

THE WHITE HOUSE

WASHINGTON

March 24, 1993

PRESIDENTIAL DECISION DIRECTIVE/NEC-2

TO: THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION
AGENCY
THE CHAIR OF THE COUNCIL OF ECONOMIC ADVISORS
THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND
BUDGET
THE UNITED STATES TRADE REPRESENTATIVE
THE ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY
THE ASSISTANT TO THE PRESIDENT FOR DOMESTIC POLICY
THE NATIONAL SECURITY ADVISER
THE ASSISTANT TO THE PRESIDENT FOR SCIENCE AND
TECHNOLOGY POLICY

SUBJECT: Organization of the National Economic Council

To assist me in carrying out my responsibilities in the area of the national economy, I hereby direct that the National Economic Council system be organized as follows.

A. The National Economic Council (NEC)

The National Economic Council will be the principal forum for consideration of economic policy issues requiring Presidential determination. The responsibility, functions, and membership of the NEC shall be as set forth in Executive Order 12835 and this Presidential Decision Directive. The NEC shall (1) advise and assist me in integrating all aspects of national economic policy -- macro-economics, micro-economics, domestic, international and sectoral (in conjunction with the National Security Council); (2) develop and manage the economic policy-making processes with respect to domestic and international economic issues; (3) coordinate economic policy advice to the

President; (4) ensure that economic policy decisions and programs are consistent with the President's stated goals, and ensure that those goals are being effectively pursued; and (5) monitor implementation of the President's economic policy agenda. The Assistant to the President for Economic Policy may take such actions as may be necessary or appropriate to implement these responsibilities. As provided in Executive Order 12835, (1) the Council may function through established or ad hoc committees, task forces or interagency groups. (2) The Council shall have a staff to be headed by the Assistant to the President for Economic Policy. The Council shall have such a staff and other assistance as may be necessary to carry out the provisions of this order. (3) All executive departments and agencies shall cooperate with the Council and provide such assistance, information, and advice to the Council as the Council may request, to the extent permitted by law. Along with its subordinate committees, the NEC shall be my principal means for coordinating Executive departments and agencies in the development and implementation of national security policy.

The NEC shall have as its members the President, the Vice President, the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Secretary of Energy, the Administrator of the Environmental Protection Agency, the Chair of the Council of Economic Advisors, the Director of the Office of Management and Budget, the United State Trade Representative, the Assistant to the President for Economic Policy, the Assistant to the President for Domestic Policy, the National Security Adviser, and the Assistant to the President for Science and Technology Policy. The heads of other Executive departments and agencies and other senior officials shall be invited to attend meetings of the NEC where appropriate.

The NEC shall meet as required. The Assistant to the President for Economic Policy, at my direction and, when appropriate, in consultation with the Secretary of the Treasury, the Director of OMB, and the Assistant to the President for National Security Affairs, shall be responsible for determining the agenda and ensuring that the necessary papers are prepared. Other members of the NEC may propose items for inclusion on the agenda. The Assistant to the President shall be assisted by a National Economic Council staff.

B. The NEC Principals Committee (ECON1)

An NEC Principals Committee is established as the senior interagency forum for the consideration and integration of policy issues importantly effecting the national economy. The NEC Principals Committee shall review, coordinate, and monitor the

development and implementation of national economic policy. The NEC/PC should be a flexible instrument -- a forum available for Cabinet-level officials to meet to discuss and resolve issues not requiring the President's participation. The Assistant to the President for Economic Policy will serve as chair of the NEC Principals Committee. The Assistant to the President for National Security Affairs shall be informed of meetings and invited to attend all those with international economic and international security implications and considerations.

The NEC Principals Committee shall have as its members the Secretary of the Treasury; the Director of the Office of Management and Budget; the Chairman of the Council of Economic Advisers; the Secretary of Commerce; and the Secretary of Labor; and the Assistant to the President for National Security Affairs as appropriate. Other heads of departments or agencies shall be invited as needed.

The Assistant to the President for National Economic Policy shall be responsible -- in consultation with the Secretary of Treasury and Director of OMB, and, when appropriate, the Assistant to the President for National Security Affairs -- for calling meetings of the NEC/PC, for determining the agenda, and for ensuring that the necessary papers are prepared.

C. The NEC Deputies Committee (ECON2)

An NEC Deputies Committee shall serve as the senior sub-Cabinet interagency forum for consideration of policy issues affecting the national economy. The NEC Deputies Committee shall review and monitor the work of the NEC interagency process (Including Interagency Working Groups established pursuant to Section D below). The Deputies Committee also shall focus significant attention on policy implementation. Periodic reviews of the Administration's major economic initiatives shall be scheduled to ensure that they are being implemented in a timely and effective manner. Also, these reviews should periodically consider whether existing policy directives should be revamped or rescinded.

The NEC Deputies Committee shall have as its members the Deputy Assistant to the President for Economic Policy (who will serve as the chairman) and the appropriate senior officials of Deputy Secretary or Under Secretary rank chosen by the relevant heads of departments or agencies which compose the NEC in consultation with the Deputy Assistant to the President for Economic Policy. The Deputy Assistant to the President for National Security Affairs shall be a member of the NEC Deputies Committee and attend meetings as needed. The Deputy Assistant to the President for Economic Policy may invite representatives of other Executive departments and agencies, and other senior

officials, to attend meetings of the NEC Deputies Committee where appropriate in light of the issues to be discussed.

The Deputy Assistant to the President for Economic Policy shall be responsible for calling meetings of the NEC Deputies Committee, for determining the agenda, and for ensuring that the necessary papers are prepared. The NEC Deputies Committee shall ensure that all papers to be discussed by the NEC or the NEC Principals Committee fully analyze the issues, fairly and adequately set out the facts, consider full range of views and options, and satisfactorily assess the prospects, risks, and implications of each. The NEC Deputies Committee may task the interagency groups established pursuant to Section D of this Presidential Decision Directive.

D. Interagency Working Groups (ECON3)

A system of Interagency Working Groups -- some permanent, others -- ad hoc -- is hereby authorized. The NEC Interagency Working Groups shall be established at the direction of the Deputies Committee, which shall also determine the chair of the NEC Interagency Working Groups -- either departmental or NSC, NEC, or DPC. The Interagency Working Groups shall convene on a regular basis -- to be determined by the Deputies Committee -- to review and coordinate the implementation of Presidential decisions in their policy areas. Strict guidelines shall be established governing the operation of the Interagency Working Groups, including participants, decision-making path and time frame. The number of these working groups shall be kept to the minimum needed to promote an effective NEC system.

William Clinton