?]

Reaction to Our Plan: Concerns have been expressed on four issues, described below.

* Verification and Compliance on arms control issues

Sens. Biden and Helms are concerned that "the function of verification and compliance of arms control treaties would not [be] carried out by a separate bureau, as is now the case in the Arms Control and Disarmament Agency," and instead would be performed by a "Special Adviser" to the Undersecretary for Arms Control and International Security Affairs. State believes that its proposed arrangement will not compromise our efforts in this area, and NSC Defense and NSC Arms Control both concur. Thus we recommend no action on your part.

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Nonproliferation both concur. As part of an overall agreement with Congress on reorganization, Holum is prepared to agree to make the "Special Adviser" a Senate-confirmed position or even to accept establishment of a separate bureau for Verification and Compliance. NSC Defense (?) and NSA Nonproliferation do not oppose these outcomes.

* Creation of an East European Bureau

Biden and Helms say they are strongly opposed to this bureau, arguing that the proposal conflicts with our stated goal of a "Europe, whole and free." Strobe is deeply committed to making this happen, and Carlos strongly recommends we defer to State on it. The Ukrainian-Americans have traditionally been most sensitive about "being lumped" in a former Soviet bloc. Yet after a strong presentation from State to the principle Ukrainian-American organization on the greater attention Ukraine would get in an Eastern Europe Bureau, they dropped their objections. Most members are unaware of the details, and once we have explained our position (more attention to countries in a sensitive period of transition) most have been sympathetic to State's rationale Pat Kennedy seems to believe this issue is workable, and NSC staff recommends no action on your part.

move bullet to left margin]
* Combining USIA's former bureaus for Educational and Cultural Affairs (which handles Fulbright) and Information (currently USIA's policy arm) into one bureau under the Undersecretary for Public Diplomacy.

Biden and Helms argue against this shift, for legal and policy reasons. On legal grounds, they argue that there is separate, pre-existing, statutory authority for a bureau that deals with Educational and Cultural exchanges, and that the relevant statute does not permit that bureau to operate other programs. NSC Legal and State/L believe, however, that the combination of the two

COPY

bureaus is a
legally available option.

Criticism of State Plan: Under the plan, USIA's Bureau of Educational and
Cultural Affairs and its Bureau of Information (which handles strategy and policy
on public diplomacy) are to be combined into one State Department bureau, headed
by a single Assistant Secretary who will report to the Undersecretary. USIA and
others have urged that these two USIA bureaus each become a State bureau and each
be headed by a separate Assistant Secretary. They have stressed the need to
maintain a distinction between overseas public information programs, which are
designed to further administration goals, and educational exchange programs,
which are intended to be autonomous, independent, and nonpartisan. Merging these
two bureaus, they argue, would be perceived as a downgrading of their roles and
would reflect poorly on the successful reinvention program implemented by the
USIA Bureau of Information. State has resisted the notion that its plan

minimizes the importance of international public information programs, and points
to the creation, through reorganization, of the Under Secretary for Public
Diplomacy and Public Affairs.

In a memo to the President late last year, you expressed some sympathy to USIA's
concern, but added that you did not believe the concerns justified the
President's intervention.

Given that USIA's position has merit, the negative congressional reaction to the
proposal (which could spur legislation to undo State's decision), and the
President's request that you explore this issue (he sent you a note last xxx), we
recommend that the one-versus-two bureau question be revisited. As a first step,
we would recommend that State be asked to at least reconsider its initial

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decision. If State is not prepared to establish two new bureaus, we recommend
that this issue be re-presented to the President in an options memo, with each
position fairly described. The President's expressions of interest on this issue
suggest he should have the chance to consider it before a final decision is made.

* * AID/State Coordination

At the time that reorganization comes into effect on April 1, the current
delegations of authority under which AID operates will cease to be effective. In
addition, the AID Administrator will come under the direct authority and foreign
policy guidance of the Secretary of State (although AID will be an independent
establishment within the executive branch). All agree that, on or before April
1, he President will need to issue an executive order delegating to the Secretary
of State authorities for carrying out foreign assistance activities. There will
then be a subsequent delegation of authorities from the Secretary of State to the
AID Administrator.
There is, however, an important dispute between State and AID on the nature of
State-AID coordination. In essence, AID would like to strengthen coordination
through joint State-AID review of policy and programs in-country and,
essentially, at the Assistant Secretary level. [What does "essentially" at the
A/S level mean?] In addition, the Secretary would review AID's budget and
strategic plan at the end of these reviews.

State would like to go further and create a "Central Mechanism" (the Assistance
Coordinating Group), chaired by State, and responsible for all aspects of
State/AID coordination, including budget and appeals, AID's strategic plan, and
AID's congressional relations.

The Vice President believes, and we concur, that this proposal would undermine

COPY

the authority of the AID Administrator and could risk rendering meaningless the notion that AID remains as an independent entity. In Multilateral's view, State's proposal is "virtual integration," which is not the reorganization decision taken by the President.

We recommend pushing back hard on this, and asking that State ensure it is resolved prior to the issuance of the aforementioned executive order.

Concurrence by: Gary Samore, Bob Bell, Will Wechsler, Caroline Krass, OVP (Babbit)

RECOMMENDATIONS

On the ACDA and East Europe issues, that NSC take no action and continue to defer to the Department of State.

Approve _____ Disapprove _____

On the USIA issue, that NSC and OVP inquire with State on the possibility of creating two bureaus out of Education and Cultural Affairs and Information and, if State does not agree this may be feasible, that we present this issue to the President with State views fairly described.

Approve _____ Disapprove _____

On the AID issue, that NSC and OVP indicate that we are not comfortable with the current State approach, which creates a State-chaired coordinating body.

Approve _____ Disapprove _____

COPY

Exchange Mail

DATE-TIME	3/25/99 4:14:21 PM
FROM	Babbitt, James F.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	proposed VP Memo - Reorg [UNCLASSIFIED]
TO	Saunders, Richard M.
CARBON_COPY	
TEXT_BODY	
TRANSLATED_ATTACHMENT	Reorg.25mar.doc

March 25, 1999

INFORMATION

MEMORANDUM FOR THE VICE PRESIDENT

FROM: LEON FUERTH

SUBJECT: Foreign Affairs Agency Reorganization - USIA

PURPOSE. To provide you information on key reorganization issues regarding USIA.

BACKGROUND. At the end of last year, the Administration submitted its
Reorganization Plan and Report to Congress as required by the Foreign Affairs and
Reform and Restructuring Act of 1998. The Act permits, with consultation with
Congress, revisions until the end of March (for those portions of the plan
impacting ACDA and USAID) and until the end of September (on references to USIA).
After those dates, the Plan is final. State intends to submit all final modifications by the end of March. As submitted in the initial

COPY

reorganization plan, USIA's Bureau of Educational and Cultural Affairs and its Bureau of Information were to be combined into a single State bureau, headed by a single Assistant Secretary reporting to the Under Secretary for Public Diplomacy and Public Affairs.

ISSUE. Consolidating these USIA responsibilities under a single bureau has resulted in significant debate. Congressional and private supporters of the Fulbright Exchange Program argue that there is a separate, preexisting, statutory authority that mandates that educational and cultural exchanges be maintained as a separate, distinct bureau. Although NSC Legal and State/L believe that a consolidation of the bureaus is a legally available option, it is likely that Congress would override such an attempt.

As a result, State now recommends that educational and cultural exchanges be established as a bureau and that USIA's Information Bureau be established as a separate office under the new Under Secretary. The expectation is that Jonathan Spalter would be named as the Office Director. State argues that there is not enough policy content in the Information function to justify its retention as a bureau and that the final decision should rest with the Secretary.

USIA challenges that notion and argue that program responsibilities alone could justify the creation of a State bureau. Currently, the Bureau has nearly 400 staff, which would make it a large bureau by State standards. In addition, USIA believes that our commitment to public diplomacy and government reinvention would be undermined by the State proposal.

OPTIONS. Essentially, there are three options:

* Accept the State Department position.
* Push back and urge State to create an Information Bureau.
* Do not make a decision now -- indicate we want to review the issue

COPY

further.

I believe USIA's position has merit. I believe that the responsibilities of the
information function exceed that of a bureau for educational and cultural
exchanges.

MEETING AGENDA
GSP - South Africa Issue Meeting
JULY 7, 1998

I. Establish where we are (USTR, COM)

- Define impact of USTR decision on the SAG (USTR, DOS)

II. Define the linkage between GSP and IPR (USTR)

III. Where does the SAG stand related to our IPR concerns? (COM, DOS)

IV. What is it we want them to do? (COM, USTR, DOS)

- Objective criteria
- Suspense
- Evaluation of progress (interagency responsibility)

V. How do we communicate these to the SAG? (DOS)

VI. Issue subsequent tasking (NSC)
1

2

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Exchange Mail

DATE-TIME 3/29/99 10:39:10 AM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: USIA/State Reorg [UNCLASSIFIED]

TO Saunders, Richard M.

CARBON_COPY Babbitt, James F.

TEXT_BODY I share your concerns.

Sandy has always told me that VP needs
to be OK with this, so I'm sure he'll back you up.

Eric

-----Original
Message-----
From: Saunders, Richard M.
Sent: Monday, March 29,
1999 9:13 AM
To: Schwartz, Eric P.
Cc: Babbitt, James F.
Subject: USIA/State
Reorg [UNCLASSIFIED]

I spoke with Leon again last night. We remain
concerned that the proposed State reorganization downgrades USIA's principal foreign policy function. I have some calls out this morning, but will soon disappear into marathon Kosovo meetings. As it stands, though, it looks as if "OVP" will non-concur with the proposed Office of Information structure and recommend that the issue be reviewed by Sandy and/or by the President.

I should know whether we will
take this position by mid-day. If we do, I'll draft a memo from "Leon" to Sandy and back it up with a memo or e-mail to the Vice President to prepare him for calls from State.

Rick

COPY

Exchange Mail

DATE-TIME	4/22/99 6:01:14 PM
FROM	Andreasen, Steven P.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Rqst concur #1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]
TO	Kale, Dora A. Hill, Roseanne M. Naplan, Steven J.
CARBON_COPY	Bell, Robert G. Bouchard, Joseph F. McCausland, Jeffrey D.

TEXT_BODY

Steve -- OK, we now know that Helms has not "agreed" to the special advisor alternative ... I've made a change in the memos to POTUS and Berger, but left the letter "as is." Steve

-----Original Message-----
From: Andreasen, Steven P.
Sent: Monday, April 19, 1999 7:12 PM
To: Kale, Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Cc: Bell, Robert G.; Bouchard, Joseph F.; McCausland, Jeffrey D.
Subject: FW: Rqst concur #1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]
Importance: High

Steve -- Regarding the attached package, I did not realize that, subsequent to sending his letter, Senator Helms "agreed to the creation of a Special Advisor for Verification and Compliance for Arms Control, as proposed by the Secretary of State." Let me just check with (a) my office (Bob? Joe? Jeff?) to see if anyone can verify, and if not, (b) State, before we pull the trigger on this. Of course, if you know this to be affirmatively true, please advise. Thanks. Steve.

-----Original Message-----
From: Kale,

COPY

Dora A.
Sent: Monday, April 19, 1999 6:58 PM
To: Andreasen, Steven
P.
Cc: Kale, Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: FW:
Rqst concur #1605 - Reply to Helms/Biden re Reorg
[UNCLASSIFIED]
Importance: High

package
for clearance. thx.

-----Original Message-----
From: Kale, Dora
A.
Sent: Thursday, April 08, 1999 12:39 PM
To: @RUSSIA - Russia/Ukraine;
@DEFENSE - Defense Policy; @LEGISLAT - Legislative Affairs
Cc: Kale,
Dora A.; Hill, Roseanne M.; Naplan, Steven J.
Subject: Rqst concur
#1605 - Reply to Helms/Biden re Reorg [UNCLASSIFIED]
Importance: High

Thanks
for your attention.

TRANSLATED_ATTACHMENT 1605 AM POTUS.doc

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Letter from Senators Helms and Biden Regarding the
Strategy for Foreign
Affairs Reorganization

Purpose

To respond to a letter from Senators Helms and Biden.

COPY

Background

Senators Helms and Biden wrote to you to express their concerns with three specific elements of the Administration's preliminary Reorganizational Plan and Report.

This preliminary report has been overtaken by a revised report that has been delivered to Congress.

The Helms-Biden letter praised the overall plans for restructuring at State, but expresses three key concerns. We resolved two of the three concerns in accordance with the preferences expressed by the Senators.

Consistent with these preferences, the revised reorganization plan includes:

* a separate State Bureau of Educational and Cultural Affairs (including the Fulbright Scholarship program), independent from USIA's Office of International Information Programs.

* a single European bureau inclusive of the former Soviet states, without the creation of an Eastern European and Eurasian Bureau (EEE), to which the Senators objected.

The revised reorganization plan does not, however, include the separate State Bureau for Verification and Compliance of Arms Control Treaties which Senators Helms favored. State continues to resist such an arrangement, favoring instead the creation of a "Special Advisor for Verification and Compliance for Arms Control."

The suggested response notes that the revised reorganization report was significantly informed by the views expressed by the senators in their letter.

COPY

RECOMMENDATION

That you sign the attached letter at Tab A.

Attachments
Tab A Letters for Signature
Tab B Incoming Correspondence
1

2

1605

cc: Vice President
Chief of Staff

TRANSLATED_ATTACHMENT 1605 AM SRB.doc

April 8, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ERIC SCHWARTZ

FROM: STEVEN NAPLAN

SUBJECT: Reply to Letter from Senators Helms and Biden.

At Tab I is a memorandum for the President and a proposed response to a letter from Senators Helms and Biden expressing concern about three specific elements from the Administration's preliminary strategy for reorganization of the foreign affairs agencies.

The preliminary strategy has been overtaken by a revised strategy, recently approved, which addresses two of the three concerns expressed by Senators Helms and Biden.

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An interim reply was drafted and then pulled back as final resolution of the
issues raised in the letter from Senator Helms and Biden emerged in time to send
a complete reply.

Concurrences by: Defense; RUE; Legislative

RECOMMENDATION

That you sign the attached memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
Tab A Proposed Response
Tab B Incoming Correspondence

1

1605

TRANSLATED_ATTACHMENT 1605 letter.doc

Dear Senator Helms:

Thank you for your letter concerning our strategy for reorganizing the foreign
affairs agencies and implementing the Foreign Affairs Reform and Restructuring
Act of 1998.

Your views on these matters were very important to me, and had a significant

COPY

impact on our final conclusions. When you review our revised March 1999
Reorganization Plan and Report, you will see that it proposes, consistent with
your preferences, the formation of a separate Bureau of Educational and Cultural
Affairs. This new bureau will ensure that international educational and cultural
programs will remain a key component of our foreign policy, with the strong
leadership they need and the support they deserve. As you know, this new bureau
will be under the policy oversight of the new Under Secretary of State for Public
Diplomacy and Public Affairs, thus ensuring very senior level attention to our
engagement of foreign audiences and communities.

Also consistent with your stated views, our reorganization plan ensures that our
diplomatic relations with the independent states of the former Soviet Union - a
region of enormous strategic importance - will continue to be managed by the
Bureau of European Affairs. This region will continue to receive the high-level
leadership attention it deserves.

Finally, the creation of the new position of Special Advisor for Verification and
Compliance will help maintain our commitment to a strong arms control
verification and compliance process that ensures that critical assessments reach
the highest levels.

Intensive planning and preparation for the reorganization is well underway. We
will do all we can to ensure that this sensitive process is implemented in an
open and transparent fashion, and with continued consideration of your
perspectives.

Best regards.

Sincerely,

COPY

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510
2

2