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**Subject:** Night Note 5/22  
**Sent:** Mon, 22 May 2006 20:25:48 -0500  
[Pending Issues 5-22.doc](#)  
[Policy Time Calendar 5-22.doc](#)  
[Working Group Calendar 5-22.doc](#)  
[Cabinet Member Schedule 5-22.doc](#)  
[Policy Time Checklist.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, and the Policy Time Checklist.

Thanks,  
James  
x61475

May 22, 2006

MEMORANDUM FOR JOSH BOLTEN, JOEL KAPLAN, KARL ROVE, JOE HAGIN, and  
MIKE GERSON

FROM: STEVE MCMILLIN, JEREMY KATZ, and MYRIAH JORDAN

RE: NIGHT NOTE

**Immigration Reform.** The Senate continued debate today on the comprehensive immigration reform bill. An amendment by Senator Chambliss regarding the prevailing wage for agriculture workers was tabled 50-43 (we were silent). An amendment by Senator Ensign regarding National Guard support for securing the Southwest border was adopted 83-9 (we did not take a public position, but if asked, said this was consistent with what the President called for in his speech). Debate will continue tomorrow, with a vote on Senator Feinstein's "Orange Card" amendment expected tomorrow morning. That amendment would restore McCain-Kennedy-like provisions to the full population of undocumented workers. McCain's staff members have said that McCain will oppose the amendment, as will most Republicans, in order to preserve the compromise (we are currently planning on opposing the amendment, but have not stated a public position yet). Frist filed cloture tonight, and a cloture vote will occur on Wednesday.

**GSEs.** Tomorrow OFHEO will release its report on Fannie Mae. The report will be extremely critical and say they created a façade, acted as if Fannie was a low-risk institution, didn't follow GAAP, manipulated earnings to maximize their bonuses (paid over \$100 million in bonuses) and developed a "culture of corruption" in which the board was "asleep at the switch". It's important to stress that this report is much more critical than the Rudman report released in February. Not only does this report implicate the Board, it also suggests that the lack of internal controls extended over a multi-year period and still remains unsatisfactory. NEC is working with Treasury, as they will be the lead voice in commenting on the report. Tomorrow a settlement may be announced between OFHEO, the SEC and Fannie Mae. NEC's understanding of the settlement terms (which could change) is Fannie agrees to pay \$400 million in fines and also limit the size of their portfolio.

**VA Information Theft.** The ID Theft task force met this afternoon for the first time. It was hosted by the AG, with Deb Majoras and Secretary Nicholson in attendance. Other attendees included representatives from Cabinet agencies, OMB, SSA, and the bank regulators. The meeting began without press. Nicholson described the facts of the VA incident. Members briefly discussed the OMB memo to agencies regarding information security practices, and decided that Clay Johnson would send other interagency memos if, upon further review, anyone had suggestions about additional items to emphasize (such as a review of laptop policies). The task force then moved to a discussion of general organizational matters. DOJ proposed a structure of 4 subgroups (focusing on law enforcement, education, data security, and policy/legislation), and all agreed that the proposed structure made sense. Press was then brought into the room. Gonzales, Majoras, and Nicholson all spoke - providing the basics about the task force, the description of the incident, and the government response. There were a few questions, mainly directed to Nicholson about when he found out and why the Department "delayed" notification. Nicholson gave relatively vague answers and Gonzales provided back-up that it was important not to interfere with the ongoing

investigation. The press seemed satisfied with the answers and when they were given the direction of "one more question," it was about the FBI raid on Rep. Jefferson's office. In addition, DPC and WHC worked with VA and the IRS to finalize plans for mailing out the notification letters to veterans. Based on IRS calculations, it will take 3-4 days to match the names and social security numbers to addresses and then assuming the IRS can get the appropriate contractual waiver from the Government Printing Office, they should be able to have a contract in place within a week and send out all the letters within 2-3 weeks. Note, this is substantially quicker than the original 90 days that IRS was saying it would take to get the letters out this morning. Initial reports suggest the 1-800 number had steady traffic and websites have received substantial traffic. OMB will have more specific projections this evening. DPC is working with Cabinet Liaison on a more replete report of today's events this evening that will be sent around to senior staff.



**NOTE:**        ***Bold Italics = New Tonight***  
                     *Regular Italics = New Last Night Note*  
                     Regular Text = Older than 2 Night Notes

### **Other Issues**

- Advanced Energy Initiative (Epifani/NEC; Katz)
- Airline Industry (Sharp/DPC; Jordan)
- Airlines Foreign Investment Rule (Sharp/DPC; Jordan) – OMB cleared DOT's Supplemental Proposed Rule on Airlines Foreign Investment on 5/1, and it has been sent to the Federal Register. DOT hopes to use this interim, non-final rule to tamp down Hill opposition to the rule and to strike the prohibition attached to the Senate Supplemental Appropriations bill.
- AHPs (Leggitt/DPC; Katz)
- Amtrak (Sharp/DPC; Jordan)
- *American Competitiveness Initiative (Snyder/DPC; Jordan) – Senate Commerce Committee approved its innovation legislation on 5/18 by a unanimous vote, with little debate and without mention of the Administration's letter in opposition. The bill and accepted amendments remain inconsistent with ACI in nearly every way. Among other things, the bill authorizes a host of new programs that focus on non-ACI priorities (such as technology development and commercialization), and authorizes funding levels well in excess of the President's request.*
- Asbestos (Ho/DPC; Jordan)
- ***Avian Flu (Venkayya/HSC; Katz) – The World Health Assembly began its meeting today. Leavitt addressed the body. He announced that the USG is positioning an unspecified amt of tamiflu in Asia for a containment response.***
- Aviation Security (Baker/HSC; Jordan)
- *Aviation System Financing (Sharp/DPC; Jordan) – On 5/18, DPC convened a meeting with DOT, Treasury, OVP, CEA, OMB, and HSC to discuss FAA's financing proposal and to develop options for Deputies. DOT agreed to get back to the group on General Fund financing, General Aviation's (GA) share of the funding burden, the mechanism for collecting fees from GA, and mandatory budget treatment for FAA operations. DPC may convene another working group meeting early this week prior to scheduling a Deputies meeting.*
- ***Boycott Countries (Shirzad/NSC; Katz) – NSC hosted a PCC meeting on 5/8 with Treasury, State, USTR and Commerce to discuss whether to include Oman and Iraq on Treasury's statutorily-required list of boycotting countries and to coordinate the Treasury list with those lists maintained by State and Commerce under separate authorities. Treasury and USTR are working to obtain further documentation from Oman conclusively establishing that Oman does not comply with the Arab League Boycott in law or practice - though most agencies do not think added justification is required. Treasury and State will also assess at the deputies level whether one of two compromise approaches are acceptable (listing Iraq w/ an explanatory footnote or omitting it, but with an explanatory footnote). Agencies were also asked to consider whether their respective lists should be further revised to remove Bahrain. NSC has drafted a memo for Mr. Hadley's and Dr. Crouch's consideration regarding the treatment of Iraq and will host a deputies meeting if needed.***
- *BSE (Herrmann/NSC; Katz) – NSC staff met on 5/18 with USDA to discuss how to reopen Japan's market to U.S. beef and how it relates to PM Koizumi's visit to the White House on 6/29. NSC believes there is recognition in Japan that this issue should be resolved soon in order to avoid a decision at the time of the visit that would frame re-opening as a political*



*(rather than scientific) decision. Standing in the way of this, however, is the fact that Koizumi will be leaving office in 9/06 and his Cabinet Secretary (who has ambitions to succeed Koizumi) and others are not anxious to get their hands dirty on this difficult issue by pushing to re-open the market. USDA recently transmitted to the Japanese government its report reviewing regulatory compliance by U.S. companies that would potentially be exporting beef to Japan. The Japanese have had some additional follow-up questions, but have basically accepted the USDA report. On 5/18, Senator Baucus reportedly sent a letter to Koizumi emphasizing that this issue should be resolved promptly. U.S. industry has been making the rounds on the Hill to energize their supporters, but USDA's view is there does not appear to be significant pressure for moving a sanctions/retaliation bill at this time.*

- Boutique Fuels (Epifani/NEC; Katz)
- Boycott Countries (Shirzad/NSC; Katz)
- CAFE (Sharp/DPC; Katz)
- CALEA (Russell/NEC; Katz)
- ***California Levees (Bear/CEQ; Jordan) – Following up on the May 1 interagency agreement to expedite levee repair, Federal and State officials have agreed to collaborate on a joint endangered species impact analysis due for inter-agency review on June 7. All federal design submissions for California levees are on track. However, many State designs are behind schedule, due in large part to continued high waters that have prevented the State's contractor from obtaining survey and other information. Federal resource agencies have pledged to work with the State and its contractor by beginning the preview process with limited data. If the State's submission is sufficient, the endangered species analysis should be finalized by June 15.***
- Campaign Finance Reform (Ho/DPC; Jordan)
- Canadian Lumber (Shirzad/NSC; Katz)
- Career Advancement Accounts (Sharp/DPC; Jordan)
- ***Cargo Security/TWIC (Baker/HSC; Jordan) – DHS issued a press release on 5/9 announcing the TWIC NPRM. OMB cleared the TWIC Notice of Proposed Rulemaking (NPRM) on 5/8. Although the final fee level will be set in the Final Rule, the initial estimate is approximately \$139 for most applicants. Workers who have already had a full or equivalent background check by DHS (HAZMAT drivers, Merchant Mariner License holders, and Free and Secure Trade (FAST) participants) will pay a reduced fee of approximately \$105. The Transportation Security Administration and the U.S. Coast Guard plan 4 public hearings May 31 – June 8. The public will have 45 days from the date of publication to provide comment. We expect significant media coverage and public comment.***
- ***CDBG (Streeter/DPC; Jordan) – On 5/9, after 2 passbacks, OMB cleared the CDBG Reform legislative proposal and HUD is finalizing the package for transmittal to the Hill. There are no substantial changes to the key reforms on the formula, performance measures, or challenge grants. HUD was planning a series of briefings last week but no briefings have been set up thus far and DPC doesn't yet know why.***
- Census Monitoring Board Legislation (Ho/DPC; Jordan)
- ***CFIUS Reform (Hunter/NSC; Katz) – The House Homeland Security Committee, making good on a commitment by Rep. King to his minority counterpart Rep. Thompson (MS), is holding a hearing Wednesday (5/24) to review CFIUS consideration of critical infrastructure under CFIUS cases. Treasury sought to delay the hearing but was unable. A/S Lowery and A/S Baker will testify for the Administration.***



- CFIUS: Alcatel (France)/Lucent (US) (Hunter/NSC; Katz) – The companies met with CFIUS agencies on 4/25 to provide background on their merger. They are forming a "proxy"/ independent U.S. subsidiary with a U.S. board to handle USG contracts, ie. Bell Labs. Alcatel is currently operating under a Special Security Agreement for U.S. operations. Next Steps: The companies have not yet determined when they will file. On 4/28, Rep. Hunter sent a letter to the President noting approval for the Dubai Holding case but that he is “skeptical whether the current CFIUS process could provide adequate, verifiable assurances that” highly classified work by Bell Labs “will be protected”. Sen. Schumer has said he is ok with the deal.
- CFIUS: Axalto (NL)/Gemplus (Luxembourg) (Hunter/NSC; Katz) – CFIUS decided on 5/4 to initiate a 45-day investigation of the proposed Axalto/Gemplus merger, given open questions raised during the 30-day review period. The companies were offered the opportunity to withdraw their filing to allow CFIUS to complete its analysis without putting the case on trajectory towards the President's desk. However, the companies prefer the certainty of the investigation's schedule. NSC is developing, with Treasury and lead agencies, a work plan for the investigation and recommendation to the President. Day-45 of the investigation is Monday, June 19th, and the President's report would be due on July 5th. Axalto (NL) and Gemplus (Lux) are EU companies with U.S. subsidiaries producing smart cards used for multiple purposes including federal IDs. The transaction is valued at \$200 million.
- ***CFIUS: EADS (NL)/Dynamic Process (U.S.) (Hunter/NSC; Katz) – Day-30 was 5/19. CFIUS agencies determined not to go to investigation on the EADs transaction. Treasury is notifying the respective committees of jurisdiction on 5/22. The value of the transaction is \$11 million.***
- CFIUS: Elbit (Israel)/Sandel (U.S.) (Hunter/NSC; Katz) – On Friday, 5/12, CFIUS agencies determined not to go to investigation on the the Elbit transaction. Treasury notified the respective committees of jurisdiction on 5/15, and has not received negative feedback.
- ***CFIUS: EMAAR Properties (UAE)/WL Holmes(U.S.) (Hunter/NSC; Katz) – Day-30 was 5/19. CFIUS agencies determined not to go to investigation on the EMAAR transaction. Treasury is notifying the respective committees of jurisdiction on 5/22. Value of the transaction is \$1.2 billion.***
- ***CFIUS: Gerdau (Brazil)/Sheffield Steel (U.S.) (Hunter/NSC; Katz) – Day-30 was 5/18. All agencies have approved this transaction, and it will not go to investigation. No Congressional concern have been raised, and Treasury notified the relevant Congressional Committees and Members on 5/19. Gerdau owns and operates steel mills throughout North and South America, including 15 mills in the United States. Sheffield steel, from Oklahoma, is a regional producer with no USG contracts and no products with particular military applications. The value of the transaction is \$198 million.***
- ***CFIUS: Iberdrola (Spain)/Community Energy (U.S) (Hunter/NSC;Katz) Day-30 is May 26; \$30 mil. Iberdrola is a large and diverse EU energy company. Community Energy, located in Wayne PA, is a developer and owner of wind energy generation facilities on the east coast that also trades in Renewable Energy Credits. This case appears unproblematic.***
- CFIUS: Toshiba (Japan)/Westinghouse (UK) (Daly/NSC; Katz) – On 5/2, Toshiba and Westinghouse formally filed their request for a CFIUS review. Day 30 of the review is 6/1, and Day 45 of any potential investigation would be 7/17, well after PM Koizumi's visit during the week of 6/26. DNI's draft intel report identified one sensitive issue, in light of Japanese export control actions, and DOE is negotiating a security agreement. Rod Hunter of NSC held a meeting with Treas, DOE, DOD, and DHS to review management of the case. DOE briefed on status of negotiations on a security agreement, and on their sense of the risks presented by the



*transaction (Bodman thinks the risk is minor & manageable). DOE disagreed with the draft DNI assessment of vulnerability (and will be working with the DNI on the factual inaccuracies of their assessment). Taskings from the meeting include: 1) DOE will assess the adequacy of existing nuclear material supplies to cover the period required to find an alternative supplier, 2) DOD & DOE will assess their authority under the Defense Production Act or elsewhere to compel continued supply of nuclear material; and 3) agencies will check on Hill sensitivities. NSC hopes to close this case at the review stage.*

- **Children's Safety Act (Ho/DPC; Jordan)** – With almost no fanfare, the Senate passed the Children's Safety Act on 5/4 by unanimous consent. The House passed its version of the bill in November and again in March, but Senator Kennedy had placed a hold on the Senate version, insisting on provisions that would make offenses actionable as hate crimes if based on sexual orientation. After Senator Kennedy agreed to remove his hold last on 5/4, Leader Frist hotlined the bill for consideration by the full Senate. The Children's Safety Act would require states to notify one another when a sex offender moves from one state to another, and make it a federal crime punishable by up to 20 years in prison for sex offenders who refuse to comply with registration requirements. The House and Senate bills will need to be conferenced, as the House version contains additional provisions addressing judicial security and other crime issues that the Senate version does not.
- **Civil Rights (Ho/DPC; Jordan)**
- **Clean Air Act (Stolpe/CEQ; Jordan)**
- **Climate Change (St. Martin/CEQ; Jordan)** – *Jim Connaughton gave an open press speech on clean development and climate at AEI Friday as part of an effort to communicate our successful climate change policies ahead of Al Gore's movie "An Inconvenient Truth" that premieres May 24th. Additional communication items in addition to the speech include a climate change pocket card that will be used by surrogates and spokespeople as well as handed out to hill press staff. Last Sunday, Fox News aired their climate change piece that includes an interview with Connaughton that will counter the opinion that the "US is doing nothing on climate change"- Connaughton will also do one on ones with press this week and CEQ will coordinate other internal spokespeople to amplify our message.*
- **Columbia River Salmon (Schildwachter/CEQ; Jordan)** – *As arguments in the 9th Circuit Court of Appeals approach (scheduled for June 1st), CEQ has requested the agencies of the Federal Caucus to prepare for the contingency of a contrary ruling. If the court denies the federal appeal, the standard will be changed for all Endangered Species Act findings on federal actions in the 9th Circuit. These findings, called Biological Opinions, will need to be rewritten to comport with the new standard that requires unspecified commitments beyond only avoiding harm to species. Agencies are now compiling the list of opinions, which have been written for all federal water projects, hatcheries, harvest plans, public land management plans, and all other actions authorized, funded, or carried out by the federal government. The list itself will be a compelling statement on the sweep of District Court Judge Redden's decision on the federal hydropower system. CEQ reports that reopening these documents is a startling event to many diverse interests under normal circumstances and will be even more so under orders to apply a more difficult standard.*
- **Community Service Executive Order (Troy/DPC; Jordan)**
- **Cooperative Conservation (Butler/CEQ; Jordan)** – *The Cooperative Conservation Task Force Senior Policy Team met on 5/19 to develop a legislative strategy for the Cooperative Conservation Legislative Package. They determined that the following sequencing would be most consistent with related ongoing efforts: a) Confirmation and swearing in of Governor*



*Dirk Kempthorne as Interior Secretary; b) Announcement of the Northwest Hawaiian Islands Marine Sanctuary; c) Circulation of Cooperative Conservation legislative summary for informal comment; d)ESA rule release. e) Formal transmittal of the Cooperative Conservation Package. Note, it is possible that ongoing discussions with the Hill could result in the Cooperative Conservation package being transmitted ahead of the release of the ESA rules. However, barring unforeseen circumstances, neither will occur before Governor Kempthorne is seated.*

- Critical Infrastructures Protection (Nielson/HSC; Jordan)
- *Doha (Shirzad/NSC; Katz) - Al Hubbard hosted a meeting today on Doha strategy with Ambs. Portman and Schwab and Sec. Johanns. In light of the absence of alternatives, Schwab believes we should allow trade ministers to continue talks through June, with a crisis likely to occur in late June given an expected lack of progress. She also believes we should continue to make our redlines clear to Lamy. Two possible outcomes from the crisis are: (1) a modest deal by the end of the year based on a text tabled by Lamy; or (2) a pause in the talks until after the French presidential elections in Spring 2007, effectively putting off Doha's conclusion and the Farm Bill's reauthorization until after President Bush leaves office. During the meeting, Faryar Shirzad also noted the need to decide: (1) whether Lamy, like heads of other international economic organizations, should be invited to the G8 Summit (USTR supports); and (2) whether to push for a meeting on Doha during the Summit (principals did not reach a view).*
- DOT Congestion Initiative (Sharp/DPC; Jordan) – On 5/15, Secretary Mineta briefed WH staff on DOT's comprehensive strategy for reducing traffic congestion around the country. The six-point plan is designed to relieve urban congestion, increase the use of public-private partnerships, promote operational and technological improvements, target major freight and passenger corridors, and accelerate aviation capacity improvements. The Secretary rolled out this plan on 5/16 in a speech to the National Retail Federation.
- *DC Voting Rights (Streeter/DPC; Jordan) – Davis's bill, which passed out of the House Government Reform committee on Friday and was sent to Judiciary, would give DC a representative in the House. WHCO and OLC have reviewed the bill following an EOP meeting last Friday. They maintain that Davis's bill is not constitutional, first, because representation requires statehood, and second, because DC cannot be construed to be a state. They disagree with the Starr/Dinh view that the Constitution's "district clause" gives Congress the ability to establish representation for DC in the House. Their view is that the Constitution allows Congress to legislate on DC-related matters, but that it cannot trump other more specific provisions in the Constitution, i.e., that only states are allowed to have representatives. There is currently no activity scheduled in Judiciary for the bill.*
- Drugs (Katsurinis/ONDCP; Katz)
- Drug Reimportation (Leggitt/DPC; Katz)
- Education Growth Models (Snyder/DPC; Jordan)
- Eminent Domain EO (Ho/DPC; Jordan) – A deputies meeting was convened on 4/28 to consider a DPC-drafted Executive Order that would address the Supreme Court's 2005 decision in Kelo by stating that (a) the federal government's exercise of eminent domain shall be available only for public use, and (b) the term "public use" shall not be construed to include economic development. Deputies were generally supportive of the proposed EO. The EO will be submitted upon approval from Dan Bartlett.
- *Endangered Species Act (Schildwachter/CEQ; Jordan) – CEQ held a deputies-level meeting today to review progress on development of revised regulations for improved implementation*



*of the Endangered Species Act. The draft regulations are ready for proposal and public comment, but await Governor Kempthorne's review (after his confirmation) and a principals meeting regarding the timing for public release. OLA expressed little concern about the timing. No communicators attending the meeting (they were invited), and so CEQ is going to follow up on some of the concerns they've expressed previously, providing message material for communications review. Communicators have, in the past, expressed concern about publicity on the issue, but such publicity is not tied to timing. CEQ will also draft a memo for principals exploring the option of a complementary legislative proposal. CEQ expressed concern that they have had difficulty getting leadership at DOC/NOAA to engage on the issue. No one from the agency attended the meeting, and they have not attended most meetings on the subject, even though it is a joint NOAA-Interior issue (Secretary Scarlett attended).*

- Entitlement Commission (Blahous/NEC; Katz)
- Estate Tax (Kupfer/NEC; Katz)
- Everglades (Connaughton/CEQ; Jordan)
- Farm Bill (Hennessey/NEC; Katz)
- FDA (Leggitt/DPC; Katz)
- *Federal Marriage Amendment (Moreland/DPC; Jordan) – The Senate Judiciary Committee approved the Federal Marriage Amendment on 5/18 on a party line 10-8 vote. A floor vote is expected during the week of June 5.*
- Federal Sentencing Guidelines (Ho/DPC; Jordan)
- FHA Reform (Streeter/DPC; Jordan)
- Flood Insurance Program (Kupfer/NEC; McMillin)
- Florida's Herbert Hoover Dike (Copeland/CEQ; Jordan)
- Florida Levees (Copeland/CEQ; Jordan)
- National Forest Management (Schildwachter/CEQ; Jordan)
- Foster Care Waivers (Pardue/DPC; Jordan)
- Freedom Corps E.O. (Sayle/USAF; Jordan)
- Fuel Waiver (Epifani/NEC; Katz)
- Gangs (Ho/DPC; Jordan)
- GSEs (Kupfer/NEC; Katz)
- ***Health IT (Leggitt/DPC; Katz)*** – Secretary Leavitt met on 5/18 with DPC, OMB, and HSC to discuss his strategy for facilitating adoption of the 2006 health IT standards that the AHIC will deliver this September. Leavitt recommends that in 2007 we require providers as a condition of doing business with the Federal government (i.e., CMS, DOD, OPM) to adopt/implement the AHIC health IT standards. ***DPC will convene Deputies on 5/30 in the first step of a policy process headed towards policy time with the President.***
- Helping America's Youth (Parker/DPC; Jordan)
- HHS Vouchers (Towey/OFBI; Jordan)
- Homelessness (Pardue/DPC; Jordan)
- Housing (Streeter/DPC; Jordan)
- Human Trafficking (Streeter/DPC; Jordan)
- ***Hurricane (Connaughton/CEQ; Jordan) – NOAA released an updated forecast for the 2006 Atlantic hurricane season. NOAA predicts eight to 10 hurricanes, including four to six major storms of Category 3 or higher. Last year, there were 15 hurricanes. "Although NOAA is not forecasting a repeat of last year's season, the potential for hurricanes striking the US is***



*high," said NOAA Administrator Conrad Lautenbacher. The 2005 hurricanes' flooding and power outages took out around 2.6 million b/d of refining capacity along the Gulf Coast and the process of restarting the last of those downed refineries -- a Murphy Oil plant near New Orleans -- has only recently gotten underway. To avoid a rerun of last year's chaos, operators of onshore facilities such as refineries, processing plants and pipelines have been stockpiling essential materials and buying emergency generators and satellite phones.*

- Immigration Assimilation (Ho/DPC; Jordan)
- Immigration: No Match (Baker/HSC; Jordan) – HSC held a meeting on 5/4 to discuss disagreement over release of the DHS no match rule. OLA still thinks that this could be disruptive to proposed legislation on the Hill. DHS still feels strongly about releasing the rule, and Sec. Chertoff would like to contact Grassley and Frist to see if this rule would be problematic for them. It was agreed that OLA will contact Frist's office, and see if Frist is concerned about release of the rule.
- Immigration: Refugees/Material Support (Ho/DPC; Jordan)
- Immigration Worksite Enforcement (Baker/HSC; Jordan)
- Indian Gaming (Ho/DPC; Jordan)
- Indian Trust/Cobell (Ho/DPC; Jordan)
- Intellectual Property Rights (Shirzad/NSC; Katz)
- Iraq Consistency of Benefits (O'Sullivan/NSC; Jordan)
- Katrina: FEMA and Charter Schools (Snyder/DPC; Jordan)
- Katrina: Gulf Coast Office (NEC; Jordan)
- Katrina Housing Rebuilding Plan (Streeter/DPC; Jordan)
- Katrina Insurance (Kupfer/NEC; Katz) – There have been numerous complaints that insurance companies are raising premiums and pulling out of the Gulf Region - and thus hindering the rebuilding efforts. Chairman Powell sees this as a serious problem and on 5/17 convened a meeting with the American Insurance Association and some member companies (offering both homeowners and commercial coverage). The meeting participants described a number of factors that limit their desire to participate in the affected markets - including deficient building codes, lack of code enforcement, pending lawsuits challenging existing contract terms, and the state of the rebuilt levies. There was no consensus on how to address the lack of private insurance, with some participants advocating for federal involvement and others saying that would be the wrong approach. Powell's staff intends to have some follow up meeting with the participants, and NEC will continue to monitor. In other relevant news, the City of New Orleans announced on 5/15 a \$150 million line of credit from a lenders group consisting of four banks, led by JP Morgan Chase. The city has also provided some updated financial information to staff, and the data suggests that the line of credit should be enough to fund the city's operating deficit until cash flow turns positive in a few years.
- Katrina Mobile Homes (Streeter/DPC; McMillin)
- *Katrina: New Orleans Levees (Copeland/CEQ; Jordan) – CEQ is coordinating with the Office of the Federal Coordinator for Gulf Coast Rebuilding on the roll-out for the Interagency Performance Evaluation Team (IPET) report due to be released on June 1. At issue is how the IPET's risk and consequences analysis differs from FEMA's interpretation. Currently, the plan is to describe the methodology and purpose of the risk analysis in the draft final report on June 1, but to defer releasing any hard results for at least 30 days after the report to allow for close coordination with FEMA and all communications staff at involved agencies.*



- ***Katrina: Report on New Orleans Levees (Copeland/CEQ; Jordan)*** – A group of independent investigators has released a report entitled: “Investigation of the Performance of the New Orleans Flood Protection Systems in Hurricane Katrina on August 29th, 2005.” The 547-page report concludes that armoring levees is good, and clay should be preferred in construction of new levees. One surprise was the declaration that the failure at INHC/9th Ward was not caused by overtopping, but by under-seepage. The report also states that more detailed scientific analysis is required. There were a few press accounts of the report today. CEQ is preparing a more detailed summary of the report.
- **Katrina Sub-group Accountability (Snyder/DPC; Jordan)** – Secretary Spellings hosted a “reporter roundtable” on 5/17 where she made a policy announcement regarding Katrina-sub group accountability. Following Hurricane Katrina, ED established flexibility around the accountability provisions for states impacted by Hurricane Katrina and those states enrolling large numbers of displaced students. States who have been instructing a high number of displaced students following this past summer’s Gulf Coast hurricanes are creating a unique ‘subgroup’ for accountability purposes to ensure that they receive focus and attention within a fair system. For accountability purposes only, ED has approved 5 states (Alabama, Arkansas, Georgia, Tennessee, and Texas) to establish a unique subgroup of displaced students. A school will not be identified for improvement if this subgroup is the only reason the school did not make AYP. There are several provisions on this flexibility including students must be assessed; states must report results for the displaced students; schools will be held accountable for ensuring these students participate in the assessment; and the State must provide remedial education assistance if a student is not proficient on State’s assessments. In addition to the flexibility for states with large numbers of displaced students, ED has approved Louisiana and Texas to implement the flexibility option that allows a school not to move forward in the “improvement” timeline if the reason for “failure” is tied directly to a natural disaster. Note: Mississippi and Florida have not asked for any flexibility as of yet associated with accountability and the students affected by the hurricanes.
- **Klamath Basin (Schildwachter/CEQ; Jordan)**
- **Legal Reform (Ho/DPC; Jordan)**
- **Lobbying Reform (Kelley/WHC; Jordan)**
- ***Medicaid Commission (Ramthun/NEC; Katz)*** – The Commission last met on 5/17-18 in Dallas, TX. NEC hosted a PCC on 5/16 where HHS presented Leavitt’s preliminary ideas on the future of the program and how the Commission fits into that vision. Deputies convened on 5/19 and will ***reconvene on Wednesday of this week before Principals meet on Thursday*** and we move forward to ***policy time with the President on 6/2.***
- **Medical Liability Reform (Ho/DPC; Jordan)**
- **Mine Safety (Sharp/DPC; Jordan)**
- **MS Homeowner Compensation Plan (Streeter/DPC; McMillin)**
- ***Mt. Soledad Cross (Ho/DPC; Jordan)*** – IGA convened a meeting today with San Diego Mayor Jerry Sanders and a member of Congressman Duncan Hunter's staff to discuss the situation regarding the Mt. Soledad memorial. A federal district court has ordered the city to remove a large cross that is part of a veterans memorial. Congressman Hunter and the Mayor have requested that the federal government begin condemnation proceedings to bring the land within the National Park System. At the meeting today, the Administration reiterated what was stated in the letter sent to Congressman Hunter and Mayor Sanders last Friday, i.e., DOJ is looking at the issue and will determine what administrative avenues are available. A possible legislative remedy was also discussed, and Congressman Duncan's staffer said that



*Duncan has already talked to Rep. Lewis about addressing the issue in the supplemental appropriations bill. The Mayor expressed gratitude for the Administration's willingness to consider the issue and said he did not want to put the President and the Administration in a difficult position. The Mayor did ask, however, that the Administration inform him as soon as possible whether the federal government can act so that a contingency plan can be made.*

- NASA (Russell/OSTP; Katz)
- National Park System (Schildwachter/CEQ; Jordan)
- Native Hawaiian (Ho/DPC; Jordan)
- NCLB (Snyder/DPC; Jordan)
- New Orleans Elections (Ho/DPC; Jordan)
- New Source Review (Stolpe/CEQ; Jordan)
- Northwestern Hawaiian (Kuska/CEQ; Jordan)
- OCS (Epifani/NEC; Katz)
- *Oman FTA Movement in Congress (Nova/NSC; Katz) – On 5/10, the House Ways and Means Committee held a mock mark-up of the Oman FTA. The Senate Finance Committee held its mock mark-up on 5/18. Labor issues were contentious, as expected, and the Senate Finance passed their mock-mark with two amendments on labor issues (one requiring periodic reporting on forced labor and the other taking FTA benefits away in cases of slave labor). USTR is not pleased by these amendments as they will complicate the FTA's passage on the Hill. NSC is working with WH and USTR leg staff to determine the timing for introducing a final bill in Congress. As background, the purpose of a mock mark-up is to allow Congress the ability to advise the Administration (through a non-formal mark-up of draft legislation) on the content of the final FTA legislation.*
- Online Pharmacies (Ho/DPC; Jordan)
- Online Predators (Pardue/DPC; Jordan) – On 5/17, the Attorney General formally rolled out the Justice Department's Project Safe Childhood initiative. The initiative was first announced in February during the Attorney General's one-year anniversary speech. Nationwide implementation of the initiative will begin as U.S. Attorneys designate an official "PSC Coordinator," reach out to their law enforcement and community partners in their districts, develop a strategic plan, etc. The Justice Department also released a PSC guide, with an introductory letter from the President, containing more information about the Initiative as well as a special section on protecting children from online predators. Events for the rollout included the Attorney General's visit to the FBI Innocent Images headquarters, a roundtable at DOJ with various law enforcement and community leaders (including FBI Director Mueller and Assistant Secretary of DHS Julie Myers), and a press conference following the roundtable with Director Mueller, Assistant Secretary Myers, and National Center for Missing and Exploited Children President Ernie Allen. At the press conference, the Attorney General gave remarks and highlighted the new PSC guide.
- *Part D (Ramthun/NEC; Katz)*
- *Pensions (Blahous/NEC; Katz) – On Friday of last week, NEC received a debrief from Grassley staff of the current state of play in pension negotiations. The most troublesome new development seems to be an expansion of the airline funding relief into a general "troubled industry relief" provision, and it is troublesome mainly because it would permit plan sponsors to use their own actuarial assumptions rather than to use those that are mandated in the rest of the bill. This loophole could well likely lead to a very weak bill overall. As of Friday, NEC had planned to wait until we had a firmer outline to analyze before Hubbard would begin calls to Members, but today NEC/OLA agreed that it would better to call before Members are*



*locked into an agreement, even without the ability to do a quantitative analysis of the package. Talking points emphasize the problem with allowing plan sponsors to override the actuarial assumptions in the bill in order to use their own. On a separate note, Grassley and Baucus are introducing legislation to require that the PBGC Executive Director be a Senate-confirmed position. Thus far Labor, Treasury, Commerce, PPO and OLA staff have expressed opposition to this, so NEC believes this will likely be our position. Grassley staff have told OLA that the provision will not be included in the pension legislation.*

- *Pensions: DoE Contracting (Blahous/NEC; Katz) – DoE asked that a statement be cleared for the E&W SAP that would oppose section 312 of the bill. Section 312 would prohibit DoE from implementing their recently announced action to limit the growth of contractor reimbursements for pension plans. DoE's recommended language expressed opposition to the section on the grounds that the DoE policy is fair, represents best practices, and is a responsible approach to handling contract costs. NEC, OLA, and DOE have suggested changes to the language, but McMillin remains uncomfortable with this approach.*
- PEPFAR (Ho/DPC; Jordan)
- Philly Commuter Rail Labor Dispute (Sharp/DPC; Jordan) – The Southeastern Pennsylvania Transportation Authority (SEPTA) and its commuter rail employees represented by the Brotherhood of Locomotive Engineers (BLE) have been unable to reach a negotiated collective bargaining agreement and likely will be released from mediation this week by the National Mediation Board (NMB). Once released, the parties must maintain the status quo (no strikes or lockouts) for 30 days. If, during that 30-day period, one of the parties requests it (as we assume they will), the President is required to establish a Presidential Emergency Board (PEB) to keep the railroad running for at least another 60 days (total of 90 after NMB release) and to help resolve the dispute. PPO has vetted candidates for these positions, and WH Counsel's office will oversee clearance of an EO to create the PEB should it become necessary.
- Port Security (Rasicot/HSC; Jordan)
- Postal Reform (Sharp/DPC; Jordan)
- Postage Rate Increase (Sharp/DPC; Jordan)
- Potassium Iodide/KI (Kaplan/OMB; Katz) – McMillin plans to host a Deputies meeting on Tuesday of this week to resolve.
- *Price Gouging Report (Epifani/NEC; Katz) – The FTC released its report on its “Investigation of Gasoline Price Manipulation and Post-Katrina Gasoline Price Impacts”. The report was mandated by Congress pursuant to provisions in the Energy Policy Act of 2005 and in the Science, State, Justice, Commerce and Related Agencies Appropriations Act of 2006. The investigation focused on whether gasoline prices nationwide were “artificially manipulated by reducing refinery capacity or by any other form of market manipulation or price gouging practices” and into gasoline pricing by refiners, large wholesalers, and retailers in the aftermath of Hurricane Katrina. The FTC did find 15 examples of pricing at the refining, wholesale, or retail level that fit the relevant legislation’s definition of evidence of “price gouging” (literally, that prices were higher in September 2005 than in August 2005); however, once other factors such as regional or local market trends were taken into account, these firms’ prices were explained. Overall, the report concluded that the markets are working and functioning competitively. FTC Chairman Majoras will testify before Senate Commerce Tuesday at 10:00am.*
- RESPA (Streeter/DPC; Jordan) – DPC and OMB met with HUD on 5/9 to review HUD's proposed forms they plan to issue with a new RESPA rule. The main idea is to standardize forms to make the home buying process easier for the homebuyer. The forms are a standardized



Good Faith Estimate form that a prospective homebuyer receives while shopping for a loan, and a revised HUD-1 form that he/she signs at closing.

- *Ryan White (Levin/DPC; Jordan) – The Senate HELP Committee reported out a version of the Ryan White CARE Act reauthorization very much in line with the Administration's proposals. Each of the President's reauthorization goals is met, although the bill allows for transition periods before each must be implemented. Since the transition periods are all shorter than 5 years, however, all transitions must be completed before the next reauthorization, allowing the President's aims to be met and to serve as the baseline for the next reauthorization. The chief remaining concern is that the bill authorizes approximately \$120 million over our budget request for the program, although a House version is likely to pull back at least some of that increased authorization. The Administration's preference had been not to authorize specific amounts in the bill, and that remains a point the HHS negotiators will argue in the final stages of negotiation. The House Energy and Commerce Committee now plans to mark up the bill in the first week of June, but Chairman Barton has signaled he may delay the mark up. OLA and HHS are working to persuade the committee to move swiftly and avoid delay. The President has called for reauthorization in his last two State of the Union addresses, and provided the final bill does not stray far from the Senate version, passage would be a major success.*
- **SBI-net (Baker/HSC; Jordan)**
- **School Choice (Snyder/DPC; Jordan)** – On 5/15, the Department of Education released a letter to States regarding implementation of the public school choice and Supplemental Educational Services (SES) provisions of NCLB. The Title I interim monitoring report released in April showed low participation in choice and SES. In 2003-04, only 17 percent of eligible students participated in SES, and only one percent participated in public school choice. The letter to States outlines ED's plan to further implement these provisions using data collected through Title I monitoring, IG reports and Consolidated Performance Plans submitted by States. In most cases, when LEAs have low participation in public school choice and SES, ED will place conditions on State grants and consider withholding Federal funds or entering into a compliance agreement. These decisions about State and LEA implementation of choice and SES provisions will be posted on the Department's Web site.
- **Science Education Progress (Snyder/DPC; Jordan)** – *The results of the 2005 National Assessment of Education Progress Science Assessment will be released on Wednesday May 24, 2006. The 2005 science assessment results show a pattern consistent with the math and reading assessment results released in October 2005. There is improvement in 4th grade, achievement is flat in 8th grade, and there is a decline in 12th grade achievement. Fourth grade: students performing at the lowest levels made the greatest gains; the achievement gap for both Hispanic and black students decreased; eight states (CA, GA, MD, KY, SC, TN, TX, VA) showed significant improvement between 2000 and 2005. Eighth grade: average score for physical science was lower in 2005 than in previous years (no change for earth science or life sciences); there was no significant change in the achievement gap for black or Hispanic students; the achievement gap closed for lower income students. Twelfth grade: scores declined; the achievement gap increased for black students but did not change for Hispanic students.*
- **Section 8 Reform (Streeter/DPC; Jordan)** – DPC is currently reviewing a draft rule reforming HUD's Section 8 program. Reform legislation has been stuck in committee for 3 years running. At \$20 billion, the Section 8 program at HUD is nearly 2/3 of HUD's budget and has remained largely impenetrable to the spirit of welfare reform. Some key reform measures such as setting time limits on housing assistance could be done through a rule, though one key



measure on income eligibility requires statutory change. HUD believes there is a possibility that several House Financial Services members may try to move a Section 8 reform bill that would be more administrative and not achieve much reform at all. DPC met with HUD and OLA on 4/7 to discuss a way to address the statutory change we need in whatever the members might do, and then prepare a rule to drop at the end of the year to achieve our remaining reform objectives when the 109th wraps up. OLA is facilitating a meeting with the Speaker's office to engage House leadership on the issue.

- Sentencing Reform (Ho/DPC; Jordan)
- Steroids (Ho/DPC; Jordan)
- *Stem Cells/Bioethics (Levin/DPC; Jordan) – DPC held a meeting with OLA, Communications, and OPL to discuss the possibility of a Senate vote on stem cell funding. OLA reported Senate leadership is working on a deal to bring three bills to a vote: the Castle-DeGette bill (passed by the House last May) to overturn the President's funding policy, a bill (co-sponsored by Senators Santorum and Specter) to fund ethical alternatives in stem cell research, and a bill (not yet formally proposed) to prohibit so-called "fetal farming," the initiation of a pregnancy solely to result in an abortion to yield fetal tissue for research purposes. Negotiations are ongoing and no deal has been reached, but a Senate vote (and therefore Senate passage) of the bill in the coming weeks now seems a real possibility. The President has said he would veto the Castle-DeGette bill, but the other two are very much in line with his principles. Should all three pass the Senate, as OLA expects, the House might then quickly pass the latter two bills, allowing the President to sign two positive stem cell bills while vetoing a third that crosses an important ethical line. OLA will continue to work to prevent Senate passage of Castle-DeGette, and if passage becomes unavoidable will work to make sure the other two bills reach the President at the same time. DPC will work with Comms to prepare the ground for a possible vote (and continue the ongoing information campaign in support of the stem cell policy), and will work with OPL to prepare a signing/veto event should one become necessary.*
- *TANF (Streeter/DPC; Jordan) – Secretary Leavitt briefed principals on 5/18 on TANF Reauthorization and what HHS is doing to implement the law's requirements. The implementation centers on new regulations by which HHS will bring clarity and accountability to how states define work for TANF recipients. There was general agreement on the overall policy. HHS asked for guidance on how much attention to draw to the rollout of the new rules after they are published late June, and it was decided that we would get back to them on that after more discussion and consideration of how much congressional interest there will be.*
- *Telecom (Russell/NEC; Katz) – House Judiciary Committee Chairman Sensenbrenner has introduced the Internet Freedom and Nondiscrimination Act of 2006 to make it an antitrust violation to fail to provide equal access to bandwidth on broadband networks (this issue is commonly now being referred to as Network Neutrality). This bill is scheduled for mark-up by the full House Judiciary Committee this Thursday, May 25th. On a separate note, the FCC will postpone its Advanced Wireless Service auction from 6/29 to 8/9 to give bidders more time to understand new rules the FCC implemented in April.*
- *Telephone Tax (Russell/NEC; Katz) – Treasury is targeting this Thursday (5/25) to have the Secretary announce that taxpayers will be refunded their last three years of the long distance portion of the tax (latest estimate is roughly \$40 per taxpayer) through a new line on their 2006 income tax form. In addition, the Secretary will announce that the Administration is transmitting to Congress legislation to eliminate the remainder of the tax. On the same day, the*



Solicitor General will announce that the Government will not pursue further legal actions in defense of the long distance portion of the tax.

- Tricare (Leggitt/DPC; Katz)
- Voting Rights Act (Ho/DPC; Jordan) – On 5/16, the Senate Judiciary Committee held a hearing on the need to reauthorize Section 5 (the "preclearance" section) of the Voting Rights Act (VRA). Written testimony of the witnesses, which included noted election law experts Rick Pildes of New York University Law School and Pam Karlan of Stanford Law School, focused on provisions in the Sensenbrenner-Specter reauthorization bill intended to overturn the Supreme Court's 2000 decision in *Bossier Parish II* and its 2003 decision in *Georgia v. Ashcroft*. In particular, Professor Pildes expressed concerns that: (i) overruling *Georgia v. Ashcroft* would be a mistake, because it will diminish needed flexibility for states with respect to redistricting; and that (ii) current Supreme Court doctrine will not permit Congress simply to reauthorize Section 5--with exactly the same scope of coverage as in 1982--without adequate evidence that jurisdictions covered by Section 5 have significantly greater problems of race, ethnicity, and voting rights than non-covered jurisdictions. Another hearing on the VRA was originally scheduled for 5/17, but has been postponed. A SAP expressing support for renewing the VRA, but also raising concerns with the bill as drafted, is in OMB clearance.
- *Wetlands (Connaughton/CEQ; Jordan) – Two wetlands issues affecting the President's Wetlands Initiative are in play in appropriations votes in the House: one on 5/18 and one this week. On 5/18, on the Interior, Environment, and Related Agencies bill, an amendment will be offered to stop implementation of EPA guidance issued in 2003 that explains how field staff are to evaluate wetlands permits. This amendment may succeed, but it is likely to be obviated by an imminent Supreme Court ruling on the underlying issue of how far federal law can go to regulate isolated wetlands. The other amendment, coming up this week on the Agriculture bill, will seek to restore the Presidents Budget figure for the Wetlands Reserve Program, which restores wetlands. Some interests -- including sportsmen -- are behind both the attack on EPA guidance and support for the Presidents Budget on wetland restoration. CEQ is working with these groups to form a solution to the isolated wetlands dispute based on common cause with the Presidents Wetland Initiative.*
- WH Conference on Aging (Leggitt/DPC; Katz)
- WTO (Shirzad/NSC; Katz)
- Yucca (Epifani/NEC; Katz)



## POLICY TIME – MAY/JUNE 2006

| SUN | MONDAY                                   | TUESDAY                                       | WEDNESDAY  | THURSDAY  | FRIDAY                                    | SAT |
|-----|--|---|--|---|---|-----|
| 21  | 22<br>NO TIME                            | 23<br>NO TIME                                 | 24<br>10:45-11:30 DPC: TANF<br>(45 min)*                   | 25<br>8:55-9:40 HSC:<br>Immigration (45 min)*             | 26<br>NO TIME                             | 27  |
| 28  | 29<br>NO TIME<br><br><i>MEMORIAL DAY</i> | 30<br>1:55-2:40 NEC: Econ<br>Update (45 min)* | 31<br>2:50-3:35 HSC:<br>Hurricane Preparedness<br>(45 min) | 1<br>1:05-1:50 DPC:<br>Endangered Species Act<br>(45 min) | 2<br>2:35-3:20 NEC: Medicaid<br>(45 min)* | 3   |
| 4   | 5<br>2:00-2:45 Kaplan (45<br>min)        | 6<br>1:30-2:15 Kaplan (45<br>min)             | 7<br>TBD Kaplan (45 min)                                   | 8<br>NO TIME  | 9<br>NO TIME                              | 10  |
| 11  | 12<br>TBD                                | 13<br>TBD                                     | 14<br>TBD Kaplan (45 min)                                  | 15<br>TBD Health IT (45 min)                              | 16<br>NO TIME                             | 17  |
| 18  | 19<br>TBD                                | 20<br>TBD                                     | 21<br>TBD  | 22<br>TBD   | 23<br>TBD                                 | 24  |

5/22/06

**Possible May/June Policy Times: Avian; AMT; Autos; Eminent Domain; Endangered Species Act; Health IT; Human Services Regulation; Immigration Material Support; Port Security; Voting Rights Act**  
**Regular Reports (Date of last PT): Competitiveness (3/27), Energy (4/20), and Health (4/7); Economic Update (4/10); Katrina Update (4/26)**

\* Indicates Cabinet Member Attendance



## Working Group Calendar

### WORKING GROUP CALENDAR

| Monday, May 22 <sup>nd</sup>  | Tuesday, May 23 <sup>rd</sup>                            | Wednesday, May 24 <sup>th</sup>                         | Thursday, May 25 <sup>th</sup>  | Friday, May 26 <sup>th</sup> |
|---|--|---|---|------------------------------|
| 8:00 OLA: Principals Conf Call on Immigration (MJ)                  | 8:00 OLA: Principals Conf Call on Immigration (MJ)       | 8:00 OLA: Principals Conf Call on Immigration (MJ)      | 10:00 DPC: Weekly Call w/ HHS (JK)                                      |                              |
| 9:00 Meeting w/ FTC Chairman on Gas Report (JK)                     | 9:15 DPC: Weekly DOT Call – PCC (MJ)                     | 9:00 NEC: Deputies Follow Up Conf Call on Medicaid (JK) | 2:00 HSC: Meeting on Land Borders and Vaccine Prioritization – PCC (JK) |                              |
| <b>9:30 NEC: Weekly American Energy Initiative Action Team (JK)</b> | 10:00 DPC: Deputies Meeting on RESPA (MJ)                | 11:00 DPC: Weekly Conf Call w/ DOL (MJ)                 | 3:30 NEC: Weekly Medicare Meeting – PCC (JK)                            |                              |
| 10:00 CEQ: Deputies Meeting on Endangered Species Act (MJ)          | 11:00 DPC: Meeting on Stem Cell Strategy (MJ)            | 5:30 DPC: Weekly DOJ Call – PCC (MJ)                    | 4:00 NEC: Weekly Medicaid Meeting – PCC (JK)                            |                              |
| <b>11:00 NEC: Weekly Health Care Action Team (JK)</b>               | 1:00 COS: Deputies Meeting on Potassium Iodide (JK)      |   | 5:00 DPC: Bi-Weekly Deputies Meeting on Immigration (MJ)                |                              |
| 2:00 DPC: Meeting on Stem Cell Strategy (MJ)                        | 2:00 NEC: Meeting on Medicaid Commission – PCC (JK)      |   |   |                              |
| 2:15: NEC: Meeting on Medicare Part D (JK)                          | 3:00 Comm: Avian Flu Communications Team Meeting (JK)    |   |   |                              |
| <b>2:30 NEC: Weekly Entitlement Action Team (JK)</b>                | 3:00 DPC: Weekly ED Call – PCC (MJ)                      |   |   |                              |
| <b>4:00 DPC: Weekly ACI Action Team Meeting (MJ)</b>                | 5:00 DPC: Bi-Weekly Deputies Meeting on Immigration (MJ) |   |   |                              |
| 5:00 NEC: Conf Call on GSE's (JK)                                   |  |   |   |                              |
| 7:30 DPC: Conf Call Feinstein's "Orange Card" amendment (MJ)        |  |   |   |                              |



## Working Group Calendar

| Monday, May 29 <sup>th</sup>   | Tuesday, May 30 <sup>th</sup>   | Wednesday, May 31 <sup>st</sup>   | Thursday, June 1 <sup>st</sup>   | Friday, June 2 <sup>nd</sup> |
|--|---|---|--|------------------------------|
| <b>9:30 NEC: Weekly American Energy Initiative Action Team (JK)</b><br><br><b>11:00 NEC: Weekly Health Care Action Team (JK)</b><br><br><b>2:30 NEC: Weekly Entitlement Action Team (JK)</b><br><br><b>3:30 DPC: Weekly ACI Action Team Meeting (MJ)</b> | 9:15 DPC: Weekly DOT Call – PCC (MJ)<br><br>2:00 DPC: Deputies Meeting on Health IT (JK)<br><br>3:00 DPC: Weekly ED Call – PCC (MJ)<br><br>5:00 DPC: Bi-Weekly Deputies Meeting on Immigration (MJ) | 11:00 DPC: Weekly Conf Call w/ DOL (MJ)<br><br>5:30 DPC: Weekly DOJ Call – PCC (MJ) | 10:00 DPC: Weekly Call w/ HHS (JK)<br><br>3:30 NEC: Weekly Medicare Meeting – PCC (JK)<br><br>4:00 NEC: Weekly Medicaid Meeting – PCC (JK)<br><br>5:00 DPC: Bi-Weekly Deputies Meeting on Immigration (MJ) |                              |



OFFICE OF CABINET LIAISON

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**TUESDAY 05/23/2006**

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No Events Scheduled.

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**WEDNESDAY 05/24/2006**

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**Secretary Leavitt**

|                   |                     |   |
|-------------------|---------------------|---|
| 11:35am – 11:55am | <b>Rose Garden</b>  | Photo Opportunity with the President's Council on Physical Fitness and Sports (PCPFS) |
| 12:00pm – 1:00pm  | <b>EEOB Library</b> | Swearing-In and Reception for PCPFS Members   |

*Participants:*

White House

Neal Burnham, OCL  
Sean White, PPO

**Attorney General Gonzales, Acting Secretary Scarlett, Secretary Gutierrez & Secretary Chertoff**

|                 |                 |   |
|-----------------|-----------------|---|
| 1:30pm – 5:30pm | <b>Room 350</b> | Hurricane Preparedness Table Top Exercise |
|-----------------|-----------------|---|

*Invited Participants:*

White House

Harriet Miers, WHCO  
Fran Townsend, HSC  
J.D. Crouch, NSC  
Ken Rapuano, HSC  
Tevi Troy, DPC  
Joel Bagnal, HSC  
Kirstjen Nielson, HSC  
Carol Kuntz, OVP  
Sharon Hays, OSTP  
Neal Burnham, OCL  
Jon Brause, NSC  
Joshua Dozer, HSC  
Daniel Kaniewski, HSC

Treasury

Robert Kimmitt, Deputy Secretary  
Don Hammond, Fiscal Assistant Secretary

DOD

Admiral Edmund Giambastiani, Vice Chairman, Joint Chiefs of Staff  
Brigadier General Peter Aylward, Deputy Director, Joint Chiefs of Staff  
Lieutenant General Robert Clark, Army North  
Major General Walt Zink, Army North  
Lieutenant General Steven Blum, Chief, National Guard Bureau  
Lieutenant General Joseph Inge, Deputy Commander, NORTHCOM  
Major Kraig Sheetz, NORTHCOM

State

Henrietta Fore, Under Secretary for Management  
Deborah McCarthy, Director, Katrina Working Group

DOJ

Paul McNulty, Deputy Attorney General



DOI

Dirk Kempthorne, Secretary Designate

USDA

Chuck Conner, Deputy Secretary

Dale Moore, CoS

DOC

Chris Schreve, Senior Policy Advisor

DOL

Paul Conway, CoS

HUD

Roy Bernardi, Deputy Secretary

DOT

Maria Cino, Deputy Secretary

Laura McClure, Acting Deputy Director,

Office of Security, Intelligence, and Response

DOE

Eric Burgeson, CoS

DoEd

Ray Simon, Deputy Secretary

Hudson La Force, Deputy Assistant Secretary, Office of Planning,  
Policy Planning, Evaluation, and Policy Development

VA

Gordon Mansfield, Deputy Secretary

Kevin Hanretta

DHS

David Paulison, Director, Federal Emergency Management Agency

EPA

Thomas Dunne, Associate Administrator

FBI

Robert Mueller, Director

John Pistole, Deputy Director

American Red Cross

Jack McGuire, Interim President & CEO

Armond Mascelli, VP Domestic Disaster Response

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**THURSDAY 05 / 25 / 2006**

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**Secretary Leavitt**

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**FRIDAY 05 / 26 / 2006**

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No Events Scheduled.

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**MONDAY 05 / 29 / 2006**

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**Secretary Bodman**

3:00pm – 3:30pm

**1FL/WW**

Meeting with Steve Hadley



## POLICY TIME CHECKLIST

| PT<br>DATE        | POLICY<br>COUNCIL/<br>SUBJECT             | <u>PCC</u>         | <u>DEPUTIES</u>          | <u>PRINCIPAL</u><br><u>S</u> | <b>CABINET<br/>DATE<br/>HOLD</b> | <b>INVITE LIST<br/>APPROVAL</b> | <b>INVITE SENT</b>  | <b>PAPER TO<br/>STAFF SEC.</b> | <b>SEATING<br/>CHART<br/>APPROVAL</b> |
|-------------------|---|--------------------|--------------------------|------------------------------|----------------------------------|---------------------------------|---------------------|--------------------------------|---------------------------------------|
|                   |   | <b>BOLD = DONE</b> | <i>ITALICS = PLANNED</i> |                              | <b>(7 DAYS OUT)</b>              | <b>(4 DAYS OUT)</b>             | <b>(3 DAYS OUT)</b> | <b>(2 DAYS OUT)</b>            | <b>(1 DAY OUT)</b>                    |
| <b>MAY<br/>24</b> | <b>DPC<br/>TANF</b>                       | <b>MAY<br/>2</b>   | <b>MAY<br/>8</b>         | <b>MAY<br/>18</b>            | <b>DONE</b><br>5/15              | <b>DONE</b><br>5/18             | <b>DONE</b><br>5/19 | <b>DONE</b><br>5/22            | 5/23                                  |
| <b>MAY<br/>25</b> | <b>HSC<br/>Immigration</b>                |                    |                          | <i>MAY<br/>23</i>            | <b>DONE</b><br>5/16              | <b>ASAP</b><br>5/19             | <b>ASAP</b><br>5/22 | 5/23                           | 5/24                                  |
| <b>MAY<br/>30</b> | <b>NEC<br/>Econ Update</b>                | N/A                | N/A                      | N/A                          | <b>DONE</b><br>5/18              | <b>DONE</b><br>5/23             | 5/24                | 5/25                           | 5/26                                  |
| <b>MAY<br/>31</b> | <b>HSC<br/>Hurricane<br/>Preparedness</b> |                    | <b>MAY<br/>18</b>        |                              | <b>ASAP</b><br>5/19              | 5/24                            | 5/25                | 5/26                           | 5/30                                  |
| <b>JUNE<br/>1</b> | <b>DPC<br/>ESA</b>                        |                    | <b>MAY<br/>22</b>        | <i>TBD</i>                   | <b>ASAP</b><br>5/22              | 5/25                            | 5/26                | 5/30                           | 5/31                                  |
| <b>JUNE<br/>2</b> | <b>NEC<br/>Medicaid</b>                   | <b>MAY<br/>16</b>  | <b>MAY<br/>19, 23</b>    | <i>MAY<br/>25</i>            | 5/23                             | 5/26                            | 5/30                | 5/31                           | 6/1                                   |
| <b>JUNE<br/>5</b> | <b>TBD</b>                                | NO DATE            | NO DATE                  | NO DATE                      | 5/24                             | 5/30                            | 5/31                | 6/1                            | 6/2                                   |
| <b>JUNE<br/>6</b> | <b>TBD</b>                                | NO DATE            | NO DATE                  | NO DATE                      | 5/25                             | 5/31                            | 6/1                 | 6/2                            | 6/5                                   |
| <b>JUNE<br/>7</b> | <b>TBD</b>                                | NO DATE            | NO DATE                  | NO DATE                      | 5/26                             | 6/1                             | 6/2                 | 6/5                            | 6/6                                   |