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Memorandum on Delegation of Functions Related to Loan Guarantees to Israel

September 12, 2003

Memorandum for the Secretary of State

Subject: Delegation of Functions Related to Loan Guarantees to Israel

By the authority vested in me by the Constitution and laws of the United States, including section 301 of title 3 of the United States Code, I hereby delegate to the Secretary of State the functions conferred upon the President under the heading "Loan Guarantees to Israel" in chapter 5 of title I of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11).

You are authorized and directed to publish this memorandum in the *Federal Register*.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., September 18, 2003]

NOTE: This memorandum was released by the Office of the Press Secretary on September 15, and it was published in the *Federal Register* on September 19.

Memorandum on the United States Contribution to the Korean Peninsula Energy Development Organization

September 14, 2003

Presidential Determination No. 2003–37

Memorandum for the Secretary of State

Subject: U.S. Contribution to the Korean Peninsula Energy Development Organization: Determination Regarding Funds Under the Heading "Nonproliferation, Anti-Terrorism, Demining and Related Programs" in Title II of the Foreign Operations, Export Financing and Related Programs Appropriations, 2003, Division E of the Consolidated Appropriations Resolution, 2003 (Public Law 108–7) (the "Act")

Consistent with the authority vested in me by section 562 of Division E of the Act, I hereby determine that it is vital to the national security interests of the United States to waive the restriction in that section and provide up to $3.72 million in funds made available under the heading "Nonproliferation, Anti-Terrorism, Demining and Related Programs" in title II of Division E of the Act, for assistance to the Korean Peninsula Energy Development Organization (KEDO) for administrative expenses only.

You are hereby authorized and directed to report this determination and the accompanying Memorandum of Justification, prepared by my Administration, to the Congress and to arrange for publication of this determination in the *Federal Register*.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., September 18, 2003]

NOTE: This memorandum was released by the Office of the Press Secretary on September 15, and it was published in the *Federal Register* on September 19.

Remarks at the Detroit Edison Monroe Plant in Monroe, Michigan

September 15, 2003

Thank you all. Please be seated, unless you don't have a seat. [*Laughter*] Thanks for the warm welcome. I appreciate the chance to come to this vital facility to meet the workers who make it go, meet the planners who keep it modern, and meet some of the people who benefit from the electricity that's generated out of here.

I come knowing our Nation faces some great challenges. The biggest challenge we face is the security of our people. We've got to make sure that America is secure from the enemies which hate us. And we've got to make America secure by having an economy that grows so people can find work.

On the first front, to make sure America is secure, we're making good progress. The 2 years from September the 11th—we got hit. We got hit by people who cannot stand what America believes in. We love freedom, and we're not going to change. And they probably won't either. Therapy won't work with this bunch. [*Laughter*]

So we will bring people to justice. It doesn't matter how long it takes. America and many of our friends will find those who would harm the American people and bring them to justice. The only way to win the war on terror is to stay on the offensive. We can do a lot of things here at home. We can support our first responders. We can make sure our law enforcement agencies talk to each other. We can make sure our ports are more secure, our borders are reasonable about understanding who is coming in and why they're coming in. But the best way to make sure the homeland is secure is to hunt these killers down one by one and bring them to justice, which the United States of America will do.

As part of making sure America is secure, I laid out a doctrine that said, "If you harbor a terrorist, if you feed a terrorist, if you hide a terrorist, you're just as guilty as the terrorists. To provide money to terrorists, you're guilty, and we will hold you account." And the Taliban found out what we meant.

We gave an ultimatum to Mr. Saddam Hussein. We said, "Get rid of your weapons." He ignored not only the United States but the civilized world. That regime is no more. And one thing is for certain: No terrorist organization will ever get a weapon of mass destruction from Mr. Saddam Hussein.

Our Nation is more secure. The world is becoming more free and, therefore, more peaceful. This Nation yearns for peace, but we understand the nature of the enemy. For those of you who have got relatives in the United States military, I want to thank you, for a grateful nation. And you thank them, on behalf of the Commander in Chief and the people of this country, for the sacrifices they are willing to make on behalf of the rest of us.

Economic security is on my mind. I'm sure the numbers are beginning to look better, but there's still people looking for work. My attitude is, so long as somebody is looking for work, then we've got to continue to try to create the conditions necessary for job growth. We want our people working. We want the moms and dads to be able to make a living, to be able to put food on the table for their children.

National security means economic security for every single citizen. And one of the lessons we learned a while ago was that a reliable, affordable electrical power is essential for economic growth in America. It's an essential part of an economic plan. If you're interested in creating jobs, you'd better have energy. You're not going to have an economy grow without reliable sources of energy.

Lights went out last month—you know that. [*Laughter*] It might have been good for candle sales, but it certainly wasn't good for—job growth. It recognizes that we've got an issue with our electricity grid, and we need to modernize it. We need to make sure it works in the future. The first thing we're going to do is find out what went wrong and address the problem. Secretary of Energy Spence Abraham, right here, from the State of Michigan, is leading that investigation. We want the facts. We'll put the spotlight of truth on the facts, and then we'll deal with it. But also, it's clear that the power grid needs an overhaul. It needs to be modernized. As we go into an exciting new period of American history, we want the most modern electricity grid for our people.

When I first got in in Washington, I put out a plan, a national energy strategy. I felt like we needed an energy strategy for the country. If energy is an issue, first of all you need a strategy and a plan. And we laid one out. And part of that plan modernizes—called for the modernization of the electricity grid. We need more investment. We need research and development to make sure we're—as we invest new technologies, they're the latest and best for the people of this country. We also want to make sure voluntary reliability standards for utilities are now mandatory reliability standards. When somebody says they're going to be reliable, we don't want it to be maybe reliable or perhaps reliable. We want mandatory reliability standards, so people can count on the deliver—to have their electricity delivered.

This is part of the plan I announced, as well as we've got to make sure that the energy we use, we have the best technologies to make sure we burn it as clean as we can. That's why I have a strong initiative for clean coal technology. We want to make sure we encourage conservation. But the truth of the

matter is, we need to become less dependent on foreign sources of energy, For the sake of economic security.

We lead the world in new technologies when it comes to energy, and we not only can find new ways of producing energy and make sure we do so in an efficient way, we can make sure we do so in a clean way. You know right here what I'm talking about, at this plant. We lead the world in technologies to make the production of energy cleaner. And so therefore, I'm confident in predicting to the American people, not only can we promote job security and increase jobs, but we can do so in way that protects our environment. And I believe we have a duty to do so. I believe a responsible nation is one that protects the environment.

Yet the Government sometimes doesn't help. And that's what I'm here to discuss—[*laughter*]—those moments when the Government doesn't help, when the Government stands in the way. For example, powerplants are discouraged from doing routine maintenance because of Government regulations. And by "routine maintenance," I mean replacing wornout boiler tubes or boiler fans. And all that does is, it makes the plant less reliable, less efficient, and not as environmentally friendly as it should be. So I changed those regulations—my administration did. And I'm here to explain why we did, in a way that I hope the American people can understand.

Before I begin, I do want to thank Tony Earley for that introduction. I just had a great tour of your facility, Tony, by Paul—Paul Fessler. He said to make sure I didn't bring up the Michigan-Notre Dame game. [*Laughter*] So I won't bring it up. [*Laughter*]

I'm traveling today with Marianne Horinko, who is the Acting Administrator of the Environmental Protection Agency. She's a good, commonsense lady. She's smart. She's capable. She understands that we can grow our economy and protect the environment at the same time. It's not one or the other; it's both. When we talk about environmental policy in this Bush administration, we not only talk about clean air; we talk about jobs. And I believe we can do both, and so does Marianne. I want to thank you for your service.

I thank Paul for the tour, and I was joined on the tour by Mike Smith, who is a senior union committeeman, Local 223. I appreciate Mike taking me around and introducing me to some of the fellow workers in the plants. At least the ones I met, morale seemed high. People enjoy working here. You're providing a service. For all the workers who work here, I want you to know you're providing an important service. You're creating the conditions so people can find a job. You're working hard to make sure somebody can turn on a light switch, and they can realize the comforts of modern life. Thanks for what you do.

I'm also traveling today with Members of the United States Congress, Congresswoman Candice Miller and Congressman Fred Upton. I want to thank you all for coming. I appreciate you being here. We've got the secretary of state, Terri Lynn Land, with us, the attorney general, Mike Cox, the speaker of the house, Rick Johnson, members of the—all working hard at the State level. I'm glad they are here too. And finally, Mayor Al is with us, the mayor of Monroe. Al Cappuccilli is here. Thank you, Mayor, for being with us. You must be filling the potholes—[*laughter*]—picking up the garbage—[*laughter*]—that's the way to go.

Today when I landed, I met Claire Jennings. Let me describe right quick—[*applause*]—it sounds like they know you, Claire. [*Laughter*] One of the things I try to do when I come to communities is to herald those folks who are volunteering their own time to make the world a better place. It's amazing the people I've been able to meet in our country. We've got all kinds of people from all walks of life taking time out to mentor a child or to take care of a—somebody who is lonely, to help heal a broken heart, surround somebody who hurts with love. It's really the strength of our country. I'm proud of our military. I intend to keep our military strong. But the strength of the country is the heart and souls of our citizens. It's the willingness of people to lend a helping hand. What Claire has done is, she decided to enhance the wildlife growth around this plant. She decided to make this important facility a wildlife refuge as well.

And it worked. It's a beautiful setting. It's a wonderful—she's done a wonderful job, as have coworkers, in making sure the 800 acres here at the Monroe plant is spectacular to look at. And it will leave behind something like a legacy for future generations. So Claire, I want to thank you for setting a good example. I'm glad you brought your daughter too.

I said as plainly as I could that I believe we can grow our economy and protect the quality of our air at the same time. And we made progress doing just that. Let me give you a statistic or two. Our economy has grown 164 percent in three decades. That's pretty good growth. And yet, according to a report that the EPA is releasing today, air pollution from six major pollutants is down by 48 percent during that period of time. So you nearly double your economy, and yet pollution is down by nearly 50 percent.

That should say to people that we can grow our economy, that we can work to create the conditions for job growth, and that we can be good stewards of the air that we breathe. And this plant is a good example of that achievement. Since 1974, the power generated from here has increased by 22 percent. You've created more power so more people can live a decent life. And yet, the particulate matter emissions have fallen by 80—81 percent. You're good stewards of the quality of the air as well. You work hard in this plant to put energy on the grid, and at the same time, you're protecting the environment.

There's reason for this progress, and it's because our Nation made a commitment. Starting in the Clean Air Act of 1970, we set high goals. We said, "This is a national priority. Let's work together to achieve these priorities." And we are working together. This administration, my administration strongly supports the Clean Air Act, and I believe that by combining the ethic of good stewardship—in other words, convince people that it's an important goal—and the spirit of innovation, we will improve the quality of our air even further, and, at the same time, make sure people can find a job.

There is more to do, and so I want to talk about three ideas that—three commonsense steps that I put out to help us meet the new air quality standards and further improve quality of life. I hope you find that they make sense. They certainly do to me. They're commonsense ways to deal with our environment.

First, we're going after the pollution that comes from diesel vehicles. We worked with the energy companies and the agricultural concerns and the manufacturers; we worked with environment groups; we worked with union groups to come up with a commonsense policy. And we did. We developed one, and it's now being implemented. Oil companies will lower the sulphur in diesel fuel. We'll enforce new emission limits on diesel truck engines. And we're going to put forward new rules that will control pollution from off-road vehicles like heavy construction equipment. The stakeholders came; we developed good policy. Everybody is on board, and now we're headed toward a cleaner—cleaner quality air for all Americans.

Secondly, I proposed what's called Clear Skies legislation. Again, you heard the CEO talk about this legislation. Clear Skies legislation will help cut powerplant emissions without affecting job growth and/or jobs at this plant. We're interested in reducing the nitrogen oxide, sulphur dioxide in mercury, coming out of the powerplants around America. We've put forth a plan; we brought people in a room; we discussed it with them. The stakeholders agreed; union workers—union leaders have agreed; utilities have agreed; manufacturing companies have agreed to a plan that will reduce those three key pollutants by 70 percent over a reasonable period of time.

We've got an interesting approach. It's been tried in the past. It's a cap-and-trade system. We put mandatory caps on emissions. It's a little different look than maybe you're used to. Instead of the Government telling utilities where and how to cut pollution, we will work with them to create a cap, how much to cut and when we expect it cut by, but you figure out how. You're a lot better in figuring out the how than people in Washington, DC.

Each year, each facility will need a permit for each ton of pollution it emits. Companies that are able to reduce their pollution below the amount can sell the surplus to others that need more time to meet the national goal

and the national standard. In other words, there's an incentive system built into it. The system makes it worthwhile for companies to invest earlier in controls and therefore pollute less. It ensures that high standards are met in a commonsense way that is cost-effective and saves jobs. And under the legislation, communities that have had trouble meeting air quality standards will finally have a clear and a more effective method to get them help.

I'm going to be talking about this tomorrow at the White House. I'll be doing it in Washington because I expect Congress to act. Instead of playing politics with environmental legislation, we need to come together and do what's right for American workers and American families. Clear Skies is good, sound legislation and needs to be passed.

Finally, I want to speak to one other matter. It's called New Source Review. We need to fix those and have—we're in the process of fixing what they call New Source Review regulations. After I explain it, I think it will make sense as to why we're doing it.

The old regulations, let me start off by telling you, undermined our goals for protecting the environment and growing the economy. The old regulations on the book made it difficult to either protect the economy or—protect the environment or grow the economy. Therefore, I wanted to get rid of them. I'm interested in job creation and clean air, and I believe we can do both.

One of the things we've got to do is encourage companies to invest in new technologies, convince utilities to modernize their equipment, so they can produce more energy and pollute less. In other words, as technologies come on, we want to encourage companies to make investment in those technologies. Yet old regulations, the ones we're changing, actually discourage companies from even making routine repairs and replacing old equipment. That's the reality. Regulations intended to enhance air quality made it really difficult for companies to do that which is necessary to not only produce more energy but to do it in a cleaner way.

Powerplants and companies wanted to make one change they could afford. The regulators could come in and order them to change everything, making every change a massive multiyear battle. That's the reality here at Monroe plant. The people who are trying to modernize this plant and do their job on behalf of the people of Michigan found out that the regulations were so complex that they could be interpreted any different way. And that's what happened. And when you have complex regulations that are open for interpretation, guess what happens? The lawyers come in. [*Laughter*] And then you have litigation, and then things grind to a standstill.

So a lot of planners and people who were charged with providing electricity and to protect the air decided not to do anything. They didn't want to have to fight through the bureaucracy or fight through the endless lawsuits. And when that happens, fewer powerplants are upgraded. They become old and tired, which means people start losing their jobs, which means our economy is not robust so people can find work if they're looking for work, which means some cases, energy costs are higher than they should be.

And so we decided to do something about it—I did. It's been in the process for a while, and I decided to move, particularly when I heard stories like this one here at Monroe. In 1999, Detroit Edison made a decision to upgrade the turbine steam generators here. That's a vital decision. For the men and women who work at that plant, you understand, when I say "vital decision," that it is a vital decision. The company wanted to give more efficient—wanted this plant to have new, efficient blades on the turbines, which will allow more electricity to be generated with the same amount of coal without causing emission increases. It seems like a commonsense policy. If I were running this plant, I would want to modernize it so we could produce more energy for the same amount of input and continue doing a good job of protecting the quality of the air. That's the kind of corporate behavior that I appreciate.

Yet when the company took the plan to the EPA, the first thing that happened is they had to wait a year for an answer. [*Laughter*] They said, "We've got a good way to do something, but please tell us if we can move forward." And the answer wasn't forthcoming. And when the answer did come back, it was so complicated, because the rules

are so complicated, that Detroit Edison decided to delay part of the project until its experts could decipher the details of the ruling. On the one hand, the rules are so complex that the answer coming back was even more complex, evidently, because nothing happened for a while.

Now, finally, the project is going to be complete. Detroit Edison decided to move forward, 5 years after it decided to begin. That's inefficient. That doesn't make any sense. The quicker we put modern equipment into our powerplants, the quicker people are going to get more reliable electricity. If we're interested in job creation in America, we'd better have the most modern facilities to make sure that electricity is available so people can expand their job base. And yet the rules didn't let that happen. The rules created too many hurdles, and that hurts the working people.

And so, as I said, we decided to do something about it. We began to review the old rules and regulations. And we wanted to do so in a careful way. The EPA held five public meetings. More than 100 groups were represented, citizens and industry and local officials. There were thousands of comments. In other words, we said, "If you've got a problem with the change, please bring them forward. Or you support the change, bring them forward." We wanted to hear from people, and the EPA did a good job of collecting data.

In December, we issued the first set of rules to clarify and simplify regulations for manufacturers to do projects in an energy-efficient way and to promote policy that would discourage pollution. And now we've issued new rules that will allow utility companies like this one right here to make routine repairs and upgrades without enormous costs and endless disputes. We simplified the rules. We made them easy to understand. We trust the people in this plant to make the right decisions.

There is a lot of debate about New Source Review—the change of New Source Review. It makes sense to change these regulations. It makes sense for the workplace environment. It makes sense for the protection of our air. Not only do I believe that, but union leaders believe that. Manufacturers believe that. The utilities believe that. A bipartisan coalition in Congress believes it. We have done the right thing.

Monroe plant is a living example of why we acted. The people at this plant wanted to put the most modern equipment, use the most modern technology to make sure the people of Michigan got energy at a reasonable and affordable price and at the same time protect the environment. Government policy prevented them from doing so. We have changed the Government policy for good of the people of this country.

I mentioned the challenges we face, but I'm an optimist, because I understand America. It's been my privilege to see the character of the American people. We are resolute. We're plenty tough when we have to be tough. We're also compassionate. Ours is a resourceful nation. We set goals, and we work together to achieve those goals. Ours is a nation that, when we hear that somebody is looking for work and can't find work, cares about that person.

I want to make sure this environment, economic environment of ours is as healthy as it can be. The American people have got to understand, a healthy economic environment means we'd better have energy. We'd better be producing that energy. There's electricity so people can expand their manufacturing facilities. If you've got an issue with the manufacturing base, you'd better make sure you've got a reliable supply of energy for the manufacturers, like they've got right here in Michigan.

We can overcome problems. We're smart and resourceful people. We're also a compassionate people, people who are willing to love a neighbor just like we love ourselves. That's what I love most about America. I love the fact that there are people who hurt—I love the fact that when somebody is hurting in your neighborhood, you're likely to walk across the street and say, "What can I do to help?" It's a fabulous country we have.

Oh yes, we've got problems, but there's no doubt in my mind, because of the character of the American people, we can overcome any problem that's in our way.

I want to thank you all for coming out today. May God bless you, and may God continue to bless America.

NOTE: The President spoke at 12:40 p.m. In his remarks, he referred to Anthony F. Earley, Jr., chairman and chief executive officer, DTE Energy; Paul Fessler, director, Monroe Power Plant; Mike Smith, chief steward, Utility Workers Local 223, Power Generation Division; Mayor Al Cappuccilli of Monroe; and former President Saddam Hussein of Iraq.

Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for 2004

September 15, 2003

Presidential Determination No. 2003–38

Memorandum for the Secretary of State

Subject: Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for 2004

Consistent with section 706(1) of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107–228) (the "FRAA"), I hereby identify the following countries as major drug-transit or major illicit drug producing countries: Afghanistan, The Bahamas, Bolivia, Brazil, Burma, China, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, Thailand, Venezuela, and Vietnam.

The Majors List applies by its terms to "countries." The United States Government interprets the term broadly to include entities that exercise autonomy over actions or omissions that could lead to a decision to place them on the list and, subsequently, to determine their eligibility for certification. A country's presence on the Majors List is not necessarily an adverse reflection of its government's counternarcotics efforts or level of cooperation with the United States.

Consistent with the statutory definition of a major drug-transit or drug-producing country set forth in section 481(e)(5) of the Foreign Assistance Act of 1961, as amended (the "FAA"), one of the reasons that major drug-transit or drug producing countries are placed on the list is the combination of geographical, commercial, and economic factors that allow drugs to transit or be produced despite the concerned government's most assiduous enforcement measures. Consistent with section 706(2)(A) of the FRAA, I hereby designate Burma and Haiti as countries that have failed demonstrably during the previous 12 months to adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. Attached to this report are justifications (statements of explanation) for each of the countries so designated, as required by section 706(2)(B).

I have also determined, in accordance with provisions of section 706(3)(A) of the FRAA, that provision of U.S. assistance to Haiti in FY 2004 is vital to the national interests of the United States.

Combating the threat of synthetic drugs remains a priority, particularly the threat from club drugs, including MDMA (Ecstasy). Since January, we have redoubled our efforts with The Netherlands, from which the majority of U.S. MDMA seizures originate. I commend the Government of The Netherlands for its efforts to address this scourge, including increased enforcement, improved risk assessment and targeting capabilities of passenger aircraft and cargo, and international cooperation to control precursor chemicals. I urge the Government of The Netherlands to focus its efforts on dismantling the significant criminal organizations responsible for this illicit trade, using all tools available to law enforcement. Continued progress in implementing our joint action plan, developed in March, should have a significant impact on the production and transit of MDMA from The Netherlands to the United States. Although we have seen a stabilization of MDMA use rates domestically, there is an increase in the number of countries in which MDMA is produced and trafficked. We will continue to monitor the threat from synthetic drugs and the emerging trends.

The United States and Canada are both targeted by international trafficking organizations. We continue to work closely with the Government of Canada to stem the flow of illicit drugs to our countries and across our common borders. The United States remains concerned about the diversion of large quantities of precursor chemicals from Canada into the United States for use in producing