

**Subject:** Night Note 3/22  
**Sent:** Wed, 22 Mar 2006 20:08:50 -0500  
**From:** "Langdon, James C." <James\_C.\_Langdon@who.eop.gov>  
**To:** <kr@georgewbush.com>, "Rove, Karl C." <K\_Rove@who.eop.gov>, "Hughes, Taylor A." <Taylor\_A.\_Hughes@who.eop.gov>, "Jackson, Barry S." <Barry\_S.\_Jackson@who.eop.gov>, "Smith, Heidi M." <Heidi\_M.\_Smith@who.eop.gov>, "Kavanaugh, Brett M." <Brett\_M.\_Kavanaugh@who.eop.gov>, "West, Christal R." <Christal\_R.\_West@who.eop.gov>, "Weinstein, Jared B." <Jared\_B.\_Weinstein@who.eop.gov>, "Boyer, Matthew W." <Matthew\_W.\_Boyer@who.eop.gov>, "Kropp, Emily L." <Emily\_L.\_Kropp@who.eop.gov>, "Ralston, Susan B." <Susan\_B.\_Ralston@who.eop.gov>, "Kane, M. Lauren" <Mary\_L.\_Kane@who.eop.gov>, "Hoare, Thomas H." <Thomas\_H.\_Hoare@who.eop.gov>, "Katz, Jeremy L." <Jeremy\_L.\_Katz@who.eop.gov>, "Jordan, Myriah L." <Myriah\_L.\_Jordan@who.eop.gov>, "McMillin, Stephen S." <Stephen\_S.\_McMillin@who.eop.gov>, "Langdon, James C." <James\_C.\_Langdon@who.eop.gov>  
[Pending Issues 3-22.doc](#)  
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[Working Group Calendar 3-22.doc](#)  
[Cabinet Member Schedule 3-22.doc](#)

**Please Note - This Information is Sensitive; Eyes Only**

Attached are the Pending Issues, the Policy Time Calendar for this month, the Working Group Calendar for this week and next, and the Cabinet Member Schedule for the following week.

Thanks,  
James  
x61475

March 22, 2006

MEMORANDUM FOR ANDY CARD, KARL ROVE, JOE HAGIN, and MIKE GERSON

FROM: STEVE MCMILLIN, JEREMY KATZ, and MYRIAH JORDAN

RE: NIGHT NOTE

**CFIUS Checkpoint.** Treasury released to agencies a draft consensus recommendation to the President for agency comments. The final recommendation will be sent to the President tomorrow, unless the company withdraws, which they have not done to this point. NSC is working with OLA, WHC, and WH Press on roll-out strategies following the President's report to the Hill. For now, NSC determined to send the President's report to the Hill following Israeli parliamentary elections next Tuesday.

**Pensions.** Administration pension staff have made further progress on analyzing Hill staff's ideas for handling the transition period under the pension bills. Overall, NEC has received encouraging signals from Hill staff with respect to our main substantive priorities on the pension bill. However, Boehner has reportedly decided that he cannot support a previous agreement between Grassley and Thomas that covered such issues as credit balances, and the treatment of at-risk plans and troubled industries. Boehner may want to discuss a possible agreement with Enzi and Kennedy on these provisions. This could be problematic for us, as we have supported Grassley on these provisions, at the same time that he has supported us on other provisions. If a new agreement is reached between Boehner/McKeon/Enzi, Grassley will expect us to support our previous position and his. NEC and OLA staff are scheduled to go to Hill tomorrow to discuss these and other issues with Boehner staff.

**Broadband.** The FCC is expected to issue its periodic report on the status broadband in the US this week. The precise timing depends on Chairman Martin's efforts to place an op-ed on the subject. According to the report, the total number of broadband subscribers in the United States reached 42.9 million at the end of June 2005 – representing a 500 percent increase from December 2000 when the United States had 7 million broadband lines. For the period between June 30, 2004 and June 30, 2005, high speed lines increased by 32% (or 10.4 million.). FCC analysis indicates that 98% of all U.S. Zip Codes have access to at least one form of high speed connection (meaning that at least one home in each of these zip code has a broadband connection), up from roughly 73% at the end of 2000.

## Other Issues

- Administrative Reforms (Troy/DPC; Jordan)
- *Advanced Energy Initiative Action Team (Epifani/NEC; Katz) – Deb Fiddelke of OLA along with EOP energy staff (NEC, CEA, CEQ and OVP) hosted staffers of the sponsors of S. 2025, the Oil Savings and Advanced Vehicles Bill. Today was just a preliminary discussion about shared goals between AEI and S. 2025. Staffers are interested in gaining Administration support.*
- AFL-CIO (Sharp/DPC; Jordan)
- AHPs (Leggitt/DPC; Katz)
- *Airlines (Sharp/DPC; Jordan) – DOT, the mediator, and the controllers have agreed to extend negotiations through the middle of next week even though there has been little progress recently. DPC will host a meeting in the next few days to discuss legislative and communications strategy in anticipation of either a settlement or an impasse sometime late next week.*
- Amtrak (Sharp/DPC; Jordan)
- Anthrax (Venkayya/HSC; Katz)
- Asbestos (Ho/DPC; Jordan)
- *Avian Flu (Venkayya/HSC; Katz) – CNN ran a story today reporting that avian flu had been found in a bird in Nogales, Mexico. USDA reports that the story is likely inaccurate, but we will continue to monitor. HSC will put the implementation plan into staffing this week with the goal of releasing the plan to the public in early April. Cathie Martin is speaking to Dan Bartlett in the near future about the best venue and level at which to roll out the plan. Cathie believes the release of the report is probably not Presidential and will more likely be rolled out by Fran or someone at the Cabinet level.*
- Aviation Security (Baker/HSC; Jordan)
- Bioethics Agenda (Levin/DPC; Jordan) – OLA and DPC met on 3/15 with Blunt's staff to discuss advancing the President's bioethics agenda. Blunt's staff expressed interest in seeing the items referenced by the President in the State of the Union Address (prohibitions on fetal farming, human-animal hybrids, and commerce in embryos) introduced as stand-alone measures in the coming months. They suggested that a bill prohibiting fetal farming (i.e. the initiation of pregnancy solely for research purposes) stood the best chance of success, while the other measures may stand a better chance as appropriations riders later in the year, but that all should be introduced, as pro-life Members would find them appealing this year. Blunt's staff will seek out sponsors, and continue to work with the us to shape the bills.
- BSE (Hennessey/NEC; Katz) – USDA announced on 3/13 that it had confirmed, through both initial and follow-up testing, a third BSE infected cow in Alabama. On 3/16, USDA exhumed the cow and was able to verify that the animal is over 10 years old (thus born before the feed ban was put in place). USDA has also located and quarantined a 6-week old calf of this animal and they are in the process of testing it for possible BSE infection. Officials have also learned that in early 2005, the cow gave birth to a black bull calf, which is in the process of being traced. The owner of the deceased cow purchased it from the estate of a deceased farmer and apparently has no records on the cow. Thus, it is unclear at this time where the cow originated.
- CAFE (Hannegan/CEQ; Katz) – On 3/15, Deputies met to discuss DOT's draft final rule which sets new fuel economy standards for light trucks, saving 7.8 billion gallons of fuel. The rule will also change the compliance system to reduce the safety hazards associated with the current

system, to push all manufacturers to introduce fuel saving technologies into their vehicles, and to cover Medium-Duty Passenger Vehicles (8,500-10,000 lbs.) for the first time. DPC will follow up with OLA to discuss the potential for Congressional amendments to overturn the rule. Democrats will oppose a provision that preempts state laws regulating greenhouse gases, and some Republicans may oppose the rule because it is costly to the manufacturers. Communications will work with DOT Communications to develop messaging. OMB must clear this rule by 4/1.

- *CALEA (Russell/NEC; Katz)* – There is internal consensus on the substance of a CALEA bill, but lack of consensus on the appropriate timing and strategy for pursuing it. *The Chief will host EOP Principals on Friday afternoon to resolve.*
- Campaign Finance Reform (Taylor/OPA; Jordan)
- Canadian Lumber (Hunter/NSC; Katz)
- Career Advancement Accounts (Sharp/DPC; Jordan) – On 3/21 DPC, OLA, and OMB, met with DOL to discuss the Administration's strategy for advancing CAAs. DOL is meeting with workforce boards, think tanks, and community colleges in key states and talking to Senators and Members of Congress with interest in job training reform. DOL is also preparing the legislative package for OMB clearance and transmission to the Hill. Ideally, CAAs would be inserted into the pending Workforce Investment Act (WIA) reform legislation, but that bill has been held by Senator Durbin since August. On a parallel track, DOL is preparing the paperwork for an administrative demonstration of CAAs (which would not require legislation) and is preparing to submit a WIA reform regulation to OMB for clearance.
- Cargo Security/TWIC (Baker/HSC; Jordan) – DHS briefed HSC and OMB on the implementation of the Transportation Workers Identity Credential (TWIC) and their plans for enhancing cargo/supply chain security on 3/13.
- CFIUS DP World (Shirzad/NSC; Katz) – CFIUS, DP World and P&O are discussing a withdrawal of the filing currently in the 30-day review phase, subject to a letter that requires them to complete the sale to a U.S. buyer and continue to keep the operations separate until the sale is completed. Day 30 is 4/3, Day 45 is 5/19, Congress is scheduled to be out the week of the 29th of May.
- Civil Rights (Ho/DPC; Jordan)
- Clear Skies (Stolpe/CEQ; Jordan)
- Clean Air Act (Stolpe/CEQ; Jordan)
- Climate Change (Connaughton/CEQ; Jordan) – There are two embargoed studies on climate change coming out 3/24 which has sparked interest from a variety of reporters, including Baltimore Sun and SF Chronicle. Internal talking points to respond to these inquiries will be sent to communicators at necessary agencies. There has been increased interest on the domestic front on climate change, and CEQ is making efforts to talk more about the success of the Administration's climate change policy. Jim Connaughton will do interviews with John Tierney, NY Times, and will take part in a FOX documentary on climate on Thursday. OSTP has also received inquiries from Washington Post and ABC news this week.
- Competitiveness (Wilson/DPC; Jordan)
- Cooperative Conservation (Butler/CEQ; Jordan) – This week CEQ is hosting a series of meetings between OMB examiners and policy and legislative staff from USDA, DOI, DOC-NOAA and EPA. The purpose of the meetings is to reconcile any and all outstanding issues that have been raised during the LRM vetting process. Each component of the legislative package has gone through the interagency review process and comments have been received. The status of each is as follows: a) DOI- most of the substantive issues/concerns have been resolved and a

draft reflecting the most recent agreements is currently being circulated for comment. b) DOC-NOAA is reviewing the comments and drafting another version that they expect will address all outstanding issues. c) EPA- has reviewed comments and will be meeting with CEQ and OMB Thursday afternoon to reconcile any outstanding issues. However, it appears that there is generally consensus on the underlying principles of the legislation. d) USDA- met with CEQ and OMB at CEQ this afternoon. A tentative agreement was reached on revisions to the package. USDA is going to rework and circulate another draft by week's end.

- Critical Infrastructures Protection (Nielson/HSC; Jordan)
- Counter Radicalization meeting (Nielsen/HSC; Jordan) - DPC, HSC, and NSC met to discuss DHS's counter radicalization efforts. DPC is concerned about the potential political implications if this effort is leaked and/or misinterpreted. NSC felt that this effort is important, and there was general agreement to have some White House coordination of this effort led by HSC/NSC. In addition, the group will reach out to WH Communications to seek their guidance and make sure they are aware should this effort gain public attention. The group also thought it best to have as clear a line of separation as possible between the national security agencies' counter terror efforts and the positive outreach efforts, by DHS, State, Education and others, to ensure appropriate assimilation into American life.
- Doha (Shirzad/NSC; Katz)
- Drug Free Communities (Leggitt/DPC; Katz)
- Drug Reimportation (Leggitt/DPC; Katz)
- Education (Wilson/DPC; Jordan)
- Endangered Species Act (Schildwachter/CEQ; Jordan) – CEQ hosted a PCC discussion on 3/14 on development of a new ESA rule. The drafting team briefed on the approach to Critical Habitat, science, interagency consultation, new listings, and reinstating the distinction between Threatened and Endangered species. The drafting team has provided rule language to OMB for informal review, and is finalizing language for formal review. CEQ is prepping read-aheads for a Deputies meeting by end of this week or early next.
- Entitlement Commission (Blahous/NEC; Katz)
- Everglades (Connaughton/CEQ; Jordan)
- Farm Bill (Hennessey/NEC; Katz)
- FDA (Leggitt/DPC; Katz) – On 3/17, Lance Leggitt in DPC met with FDA and HHS to discuss resolution of the FDA draft statement affirmatively declaring that there is no medical use for marijuana, and highlighting its harmful side effects. The statement would also be sent in the form of a letter to Rep. Souder in response to his request from FDA earlier this year. The substance of the letter will then be posted as an advisory on FDA's website. FDA notified HHS that they would prefer that the letter represent HHS' views rather than FDA's. Given that the goal was to post this on the FDA website, DPC feels that the statement should represent the FDA's position and not be attributed to HHS. DPC believes the suggestion of pushing this off to HHS will do nothing more than lead critics to speculate that this was a politically motivated statement and not one backed by the science, when in fact it is the substantive conclusion of the FDA. DPC has reached out to HHS' COS and requested that he contact Dr. Von Eschenbach to resolve this issue and to call us with the date this week in which the statement will be posted on the FDA website.
- Federal Sentencing Guidelines (Ho/DPC; Jordan) – Bill Mercer (Principal Associate Deputy AG) testified on 3/16 before the House Subcommittee on Crime, Terrorism, and Homeland Security and present DOJ's proposal for reform of the federal sentencing guidelines. In response to the increasing number of sentences below the recommended guidelines in the wake

of the Supreme Court's Booker decision in 2005, DOJ will propose that a system of minimum guidelines be enacted in order to restore mandatory sentencing. DOJ plans to brief DPC and other White House offices the week of 3/20 on follow-up legislative strategy for the sentencing reform proposal. Chairman Sensenbrenner has spoken out forcefully against lower sentences and increased racial disparity indicated by recent studies.

- *FHA Reform (Streeter/DPC; Jordan)* – The PCC meeting today resolved open issues at the end of the last deputies meeting on this topic. First, there was basic agreement that credit reform and additional language OMB has recommended for the legislative draft will ensure enough accountability for FHA to begin offering new mortgage insurance products. The products will enable lower and moderate income families with little to no down payment resources and with impaired credit to get conventional, FHA-backed loans as an alternative to the sub prime loans that are often their only option now. Second, there was basic agreement that the loan limits for an FHA insured mortgage should be raised in higher-cost areas (essentially ten markets) and that the ceiling in the lowest-cost markets should also be raised to enable more low/moderate-income families the opportunity to finance their homes with conventional mortgages. We are moving to closure as quickly as possible so that draft legislation can move into clearance in time for an April 5 hearing on the topic that House Financial Services has called.
- Flood Insurance Program (Kupfer/NEC; McMillin) – House Financial Services Committee finished its mark-up of a flood insurance bill. The measure would increase the program's borrowing authority to \$25 billion and would institute a number of reforms. The only significant action in the Committee was the defeat, by a vote of 45-10, of a Hensarling (R-TX) amendment requiring the immediate elimination of all subsidies. Instead, the bill has a gradual phase out of the subsidies for non-primary and non-residential properties.
- Foreign Investment in U.S. Airlines (Sharp/DPC; Jordan)
- Foster Care Waivers (Pardue/DPC; Jordan)
- Global Internet Task Force (Shirzad/NSC; Katz) - Faryar hosted a Deputies meeting on 3/21. The purpose of the meeting was to 1) develop a strategy for responding to press and other interested parties (during President Hu's visit) on what we are doing to ensure internet freedom in China, 2) learn what State -through the Global Internet Freedom Task Force- and Commerce are doing on the issue, and 3) assign tasks for messaging and next steps. As an outcome, State and Commerce are tasked to produce by COB tomorrow a two page strategy document outlining a) steps we will take to build best practices/principles for the industry, b) how we talk about out the tools that we are using to confront this issue (diplomatically and in other fora such as the G-8, APEC, etc), and c) the core messages of how we talk about the issue. Part of the plan for building industry best practices could include an OSTP proposal calling for key U.S. Internet companies to develop (with our assistance) a general set of agreed principles and rolling these out at a high-level, public event hosted by the agencies before the Hu visit. State and Commerce would then host continuing dialogues with companies and NGOs to discuss best practices and ways to ensure implementation of the principles.
- GSEs (Kupfer/NEC; Katz)
- Health Action Team (Ramthun/NEC; Katz)
- Health IT (Leggitt/DPC; Katz) – HHS indicates that Dr. Brailer will announce in the next two weeks he is leaving Office of the National Coordinator. Dr. Brailer is expected to continue in his current position until May as HHS looks for a replacement. The next AHIC meeting is 4/25. DPC will host a meeting with HHS during the first week in April to preview the 4/25 AHIC meeting.
- Helping America's Youth (Parker/DPC; Jordan)

- HHS Vouchers (Towey/OFBI; Jordan)
- HIV/AIDS (Troy/DPC; Jordan)
- Hotels in Gulf (Streeter/DPC; Jordan)
- HSAs (Ramthun/NEC; Katz)
- Immigration Assimilation (Ho/DPC; Jordan)
- Immigration Border Patrol (Baker/HSC; Jordan)
- Immigration Borders (Ho/DPC; Jordan)
- Immigration Extension of Temporary Protected Status (Ho/DPC; Jordan)
- Immigration No Match (Baker/HSC; Jordan) – HSC, DPC, and ten representatives from DHS (Policy, OLA, and CIS) met with Senate Finance staff on 3/10 to resolve ongoing questions from Senator Grassley's staff regarding Basic Pilot (DHS's electronic employment verification system) and DHS's proposals for using the Social Security database for immigration enforcement purposes. DHS was unable to answer several key questions posed by Senator Grassley's chief Social Security advisor, who is clearly wary of including Social Security provisions in the comprehensive immigration reform bill for both committee-jurisdictional and more substantive reasons. DHS could not, for example, explain in detail the process for enumerating aliens for Basic Pilot verification purposes or what restrictions on the use of the Social Security database DHS seeks to relax as part of immigration reform. DHS-OLA will work to obtain answers to these and other questions early next week before Senate Judiciary consideration of the worksite enforcement provisions of the Specter mark.
- Immigration Reform (Ho/DPC; Jordan) – At the request of Chairman Specter's staff, a representative from consular affairs at the State Department met with them late today to discuss the administrability of a "return home" requirement for the current undocumented population to obtain lawful permanent resident (LPR) status. White House OLA and DPC also attended the meeting, which focused on how a "return home" requirement could be structured to minimize the potential for economic disruption here in the U.S. and administrative burdens on State Department consular offices abroad. Specter staff members are working this week to develop a compromise TWP proposal that can secure six Republican votes, including Senators Cornyn and Kyl, whose bill would require the current undocumented population to depart the country over a five-year period before re-entering the U.S. either as temporary workers or as LPRs. Specter staff members are exploring a possible compromise that would allow current illegal immigrants to join TWP from inside the U.S., but require them to leave the country before they could become LPRs. Specter staff also expressed interest in exploring how to set a "trigger" to ensure the current "backlog" of about 3 million people waiting for a green card has been cleared before any of the 12 million illegal immigrants can adjust to LPR status. DPC and OLA will set up a call tomorrow morning with appropriate representatives from the State Department to respond to staff's request.
- Immigration Refugees (Camponovo/NSC; Jordan) – NSC held a deputies meeting on 3/15 to try to reach resolution on the State Department's proposal to create a short-term resolution for DHS to review refugee applicants from the Tham Hin camp, and a longer-term solution for other refugees affected by the "material support to terrorism" issue. Post-9/11 amendments to the Immigration and Nationality Act created a broader definition of "terrorist organization," and a bar on admissibility for those who provide such organizations with "material support." The State Department's position is that FY 2006 refugee admissions will be dramatically reduced unless resolution is reached quickly, and that a strict interpretation of the INA provision could lead to exclusions of certain refugee populations that would be inconsistent with our foreign policy. On 3/15, it was decided that there should be intelligence reviews on the various

“terrorist organizations” at issue, that there should be coordination with Congress on the issue, and that it would be helpful for lawyers from each agency to meet to discuss their interpretation of the statute. Thus far, legal staff from each agency is interpreting the statute consistent with their agency’s policy view, and inconsistent with each other.

- Immigration Secure Border Initiative (Baker/HSC; Jordan) – DHS briefed HSC on 3/8 on the progress that has been made on SBI. They reported that they have essentially eliminated catch and release for Latin American OTM’s (Other Than Mexicans) on the southwest border except for families and El Salvador nationals. This is still a very small subset of illegal immigrants, but they plan to begin detaining family groups around 4/15, and hope to achieve a legislative solution for El Salvadoran immigrants. Currently, El Salvadorans cannot be placed in expedited removal because of an outstanding injunction. They also reported on the progress of SBInet – or lack thereof. DHS hopes to issue a Request for Proposal (RFP) in early April, and to award the contract in September. HSC has still been unable to obtain a report on SBI from DHS (it was originally promised by Monday, 3/13), and has not yet received a draft of the RFP.
- Immigration Worksite Enforcement (Baker/HSC; Jordan)
- Indecency (Russell/OSTP; Katz)
- Indian Gaming (Ho/DPC; Jordan)
- Indian Trust/Cobell (Ho/DPC; Jordan)
- Internet Communications (Ho/DPC; Jordan) – The House is now expected to consider H.R. 1606, the Online Freedom of Speech Act, after the recess. The bill would exempt Internet communications from the meaning of “public communication” subject to FEC regulation. A supportive SAP is in the final stages of clearance. The bill failed to pass under suspension of the rules last November (225-182, short of the required 2/3rd), but is headed toward passage in the House this week and is likely to pass the Senate as well (Senator Reid is the sponsor of the Senate companion measure, and Senator Frist has indicated his support).
- Internet Pharmacy (Ho/DPC; Jordan) – DPC will host a PCC on 3/22 to discuss DOJ’s draft legislation that addresses the sale of controlled substances over the Internet.
- IRS (Kupfer/NEC; Katz)
- Katrina CDBG (Streeter/DPC; McMillin) – HUD sent a team to LA last week to assist LA as it drafts its plan for its \$6.2 billion in CDBG for its last supplemental. After a couple of weeks of challenges getting them engaged, they now seem to be fully engaged with HUD. HUD’s assessment as of 3/16 is that LA is roughly where MS was about a month ago. LA still needs to make some decisions on the compensation policy for homeowners (namely, how much goes to homeowners that rebuild, that decide to leave, etc.) and still has to figure out some critical questions on how they will administer the program. They are also trying to put together a plan that addresses rental property needs that does not yet have enough detail. LRA is shopping drafts of their current thinking around with local leaders in hopes of getting buy-in from all parties. HUD believes that LA should have fleshed out something more suitable for public comment in 2 weeks.
- *Katrina Flood Maps/Levees (Copeland CEQ/McMillin) – EOP Principals, DHS/FEMA, Powell, and the Corps convened today to discuss the way forward on Advisory Base Flood Elevations (“flood maps”) for four New Orleans area parishes. While these early maps have no legal standing, they are a preview of the flood maps that will eventually dictate the operation of FEMA programs and federal flood insurance, and the State of Louisiana has committed to spend all federal housing and infrastructure dollars consistent with the advisory flood maps. Before moving to a decision on what kind of flood maps to issue and whether to support up to \$5.4 billion on raising the height of the levee system, Principals directed the staff to prepare*

*additional analysis and a presentation that can be made early next week to Louisiana state and local officials, the Louisiana congressional delegation, and relevant authorizing and appropriations committee leadership. Powell would handle state and local officials, while a combination of EOP, agency, and Powell staff would handle congressional outreach. Communications will be prepared with a public message given the certainty of press leaks. After this consultation Principals will convene again to develop a recommended Administration position.*

- Katrina Mobile Homes (Streeter/DPC; McMillin) – DPC and OMB have converted FEMA's various contemplated courses of action into a one-page plan to which DHS/FEMA is to react by Monday. The plan envisions moving 5,000 of the 10,000 units into MS and LA by late June. The MS units should be in place by mid-May, but the LA units will take longer to deploy given the challenges of siting them. Given the historical average annual rate for using these type of units, OMB's projection is that less than 1,000 units will be deployed for upcoming 2006 storms, leaving more than 4,000 units to disperse elsewhere. DHS has said they need until 3/31 to develop a complete plan for dispersing the remaining units to multiple storage sites from which they can be deployed in storms beyond 2006 until depleted. But they have at least said their plan would involve putting units in California and in northern states in which their usage is more common.
- Legal Reform (Ho/DPC; Jordan)
- Levees (Hannegan/CEQ; Jordan)
- LNG (Hannegan/CEQ; Katz)
- Lobbying Reform (Kelley/WHC; Jordan)
- Medicaid Clawback (Ramthun/NEC; Katz)
- Medicaid Commission (Ramthun/NEC; Katz) – The Commission's next meeting is 5/17-5/18, in Dallas, Texas. Secretary Leavitt's senior staff member Tom Barker told Roy Ramthun that HHS' goal is to have policy time with the President before the next meeting of the Commission to discuss Leavitt's proposed Medicaid policy framework.
- Medical Liability Reform (Ho/DPC; Jordan)
- *Megaports (Baker/HSC; Jordan) - The Megaports story that was anticipated in today's paper was delayed, but is likely to make the papers by Thursday or Friday. Perino and Badger both feel like yesterday's call with the Hill went well. They were able to neutralize the issue, and some even said this could (or at least should) be a good news story. They are prepared for the story to break, with talking points and a fact sheets. The AP reporter contacted Chairman Hunter on 3/21, requesting an interview regarding the National Nuclear Security Administration's Megaports program, specifically a planned contract award to Hong Kong-based Hutchinson-Whampoa related to radiation detection in Freeport, Bahamas, and a similar award to a private firm in Manila. The reporter compared the story to the Dubai ports controversy, and claimed that this program is evidence to the contrary of the Administration's statements that it would never export security responsibilities to foreign companies. The Megaports program was established in 2003 to provide early detection of possible illicit trafficking of nuclear materials before they enter U.S. territory. Through this program, the U.S. works with our international allies to provide equipment and training to screen cargo for nuclear materials, working closely with the customs and border control authorities of the host countries that ultimately operate the detection equipment.*
- Methamphetamine (Leggitt/DPC; Katz)
- Mine Safety (Sharp/DPC; Jordan)
- NASA (Russell/OSTP; Katz)

- Native Hawaiian (Ho/DPC; Jordan)
- NCLB (Medina/DPC; Jordan)
- New Orleans Elections (Ho/DPC; Jordan) – As expected, the Justice Department announced on 3/16 that it has pre-cleared a plan for the first elections in New Orleans since Hurricane Katrina. The Justice Department also announced it will send election observers to monitor the April 22 balloting. The pre-clearance announcement met with criticism from national civil rights groups and individuals such as Jesse Jackson, who claimed that two-thirds of the eligible population will be disenfranchised, and called it “more onerous than the poll tax laws of 1965.” Critics of the plan also charge that not enough has been done to ensure voters scattered by the storm will be able to vote. (Although the state plans to set up satellite polling places all around the state for New Orleans residents, it did not choose to set up such stations outside Louisiana.) Jesse Jackson said he plans to organize marches and to sue over the election plan.
- OCS (Epifani/NEC; Katz) – *The NY Times is in the process of doing a piece on Lease Sale 181. The reporter wanted to speak to someone on senior staff at the White House. In response, Dana Perino of WH Press is going to suggest the reporter speak to Secretary Norton. The interview with Norton will likely take place tomorrow.*
- OIRA EO (Yanes/OMB; Katz)
- Online Pharmacies (Ho/DPC; Jordan) - *DPC convened a meeting between HHS/FDA and DOJ/DEA in an ongoing attempt to resolve differences between the agencies on the proposed regulation of online pharmacies. In response to a request from the last meeting in February, DOJ drafted a proposed bill limited to the prescription of controlled substances via the Internet. HHS will next prepare a written response to the DOJ draft bill in the hopes of narrowing the set of policy differences. WH-OLA and HHS-OLA continue to express concerns that moving forward with an online pharmacy regulation bill could open the reimportation and Part D extension debates.*
- Part D (Ramthun/NEC; Katz)
- Port Security (Baker/HSC; Jordan)
- Postal Reform (Sharp/DPC; Jordan) – On 3/15, Deputies met to discuss the status of postal reform legislation in preparation for policy time on 3/28. The House and Senate have passed their bills but the House Leadership is delaying appointing conferees until the House, Senate, and WH sit down to hammer out an agreement. The Administration is seeking more reform provisions and zero budget impact. OMB estimates the House and Senate bills would increase the deficit by \$17 billion over 10 years (CBO scoring is \$5 billion over ten years due in large part to using different interest rate assumptions).
- Potassium Iodide/KI (Kaplan/OMB; Katz) – *OIRA has brought to the attention of the COS office a dispute regarding an HHS guidance to stockpile sufficient KI for distribution to populations within 20 miles of a nuclear facility (current practice is 10 miles). OMB/OIRA briefed Joel Kaplan tonight and OIRA then circulated draft compromise language to HSC, OVP, NEC and OSTP for sign-off before sending to the agencies tomorrow morning. If the Agencies are uncomfortable with the compromise language we (McMillin) will host a Deputies meeting to resolve. HSC and HHS believe proceeding with the guidance document is consistent with the law and previous policy decisions. NRC, DOE, NEC and OSTP believe expanding KI stockpiling is an inefficient and ineffective way to protect populations, and that new unnecessary regulatory burdens will hamper the approval of new nuclear plants.*
- Prisons (Ho/DPC; Jordan) – *Following on a briefing given two weeks ago to WHC arranged by Senator Talent's office, representatives from the US Probation offices in St. Louis and Charlotte briefed staff on 3/16 from DPC, DOJ (OLP, BJP, and BOP), DOL, and COS on a remarkable*

prisoner reentry initiative launched in those districts. The program includes employment and education programs and has demonstrated success in reducing unemployment and recidivism among ex-offenders. DPC will continue to work where appropriate with the probation office to assist in expanding the program and coordinating it with national DOJ prisoner reentry initiatives. The group will be holding a national conference in St. Louis April 11-13.

- Science (Hays/OSTP; Katz)
- Smallpox (Venkayya/HSC; Katz)
- Steroids (Ho/DPC; Jordan)
- Stem Cells/Bioethics (Levin/DPC; Jordan)
- Strengthening America's Community Initiative (Streeter/DPC; Jordan)
- TANF (Streeter/DPC; Jordan)
- Tax Reconciliation (Kupfer/NEC; Katz) – NEC reports that we had been operating under the assumption that reconciliation protection for the dividend and capital gain extensions would go away as soon as both chambers agreed on a budget resolution. That assumption is no longer operative. Frist's staff (Rohit) tells Kupfer in NEC that the Senate Parliamentarian has now told him that since a substantial amount of work has gone into the tax reconciliation vehicle and it appears that the vehicle is likely to be acted upon, the 2005 reconciliation bill would still retain protection - even after a 2006 budget resolution was passed. As a practical matter, that means that there is no action forcing deadline for getting reconciliation finished. As for other timing issues, Rohit says that Frist will bring the death tax to the floor during the second or third week in May.
- Tax Reform (Kupfer/NEC; Katz)
- TX Supplemental (Streeter/DPC; McMillin) – As of 3/14, the House appropriators are looking at a conference strategy for TX on the supplemental. OLA has been working to block ideas such as moving to a 90/10 cost share on debris removal for TX, and Powell's office went over the housing numbers with the Speaker's staff on Monday, 3/13, to demonstrate that TX's housing damage estimates are far higher than the evidence supports. OLA has quietly indicated sympathy for additional education funds should that prove necessary, but that we were not communicating anything final on that front.
- Title IX (Wilson/DPC; Jordan) – The Committee on Appropriations requested last year that the Department of Education prepare a report no later than 3/17/2006, addressing the use by higher ed institutions of student surveys to assess interest in intercollegiate sport. A Clarification offered by the Department in March 2005 was intended to provide recipient institutions with additional guidance concerning compliance with the survey component of the Department's three-part test used to assess whether institutions are providing nondiscriminatory opportunities to participate in intercollegiate athletics. The report's final conclusions state: 1) that in many cases there were a number of deficiencies in the design and implementation of the survey instruments, including limited or selective distribution and low response rates; and 2) the Model Survey and implementation procedures developed by NCES in the Additional Clarification issued in March 2005 were developed to address these deficiencies so schools could more effectively measure student interest, with a student interest survey, using an unbiased, standardized methodology that maximizes the possibilities of obtaining correct information and facilitating responses. Steve spoke to Birch Bayh on 3/17 to listen to his concerns and to provide a general preview of the report's conclusions. Fmr. Sen. Bayh seems to want another meeting like those arranged in the past by Jay Lefkowitz.
- Trade Enforcement (Shirzad/NSC; Katz)

- Transparency (Ramthun/NEC; Katz) – Al Hubbard and Roy Ramthun met with Secretary Leavitt tonight to discuss a strategy forward for the President’s push for health care pricing transparency.
- Tricare (Leggitt/DPC; Katz)
- UAE FTA (Shirzad/NSC; Katz) – UAE's Economy Minister Sheikha Lubna al-Qassimi met with Portman on 3/20 to discuss trade and is meeting with other officials, such as State’s Liz Cheney today, Al Hubbard, Secretary Rice and Kimmit tomorrow and Faryar on Friday. "We are targeting end of April, probably, for the next round," Sheikha Lubna told Reuters.
- Veterans (Leggitt/DPC; Katz)
- WH Conference on Aging (Leggitt/DPC; Katz)
- WTO (Shirzad/NSC; Katz) - USTR hosted an interagency meeting 3/21 to report on the status of several potential WTO cases. USTR is expecting final word by the end of the week from the EU on whether it will join us in bringing a case challenging discriminatory tariffs applied by China on imported auto parts. Assuming the EU joins us, USTR is prepared to file the case early next week. USTR is also working on three other cases involving intellectual property, subsidies provided through favorable tax policies to foreign companies (including U.S. companies) operating in China, and the distribution of published materials. The case concerning distribution of published materials could be filed relatively quickly (USTR will meet with the U.S. industry tomorrow to seek its support), while the cases on intellectual property and corporate subsidies could be ready for filing shortly after President Hu's visit.
- Wetlands (Copeland/CEQ; Jordan)
- *Yucca (Epifani/NEC; Katz)* – As of 3/16, the Deputies had resolved all issues related to the proposed Yucca Mountain legislation, except whether the legislation should authorize the Department of Energy (DOE) to proceed with temporary storage of spent nuclear fuel from commercial reactors without first obtaining a Nuclear Regulatory Commission (NRC) license. On 3/17, Deputies agreed that the proposed legislation should require DOE to obtain NRC approval before engaging in temporary storage. DOE is preparing revised legislation to include the requirement of NRC approval by a rulemaking process (rather than licensing) with an 18-month timetable for temporary storage of nuclear waste at Yucca Mountain or any other site. NRC Chairman Diaz was consulted. *NEC has prepared a memo for our office outlining the communications and political challenges of this approach before proceeding, but DOE must provide legislation that reflects the agreement that Deputies came to on 3/17 before we can move forward. NEC has contacted DOE and told them they are holding up the process. The Senate Energy Committee indicated to NEC they may introduce their own language by the end of next week if we don't have our own legislative language prepared. Lisa Epifani of NEC, David Hill (GC of DOE) and Deb Fiddelke of OLA met with EPW Staff Director (Andy Wheeler) and Energy Staff Director (Bruce Evans) about Yucca introduction and roll-out. Chairmen Inhofe and Domenici have talked briefly and want to work cooperatively. Until the Parliamentary rules, it is not clear which Committee will have jurisdiction. The group considered the possibility of the Chairmen each introducing their own jurisdictional items in a bill that the other could co-sponsor.*

## POLICY TIME – MARCH/APRIL 2006

SUN	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT
19	20 NO TIME	21 NO TIME	22 4:15-5:00 DPC/HSC: Immigration (45 min)*	23 11:10-11:55 NEC: Economic Update (45 min)	24 NO TIME	25
26	27 11:10-11:55 DPC: Competitiveness Update (45 min)*	28 1:45-2:15 DPC: Postal Reform (30 min)	29 NO TIME	30 NO TIME	31 NO TIME	1
2	3 NO TIME	4 2:10-2:55 Rove (45 min)	5 TBD	6 1:05-1:50 NEC: Katrina Periodic Update (45 min)*	7 NO TIME	8
9	10 TBD NEC: Energy Update (45 min)	11 NO TIME	12 <i>TBD WTO (45 min) tent.</i>	13 TBD NEC: China (45 min)	14 NO TIME	15
16	17 TBD NEC: Health Update (45 min)*	18 TBD Rove (45 min)	19 TBD	20 TBD	21 TBD	22

3/22/06

**Possible April Policy Times: AMT; Endangered Species Act; Flood Insurance Reform; Voting Rights Act**

**Regular Reports: Competitiveness, Energy, and Health; Economic Update (every 5 weeks); Katrina Update (every 3 weeks)**

\* Indicates Cabinet Member Attendance

## Working Group Calendar

### WORKING GROUP CALENDAR

Monday, March 20 <sup>th</sup>	Tuesday, March 21 <sup>st</sup>	Wednesday, March 22 <sup>nd</sup>	Thursday, March 23 <sup>rd</sup>	Friday, March 24 <sup>th</sup>
<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  <b>9:30 NEC: Weekly American Energy Initiative Action Team (JK)</b>  <b>11:00 NEC: Weekly Health Care Action Team (JK)</b>  <b>3:30 DPC: Weekly ACI Action Team Meeting (MJ)</b>  <b>5:00 NEC: Weekly Entitlement Action Team (JK)</b>	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  9:15 DPC: Weekly DOT Call – PCC (MJ)  3:00 DPC: Weekly ED Call – PCC (MJ)  5:30 DPC: Weekly DOJ Call – PCC (MJ)	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  9:00 NEC: Principals Meeting on Katrina (SM)  11:00 DPC: Weekly Conf Call w/ DOL (MJ)  2:00 DPC: Meeting on Enzi Small Business Health Plan – PCC (JK)  4:00 NSC: Meeting on Refugee Admissions – PCC (MJ)  5:00 DPC: Meeting on Online Pharmacies – PCC (MJ)	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  10:00 DPC: Weekly Call w/ HHS (JK)  11:00 DPC: Meeting on Medical Liability – PCC (MJ)  3:15 NEC: Weekly Medicare Meeting – PCC (JK)  4:00 NEC: Weekly Medicaid Meeting – PCC (JK)	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  9:00 DPC: Briefing by DOL on Job Corps program (MJ)  12:30 HSC: Meeting on Border & Transportation Security – PCC (MJ)  2:00 OSTP: Meeting on ICANN (JK)  2:00 HSC: Meeting on Information Sharing – PCC (MJ)  3:00 HSC: Deputies Meeting on Katrina Lessons Learned (MJ)

## Working Group Calendar

Monday, March 27 <sup>th</sup>	Tuesday, March 28 <sup>th</sup>	Wednesday, March 29 <sup>th</sup>	Thursday, March 30 <sup>th</sup>	Friday, March 31 <sup>st</sup>
<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  <b>9:30 NEC: Weekly American Energy Initiative Action Team (JK)</b>  <b>11:00 NEC: Weekly Health Care Action Team (JK)</b>  12:00 DPC: Meeting on FAA financing proposal – PCC (MJ)  <b>2:30 NEC: Weekly Entitlement Action Team (JK)</b>  <b>3:30 DPC: Weekly ACI Action Team Meeting (MJ)</b>	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  9:15 DPC: Weekly DOT Call – PCC (MJ)  3:00 DPC: Weekly ED Call – PCC (MJ)  5:30 DPC: Weekly DOJ Call – PCC (MJ)	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  11:00 DPC: Weekly Conf Call w/ DOL (MJ)	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  10:00 DPC: Weekly Call w/ HHS (JK)  3:30 NEC: Weekly Medicare Meeting – PCC (JK)  4:00 NEC: Weekly Medicaid Meeting – PCC (JK)	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>

OFFICE OF CABINET LIAISON



CABINET MEMBER SCHEDULE

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THURSDAY 03/23/2006

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**Secretary Gutierrez**

10:00am – 10:30am      **Roosevelt Room**      President's Meeting on Immigration Reform

**Secretary Rice & Director Bolten**

11:10am – 11:55am      **Oval Office**      Policy Time: Economic Update on Canada and Mexico

*Participants:*

White House

Vice President

Andrew Card, CoS

Karl Rove, DCoS

Steve Hadley, NSC

Dan Bartlett, Counselor

Candi Wolff, OLA

Scott McClellan, Press Secretary

David Addington, OVP

Nicolle Wallace, Communications

Al Hubbard, NEC

Ed Lazear, CEA

Faryar Shirzad, NSC

Steve McMillin, CoS Office

Daniel Fisk, NSC

Matthew Slaughter, CEA

**Attorney General Gonzales**

1:30pm – 2:10pm      **Room 350**      Meeting on Immigration with Leaders of the Hispanic Faith Community

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FRIDAY 03/24/2006

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**Secretary Chao**

12:00pm – 1:00pm      **WH Mess**      Lunch with Dr. Ed Lazear and Laura Genero, Associate Deputy Secretary, Department of Labor

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MONDAY 03/27/2006

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**Administrator Johnson**

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## Secretary Spellings & Director Bolten

11:10am – 11:55am      **Oval Office**      Policy Time: Competitiveness Update

### *Participants:*

#### White House

Vice President

Andrew Card, CoS

Karl Rove, DCoS

Dan Bartlett, Counselor

Candi Wolff, OLA

Scott McClellan, Press Secretary

David Addington, OVP

Harriet Miers, Counsel

Nicolle Wallace, Communications

Brett Kavanaugh, Staff Secretary

John Marburger, OSTP

Steve McMillin, CoS Office

Tevi Troy, DPC

Richard Russell, OSTP

Martha Wilson, DPC

## Secretary Mineta

2:00pm – 4:00pm      **Room 164**      Office Time

## Secretary Johanns, Secretary Jackson & Secretary Spellings

4:00pm – 5:00pm      **CL Conf Room**      Medicare Surrogate Principals Briefing

### *Participants:*

#### White House

Barry Jackson, Senior Advisor's Office

#### USDA

Chuck Conner, Deputy Secretary

#### DOC

David Sampson, Deputy Secretary

#### SSA

Jo Anne Barnhart, Commissioner

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**TUESDAY 03 / 28 / 2006**

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## Secretary Spellings

9:00am – 9:30am      **Room 164**      Meeting with Dr. Ed Lazear

## Cabinet Members

9:50am – 10:50am      **Cabinet Room**      President's Cabinet Meeting

## Secretary Spellings

3:10pm – 3:55pm      **TBD**      President's Meeting with Members of the Senate on the Education Component of Competitiveness

## Secretary Johanns

4:00pm – 4:45pm      **CL Conf Room**      Kitchen Cabinet Meeting

### *Participants:*

#### White House

Jim Connaughton, CEQ

#### USDA

Chuck Conner, Deputy Secretary

Neil Patel, OVP  
Barry Jackson, Senior Advisor's Office  
David Anderson, OMB  
Megan Hauck, OLA  
Peter Rowan, OLA  
Michael Sommers, NEC  
Greg Schildwachter, CEQ

Dale Moore, CoS  
Drew DeBerry, DCoS  
Beth Johnson, DCoS  
Terri Teuber, Director Of Communications

4:45pm – 5:15pm

**Room 164**

Meeting with Dr. Ed Lazear

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**WEDNESDAY 03 / 29 / 2006**

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**Secretary Jackson**

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