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United States General Accounting Office
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General Government Division

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May 8, 2000

The Honorable Frank R. Wolf
House of Representatives

The Honorable Dan Burton
Chairman, Committee on
Government Reform
House of Representatives

Subject: Federal Lobbying: China Permanent Normal Trade Relations (PNTR) Lobbying Activities

You asked us to review efforts by the White House China Trade Relations Working Group and selected agencies to garner support for permanent normal trade relations (PNTR) for China. You were particularly concerned whether such efforts may be in violation of 18 U.S.C. 1913, which makes the use of appropriated funds to lobby Congress a criminal offense, or any applicable appropriations provisions that prohibit the expenditure of appropriated funds for publicity or propaganda purposes or to lobby Congress. As requested, this letter provides information on our progress to date.

The China Trade Relations Working Group was established on February 1, 2000, by the Secretary of Commerce, pursuant to the President's request. The stated role of the Working Group is to coordinate interagency activities associated with the passage of PNTR for China, including outreach efforts to business, labor, environment, and other groups and to continue the development of U.S. economic policy toward China.

INFORMATION SOUGHT AND RECEIVED TO DATE

On April 11, 2000, we notified the White House of our review and enclosed a detailed information request. On April 13, 2000, we sent similar notification letters and information requests to selected agencies. These agencies were the Departments of Commerce, Agriculture, State, the Treasury, and Labor, and the Office of the U.S. Trade Representative.

In our information requests to the White House and the agencies, we asked for a variety of information. These included the following.

- Information pertaining to the staffing of the China Trade Relations Working Group, including both those employees assigned to the Working Group and those supporting it.
- Documents identifying travel costs associated with the China PNTR effort.
- Copies of all China PNTR-related speeches and press releases. Copies of all China PNTR-related communications, e.g., letters and e-mail, between the Working Group and executive branch agencies or between any executive branch participant in China PNTR activities and parties outside the executive branch. Also, copies of any information packets, e.g., kits, pamphlets, or media communications, and the cost of such information packets.
- Copies of various other documents such as mailing lists, lists of private groups contacted, planning documents, and reports or summaries of the China PNTR effort.
- Copies of all laws and guidance on lobbying restrictions applying to either the White House or any of the participating agencies and an explanation of the steps taken to ensure that the restrictions are followed.

We met with the agencies between April 18, 2000, and May 3, 2000, to answer questions about our information request and make arrangements to proceed with our work. The dates of these initial discussions with officials for each agency follow: the White House, April 19; the Department of Labor,¹ April 18; the Department of Agriculture, April 20; the Department of Commerce, April 21; the Office of the U.S. Trade Representative, April 21; the Department of the Treasury, April 26; and the Department of State, May 3.

Some agencies provided preliminary information at these initial meetings. The bulk of the material that we have received to date was provided during the week of May 1, 2000. This material included speeches, talking points, fact sheets, and e-mail messages. Because of time constraints, we instructed the White House and other agencies in our initial discussions to provide the requested documents on a continual, rolling basis, rather than waiting until all documents are compiled and ready for our review, and they have done so.

STAFF AND TRAVEL ASSOCIATED WITH THE CHINA PNTR EFFORT

You requested that we provide in this letter any information we have obtained to date pertaining to staff resources and travel associated with the administration's efforts to win support for the China PNTR initiative.

¹ The Department of Labor reported that the Secretary is not a principal of the Working Group and it had no employees assigned to the China PNTR effort.

The White House and two departments--Agriculture and Commerce--have provided some information concerning department employees' involvement and travel related to the China PNTR effort. The other three agencies are in the process of compiling their staffing and travel information. Although a total dollar amount for the China PNTR effort cannot be determined at the White House and the two departments, they indicated that about 150 individuals devoted at least some time to the China PNTR effort since February 2000.

The White House reported to us that there are 10 principals associated with the Working Group. Five of these are White House presidential advisers, while the remaining five are department or agency heads--the Secretary of State, the U.S. Trade Representative, the Secretary of Commerce, the Secretary of Agriculture, and the Secretary of the Treasury.

The White House also reported to us that there are nine employees from various federal departments and agencies assigned to the Working Group. They include five from the Department of Commerce, two from the U.S. Trade Representative, and one each from the Departments of Agriculture and State. The salary levels range from a GS-11 to the Senior Executive Service. The nine employees on the Working Group include six noncareer political appointees. The percentage of their time spent on the China PNTR effort since February 1, 2000, ranged from 25 percent to 100 percent. In addition to the Working Group staff, 10 White House staff members assisted the Working Group efforts, devoting from 10 to 95 percent of their time since February 1.

In addition to the Secretary and the five agency representatives assigned to the Working Group, the Department of Commerce reports that it has 24 employees who are materially involved in the China PNTR effort. These 24 individuals fall within salary levels between GS-11 and the Senior Executive Service. They reported spending between 5 and 100 percent of their time on the China PNTR effort.

The Department of Agriculture estimated that about 100 employees, including the Secretary and the Working Group representative, have worked on the China PNTR effort. These individuals fall within salary levels between GS-7 and the Secretary. Agriculture reported that the time spent by the individuals ranged from a few hours to almost full time.

We have not yet obtained all requested data for China PNTR-related travel. For the purposes of this letter, we have relied on data provided by the White House. We identified 19 trips during the period January 29 through March 1, 2000, in which the President, one of the Working Group principals, or another administration representative spoke on behalf of the administration's efforts to garner support for China PNTR. From the White House records, we also identified 19 trips planned from March 4 through April 29 that may include China PNTR speaking opportunities.² We have not yet obtained travel cost data for these trips.

² We have not yet verified whether the 19 planned trips occurred.

ADDITIONAL WORK

Our review of documents received to date—for example, speeches, talking points, fact sheets, e-mail messages—show extensive outreach and coordination by the administration with outside groups such as public corporations and trade coalitions. We have not yet received all of the information that we requested and have not been able to completely review what we received. Therefore, we are not in a position at the present time to say that the criminal lobbying provision at 18 U.S.C. 1913 or the applicable appropriations restrictions have been violated. We expect that the agencies will provide additional information on a continuing basis. At your request, we will continue to review such information as we proceed with our work.

On May 8, 2000, we shared relevant factual material from this letter with the White House and respective agencies and asked them to confirm the facts presented. They did not question the material facts as presented.

As agreed with your offices, unless you announce the contents of this letter earlier, we plan no further distribution until 5 days after the date of the letter. At that time, we will send copies of this letter to Mr. Mark F. Lindsay, Assistant to the President and Director for Management and Administration, The White House; the Honorable Daniel R. Glickman, Secretary of Agriculture; the Honorable William M. Daley, Secretary of Commerce; the Honorable Alexis M. Herman, Secretary of Labor; the Honorable Madeleine K. Albright, Secretary of State; the Honorable Lawrence H. Summers, Secretary of the Treasury; and the Honorable Charlene Barshefsky, U.S. Trade Representative. We will make copies available to others on request.

If you have any questions, please contact me or my Assistant Director, Richard W. Caradine, at (202) 512-8676.



Michael Brostek
Associate Director, Federal Management and
Workforce Issues

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