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**Subject:** Night Note 3/15  
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[Pending Issues 3-15.doc](#)  
[Policy Time Calendar 3-15.doc](#)  
[Working Group Calendar 3-15.doc](#)  
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**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 15, 2006

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

FROM: STEVE MCMILLIN, JEREMY KATZ, and MYRIAH JORDAN

RE: NIGHT NOTE

**New Orleans Elections.** Tomorrow at 1pm, DOJ will announce pre-clearance of a bill passed by the Louisiana legislature for the upcoming April 22 election in New Orleans. The bill, which passed the Louisiana legislature on 2/16, contains the following provisions: (1) displaced voters now have the same rights as military members under the State's absentee ballot laws; (2) first-time voters who register by mail can vote absentee; and (3) ten parishes throughout Louisiana with populations of more than 100,000 people will have satellite polling places for the early voting period, where displaced New Orleans voters can vote. Immediately after the pre-clearance announcement, the Attorney General will personally call Bruce Gordon, head of the NAACP, to inform him of the decision (the AG has met with Gordon on this issue several times in the past). The announcement is expected to be controversial, as a formal objection was lodged with DOJ that the bill will lead to a dilution of minority votes in violation of the Voting Rights Act. (This objection is identical, however, to a claim already rejected by a federal district court – by a Clinton appointee – in New Orleans on 2/23.) The NAACP has, among other things, called for the elections to be delayed again. (The ACLU, interestingly, filed a previous claim that the last delay caused disenfranchisement of voters.) In addition, NAACP and some state legislators have complained that the list of displaced voters provided to Louisiana by FEMA is being kept secret from civil rights organizations that need the list to do outreach to displaced voters. (Although FEMA had initially refused to turn over this list to anyone, Civil Rights Division personnel at the Justice Department intervened and facilitated passage of the list to the State, but not non-governmental organizations, in November 2005.) Using the FEMA-generated list, the State is contacting all displaced New Orleans voters with instructions on how to vote absentee. They also are utilizing a toll-free 800 number that individuals can call to ask any questions about voting procedures (including absentee ballot procedures and satellite voting information). DOJ's Voting Section has been invited by the State and urged by the Lawyers Committee for Civil Rights to monitor the elections in April (and May, if a runoff election is held). The current plan is to send a team to New Orleans to monitor the elections with the assistance of the U.S. Attorney's office. The U.S. Attorney's Office for the Eastern District of Louisiana has an open line of communication with the Voting Section and will communicate any voting or election related issues it encounters. Furthermore, the Voting Section has been in contact with the U.S. Attorney's offices in the Middle and Western Districts of Louisiana to ensure that they immediately communicate any voting- or election-related issues.



## Other Issues

- Administrative Reforms (Troy/DPC; Jordan)
- Advanced Energy Initiative Action Team (Epifani/NEC; Katz)
- AFL-CIO (Sharp/DPC; Jordan)
- *AHPs (Leggitt/DPC; Katz) – We have provided Enzi technical assistance and informed his staff that his bill, reported out of committee today, does not comport with the President's vision for AHPs. To date we have not stated publicly our detailed concerns with the Enzi bill, and would look to conference to make improvements if the bill passes stand-alone. If Enzi's bill does not get a floor vote, we will work with Senate leadership to identify an alternative bill to which we can attach an amendment encompassing our AHP proposal.*
- Airlines (Sharp/DPC; Jordan) – Thursday, 3/16, is the last scheduled meeting between FAA, the controllers, and the Federal mediator. This could be an indication that the parties are at an impasse. In the event of an impasse, FAA must notify Congress. If Congress does not act within sixty days to undo or alter the FAA's final proposal, the FAA can implement its contract over the union's objections. NATCA does not like this impasse resolution procedure and Senator Obama is pushing a bill on their behalf to force the parties into binding arbitration if Congress does not act in 60 days. At DOT's recent House budget hearing, Chairman Knollenberg expressed his strong opposition to the Obama bill.
- Amtrak (Sharp/DPC; Jordan)
- Anthrax (Venkayya/HSC; Katz)
- Asbestos (Ho/DPC; Jordan)
- Avian Flu (Venkayya/HSC; Katz)
- Aviation Security (Baker/HSC; Jordan)
- Beef (Hermann/NSC; Katz) - Japanese press has prominent coverage of Hong Kong's announcement on 3/13, of its decision to suspend beef imports from U.S. meatpacker Swift & Co. after a shipment was discovered to contain bones (not from the spinal region), despite an agreement that the U.S. would export to Hong Kong only boneless beef from cattle aged up to 30 months. Swift is one of 37 U.S. meatpackers certified by the USG to export beef products to Japan; Japanese experts inspected a Swift plant in December 2005. Critics claim this is further evidence of the "sloppy" U.S. inspection system, while Japanese government officials say they want to determine whether the latest incident was isolated or a sign of structural problems. Agencies are drafting guidance for Embassy Tokyo to convey our firm belief that this incident should not affect Japan's decision to reopen its beef market to U.S. exports.
- *Bioethics Agenda (Levin/DPC; Jordan) – OLA and DPC met today with House Majority Whip Roy 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 White House 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. USDA and state authorities are working to exhume the cow in an effort to obtain additional information. The cow's owner 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. An inspection of the cow's teeth suggests it was about 10 years old and thus could have been infected by contaminated feed (a ban on using risk material in animal feed was instituted in 1997). USDA has sent a cable to posts making clear that the cow did not enter the food chain and would have been identified using USDA's present procedures. USDA indicated that Taiwan and Korea have expressed interest in obtaining additional information about the investigation, but does not believe this discovery will result in market closures. The discovery, however, will hurt our efforts to persuade Japan to reopen its market quickly to exports of U.S. beef.
- CAFE (Hannegan/CEQ; Katz) – *Today 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 4/1/06.*
- CALEA (Russell/NEC; Katz) – *Steve will raise with the Chief tomorrow how to resolve the path forward on CALEA. There is internal consensus on the substance of a CALEA bill, but lack of consensus on the appropriate timing and strategy for pursuing it.*
- Campaign Finance Reform (Taylor/OPA; Jordan)
- Canadian Lumber (Hunter/NSC; Katz) – A NAFTA Panel is expected to issue a decision on 3/17, concerning the Commerce Department's determination last November that the Canadian government provides de minimis subsidies to its lumber industry. We expect that the Panel will affirm Commerce's determination. Also at issue is the Canadians' request that the Panel order a refund of all countervailing duties collected by Customs since 2002, when the anti-subsidy order took effect. It is unclear whether the Panel will reach this question, as it does not possess the authority to order the United States government to take such an action. If the Panel's decision is issued on Friday, we will face a decision on whether to appeal the case to an Extraordinary Challenge Committee (ECC) with a deadline on or about April 27. If we are unsuccessful before the ECC, the Commerce Department will be required to terminate the countervailing duty order, which accounts for about three-quarters of current duties.
- 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 Monday, 3/13.
- CDBG (Streeter/DPC; Jordan) - HUD's CDBG team arrived in LA on Tuesday, 3/14, to work with the LRA and other state officials on their CDBG housing plan. Their meetings continued through Wednesday, 3/15, after which time we will have more detail on how much work they have left to do to get to a formal approval like MS. HUD reports that LA has



begun to adopt some of the MS elements into their plan, but we will not have the details on what that means specifically until tomorrow. One of the challenges the teams are working through is how to adapt LA's current plan, or parts of it, to the \$6.2 billion that LA already has already been awarded, since Blanco's plan assumes the additional \$4.2 billion in our supplemental request.

- *CFIUS Checkpoint (Shirzad/NSC; Katz) - Kimmitt is calling Deputies to get agency positions on whether they support or do not support the acquisition and whether it makes sense to negotiate a mitigation agreement with Checkpoint. A technical team is finalizing a possible Administration mitigation proposal that could, if Deputies concur, be submitted to Checkpoint if there is a determination to negotiate an agreement. NSC is urging Treasury to call a Principals meeting in the near future. The last day of the 45-day investigation for Checkpoint is 3/23; CFIUS is to get a recommendation to the President on that day. He will then have until 4/7 to make a determination.*
- *CFIUS DP World (Shirzad/NSC; Katz) - DP World put out a press statement announcing it would sell all its U.S. port operations within four to six months to an unrelated American buyer. The president of their U.S. subsidiary said there was ``already significant interest in the sale from American buyers." However, we will still need to push through with the review and investigation. Day 30 is 4/6, Day 45 is 5/25, Congress is out the following week. Treasury is pulling together a schedule and plan for the investigation. UAE's Economy Minister Sheikha Lubna al-Qassimi will be in town next week and will meet with Portman on 3/20 to discuss trade. She will also be meeting with other officials (such as State's Shiner).*
- *CFIUS GKN (Shirzad/NSC; Katz) – Friday, 3/17, marks the 30th day of the review of GKN, a private UK company seeking to purchase Sierracin Corp, a U.S. producer of windshields and cockpit enclosures for U.S. military aircraft. DOD has yet to complete its internal review of whether GKN has received the necessary DOD clearances and whether DOD would need to seek additional assurances from GKN because Sierracin, through the purchase, may be considered a sole source supplier of items sold to the military. DOD has asked for more time than 3/17, and Treasury is considering options. NSC will report back tomorrow on the status of this case.*
- *China (Shirzad/NSC; Katz) - Sens. Schumer and Graham said they will travel to China next week to press government officials on their currency policy.*
- *Civil Rights (Ho/DPC; Jordan)*
- *Clear Skies (Stolpe/CEQ; Jordan)*
- *Climate Change (Connaughton/CEQ; Jordan)*
- *Competitiveness (Wilson/DPC; Jordan)*
- *Cooperative Conservation (Cohen/CEQ; Jordan) - A Deputies meeting was held 2/13 to discuss the drafting, packaging, and strategy for the Cooperative Conservation legislative package. Components from DOI, EPA, USDA, and DOC-NOAA are in various stages of internal review, informal review, and formal interagency review. Hill and constituent outreach will begin on each component as soon as the LRM process has been completed. Corn (Shirzad/NSC; Katz)*
- *Critical Infrastructures Protection (Nielson/HSC; Jordan) – HSC chaired a meeting of the Critical Infrastructure Protection PCC on 3/8 to discuss (1) the National Infrastructure Protection Plan (NIPP), (2) the Administration's position on regulating ammonium nitrate, and (3) the pending Improvised Explosive Device (IED) Working Group currently under consideration. DHS provided a briefing on the changes that have been incorporated into the*



revised NIPP document based on feedback received on the past two drafts. DOJ provided an overview of both current and proposed legislation that would regulate ammonium nitrate and provided PCC members with a proposed draft legislative amendment for their review. At the next CIP PCC meeting, to be held on Thursday, 3/16, HSC will seek concurrence on the NIPP and a position on whether we should support end user regulation of pure ammonium nitrate and certain ammonium nitrate fertilizer blends. The CIP PCC was also encouraged to provide input on the proposed charter for the IED Working Group.

- *Debt Limit (Kupfer/NEC; Katz) – Debt Limit (Kupfer/NEC; Katz) – Senate began debate this evening. They have agreement for one vote tomorrow morning on the Baucus amendment requiring a Treasury study of the effect of the U.S. debt held by foreigners. Frist believes he has the votes to defeat it and expects to have final passage of the debt limit increase by mid-day tomorrow.*
- 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. A few technical issues remain, but the drafting team is committed to providing rule language to OMB for informal review by the end of the week. This review should be complete and ready to inform further policy process by the end of the following week.
- Entitlement Commission (Blahous/NEC; Katz)
- Everglades (Connaughton/CEQ; Jordan)
- Farm Bill (Hennessey/NEC; Katz)
- FDA (Leggitt/DPC; Katz)
- *Federal Sentencing Guidelines (Ho/DPC; Jordan) – Bill Mercer (Principal Associate Deputy AG) will testify tomorrow, 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 next week 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.*
- Flex Fuel Vehicles (Epifani/NEC; Katz)
- *Flood Insurance Program (Kupfer/NEC; McMillin) - Today, the House Financial Services Committee began marking up a bill that would increase NFIP's borrowing authority to \$25 billion, and would institute a number of reforms. OLA is concerned that even the modest reforms contained in the Chairman's mark may get watered down during the markup. They plan to finish tomorrow. Yesterday, NEC, OLA and McMillin met with Senate Banking staff, as that committee is preparing to mark-up a reform bill at the end of the March. It appears that Shelby is contemplating reforms similar to or even more aggressive than what we have contemplated. Finally, NFIP is about to exhaust its current \$18.5 of borrowing authority. The House already passed a straight increase to \$20.7 billion and the Senate is expected to*



*act by the end of this week. NEC is working with DHS to have Secretary Chertoff send a letter to Senate leaders emphasizing the need for action.*

- Foreign Investment in U.S. Airlines (Sharp/DPC; Jordan) – On 3/9, DPC convened a conference call with DOT, OVP, COS's office, WH Counsel, Communications, and HSC to discuss the growing opposition to DOT's proposed rule. This issue has been pulled into the DP World debate, and a House bill to delay the rule by one year has 159 cosponsors. DOT currently plans to complete work on the rule at the end of March, and the group agreed to reconvene and reevaluate strategy at that time, prior to the draft final rule's transmission to OMB for clearance. Participants generally agreed that finalizing this rule in the very short term would likely make it more difficult to resolve the DP World dispute, and some participants believe a long delay in the rule's completion may be necessary. DOT will draft a white paper that describes the security reviews the rule underwent at DOD and DHS, and outlines the overall economic and consumer benefits of the rule and the US/EU Open Skies aviation agreement that is likely to follow. On 3/8, Congressman Culberson successfully added report language (which is not legally binding) to the Supplemental to delay the rule by 120 days.
- Foster Care Waivers (Pardue/DPC; Jordan)
- GSEs (Kupfer/NEC; Katz)
- Health Action Team (Ramthun/NEC; Katz)
- Health IT (Leggitt/DPC; Katz) - Secretary Leavitt hosted the AHIC on 3/6. 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) – Today marked the end of the hotel program for LA and MS. FEMA had announced a couple of weeks ago that 3/15 would be the final day that they would pay for all hotel rooms in LA and MS and that extensions would be granted on a case by case basis, dictated by the need and circumstances of the family. They are granting extensions to approximately 2500 families in LA and 175 in MS to March 29. In the last week of February, there were 5600 in LA and 920 in MS. The challenges in LA are primarily driven by the lack of housing availability but FEMA is continuing to work with each family and believes they will continue to make progress by month's end.*
- *HSAs (Ramthun/NEC; Katz) – Today, Senator Allen introduced the first bill since the SOTU that would enact a piece of the President's HSA expansion proposals. This bill calls for the expansion of the HSA annual contribution limits to cover all out-of-pocket expenses through HSAs.*
- 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) - During a meeting 2/27 with House Judiciary Committee staff on immigration reform, House staff expressed to HSC, DPC, and OLA Chairman Sensenbrenner's displeasure with last week's announcement of DHS's decision to grant a one-year extension of temporary protected status for about 300,000 Salvadoran, Nicaraguan and Honduran immigrants (allowing them to remain legally in the United States). OLA assured Chairman Sensenbrenner's staff that the announcement,



which was put out initially through Rep. Ileana Ros-Lehtinen's office, was in no way an attempt to circumvent the Chairman.

- 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) – *The Senate Judiciary Committee continued mark up on the immigration bill today. According to WH-OLA, little progress was made, and it will be difficult to make progress tomorrow due to the number of expected floor votes on the budget. Resolution of several contentious proposals (e.g., Senator Durbin's humanitarian exception to the alien smuggling provision and Senator Sessions's amendment on state/local law enforcement) was put off until tomorrow. Deputies met on Tuesday, 3/14, to consider various options for giving temporary worker program participants access to permanent residency. In response to comments and preferences expressed at the meeting, DPC will work on narrowing the range of possible options in preparation for anticipated principals meeting later this week and Policy Time next week.*
- Immigration Refugees (Campanovo/NSC; Jordan) – *NSC held a deputies meeting on Wednesday, 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. Just today, 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 Worksite Enforcement (Baker/HSC; Jordan)
- Indecency (Russell/OSTP; Katz) - *The FCC began issuing its first indecency fines under Kevin Martin's Chairmanship today. The decision to issue these fines is likely to generate a lot of press since they are the Chairman's first. Broadcasters of two national programs will be fined for sexual content -- CBS' Without a Trace and WB's The Surreal Life. Broadcasters of three Spanish language programs will also be fined -- NBC owned Telemundo stations and two other local Spanish language stations. In addition, a PBS station*



will be fined for indecent language based on their airing of a Blues documentary. The FCC also will cite, but not fine, two award shows (one from 2003 and one from 2002) that used profane language and stations airing a profane NYPD Blues episode. The most notable show that the FCC will clear of any indecency violations is Oprah's show on teenage sexuality, which received many complaints but was found not to be indecent. The FCC's actions will be largely consistent with past FCC practice. One change the FCC has implemented is how they determine which broadcast stations get fined. The FCC now will only fine stations that received an actual complaint about their broadcast. After the Super Bowl wardrobe malfunction, the FCC fined every network affiliate that broadcast the Super Bowl, whether they received a complaint from a viewer or not. This time the FCC will only fine those stations that have generated at least one viewer complaint.

- Indian Gaming (Ho/DPC; Jordan) - The Interior Department and the National Indian Gaming Commission (NIGC) testified Wednesday, 3/15, before the House Resources Committee. The hearing focused on H.R. 4893, which was introduced by Chairman Pombo last week. H.R. 4893 would amend the Indian Gaming Regulatory Act (IGRA) to restrict off-reservation Indian gaming. Off-reservation gaming has generated controversy as tribes attempt to acquire lands outside the border of their reservation (and typically close to large urban areas or tourist destinations) to establish casinos. H.R. 4893 would close this perceived "loophole" and give local communities more say in weighing new casino proposals from newly recognized or landless tribes. The bill is strongly opposed by the tribes, and the Interior Department sought to testify against certain provisions of the bill on the ground they will hamper tribes' efforts to engage in gaming. DPC objected to raising concerns about the Pombo bill at this time and OMB will work with Interior to revise the testimony accordingly.
- 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 next week's 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 (Leggitt/DPC; Katz)
- IRS (Kupfer/NEC; Katz)
- Legal Reform (Ho/DPC; Jordan)
- Levees (Hannegan/CEQ; Jordan)
- Lobbying Reform (Kelley/WHC; Jordan) – Principals met on 1/24 to discuss the statutory and rule changes Congress is considering and how they affect the executive branch.
- Medicaid Clawback (Ramthun/NEC; Katz)
- Medicaid Commission (Ramthun/NEC; Katz) – The Commission this week, in Atlanta. Hennessey, Maggie Grant and McMillin had a conference call 3/2 in which we decided to allow the March meeting to go forward without a change in direction. Hennessey asked HHS to put an outline together for Karl's review on the substantive proposal from Leavitt with the goal of having something ready before the May meeting.
- Medical Liability Reform (Ho/DPC; Jordan)
- Methamphetamine (Leggitt/DPC; Katz)



- Mine Safety (Sharp/DPC; Jordan)
- Mobile Homes (Streeter/DPC; McMillin) – DHS/FEMA is considering a recommendation that they lay out their policy on the Hope, AR, mobile homes in a notice to LA parish presidents and give them a deadline to reply that they need a specific amount. The intent is to expedite the deployment of mobile homes where possible, and clarify the role of local authorities in decisions not to use this available housing stock for hurricane victims in the Gulf. There is some internal disagreement at DHS about the merits of such a notice, but we are hopeful they will decide soon to go forward with it. They continue to be committed to the position Chertoff staked out 2 weeks ago not to allow the mobile homes to be placed in the middle of flood plains but only in areas outside or on the fringes of the plains in which elevating the homes could be done easily. We asked their view of a parish-by-parish waiver if the parish presidents agreed to full responsibility for the trailers, but DHS rejects that as well for fear that they will still be on the hook if the units are flooded in a future storm. Currently, FEMA reports that MS still expects 2000 of the units and that sites have been identified in LA for roughly 3000 more, which would reduce the Hope stockpile by nearly half. There is no timeline at this point for shipping the mobile homes out, however.
- NASA (Russell/OSTP; Katz)
- Native Hawaiian (Ho/DPC; Jordan)
- NCLB (Medina/DPC; Jordan)
- OCS (Epifani/NEC; Katz)
- OIRA EO (Yanes/OMB; Katz)
- Part D (Ramthun/NEC; Katz)
- Pensions (Blahous/NEC; Katz)
- Port Security (Baker/HSC; Jordan)
- *Postal Reform (Sharp/DPC; Jordan) – Today Deputies met to discuss the status of postal reform legislation in preparation for policy time next Thursday, 3/23. 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 (Kaplan/OMB; Katz)
- Prisons (Ho/DPC; Jordan) - The U.S. Probation Office in the Eastern District of Missouri has established a successful and innovative prisoner re-entry program to cut recidivism rates and assist former prisoners in leading productive and law-abiding lives. Senator Talent, in particular, has highlighted the success of the program. To explore whether the program could usefully serve as a model in other probation offices, among other things, DPC is working to set up a meeting with DOJ, Senator Talent's staff, and the Eastern District of Missouri probation office for a more complete briefing on coordinating the successful Missouri program with DOJ's own national efforts. The meeting will also include WHC and the OFBI, which has the lead on the President's re-entry initiative announced at last year's SOTU.
- *RU486 (Leggitt/DPC; Katz) - FDA has learned of a recent incident that may fall into the pattern of deaths linked to off-label use of the abortion drug RU-486. The incident involved a 24-year old woman in Colorado Springs, CO, who underwent an RU-486 abortion on 3/2, and died seven days later under conditions similar to those reported in four past deaths*



*linked to the drug. The incident has not yet been reported publicly, though FDA expects it may become public in the next few days. FDA is preparing a public health advisory along the lines of one released last year following a similar incident, which would also discuss the agency's response to past reports, including its upcoming 5/11 workshop on the subject. The agency expects to be able to release the advisory on Friday, and would like to do so in advance of any news coverage of the incident, although legal constraints regarding publication of personal medical information may require FDA to wait until the news breaks in the press.*

- Science (Hays/OSTP; Katz)
- 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 April 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.
- *Smallpox Tabletop (Venkayya/HSC; Katz) – Today Fran hosted Chertoff, Leavitt, Guttierrez and other Cabinet Secretaries and EOP representatives, including Joe, to prebrief this coming Saturday's tabletop exercise for a bioterrorism event involving smallpox. The exercise will test the USG's ability to respond to an attack through aerosolization of smallpox. The desired outcome is to inform our national planning, highlight critical policy decisions and gaps and to identify breaking points for National response capabilities.*
- Steroids (Ho/DPC; Jordan)
- Stem Cells/Bioethics (Levin/DPC; Jordan)
- Strengthening America's Community Initiative (Streeter/DPC; Jordan)
- TANF (Streeter/DPC; Jordan)
- *Tax (Kupfer/NEC; Katz) - Yesterday, Treasury had a symposium on dividend and capital gain rate reductions. Secretary Snow and Eddie Lazear were among the speakers. After his presentation, Lazear was asked about potential market reaction to the extensions. He commented that he expected that at some point in the future, people would do "the sensible thing and extend these tax cuts," and so the markets may not be affected by a failure to extend them now. A BNA story this morning led with the headline, "Lazear Says Inaction on Investment Breaks This Year Likely Would Not Affect Markets" and then went on to contrast that sentiment with what others -- including congressional supporters and some securities firms -- have been saying. In the aftermath of the BNA story, OLA and NEC heard immediate grumbling from the Hill and from some members of the tax relief coalition. NEC coordinated a statement from Lazear, which was then issued to anyone who had questions or concerns about the story. The statement read: "Reducing the double-taxation of saving and investment by reducing the tax rates on capital gains and dividends has been critical for economic growth and will continue to be. I strongly urge Congress to act as soon as possible to prevent these taxes from increasing in the future. The longer Congress waits and the more likely it appears taxes will increase, the more uncertainty in financial markets and the more we risk harming economic growth."*
- Tax Reconciliation (Kupfer/NEC; Katz)



- *Tax Reform (Kupfer/NEC; Katz) - Chairman Thomas told reporters today he will begin a series of hearings in May on overhauling the tax code. Those hearings, Thomas said, "will be focused on the current system and what's wrong with the system and how to fix what is wrong." According to press reports, Thomas is looking at holding three or four hearings on the subject.*
- *Telecom (Russell/NEC; Katz) - Tomorrow, the Senate Commerce Committee will mark up legislation to address the theft of cell phone records. The House Energy and Commerce Committee approved similar legislation last week. These bills both ban pretexting, which is the ability to impersonate another's identity to acquire personal records; make it illegal to acquire, sell, or solicit someone else's phone records without that person's consent; increase the data-safety requirements on phone companies; and impose stiff fines for violations. The House and Senate Judiciary Committees have also marked-up bills that would impose criminal penalties on data brokers in order to protect consumer phone records. Each of the chambers' two bills are likely to be combined before floor consideration. On 3/10, the DOJ sent a letter to the House Judiciary Committee supporting the committee's legislation. OLA believes it's likely that legislation will pass Congress this year.*
- *TX Supplemental (Streeter/DPC; McMillin) - As of Tuesday, 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.*
- *Trade Enforcement (Shirzad/NSC; Katz) - Prior to a Finance hearing on China (to be held on 3/29), Senator Grassley plans to introduce legislation directed at China: 1) strengthening antidumping rules (to ensure that new shippers of subject merchandise pay their bills); 2) improving enforcement; 3) establishing reporting requirements on the enforcement of our trade laws, and 4) requiring Treasury to address currency imbalances (i.e., looking at factors such as trade imbalances in their currency report). Senator Grassley is seeking a strong, widely-supported bipartisan bill to serve as an alternative to the pending Schumer bill (which is due for a vote on 3/31).*
- *Tricare (Leggitt/DPC; Katz)*
- *UAE FTA (Shirzad/NSC; Katz)*
- *Veterans (Leggitt/DPC; Katz)*
- *WH Conference on Aging (Leggitt/DPC; Katz) – On Tuesday, 3/14, the WH Conference on Aging Policy Committee approved a preliminary report to be sent to Governors this Friday. The preliminary report, which is as required under the Older Americans Act of 2000, consists of a letter referencing the top 50 resolutions adopted by the delegates at last December's conference as well as the Census Bureau demographic information about the older population in this country. The Governors will be given an opportunity to comment on the resolutions before the final report is delivered to the President and Congress this June. HHS has been actively involved in the preparation of this preliminary report and is pleased with the approved product.*
- *Yucca (Epifani/NEC; Katz) – Discussion of communication challenges associated with interim storage at Yucca delayed submission of new draft legislation to the Hill by DOE. Concerns were raised that a provision in the draft DOE bill might be seen as inconsistent*



with assurances made in 2000 by then-Governor Bush to the Governor of Nevada. NEC believed we had a consensus at the deputies level that the legislation should go forward, with a clarification to the legislation requiring that interim storage at Yucca could only proceed with an NRC license and that this would satisfy the pledge that interim storage would only occur if deemed scientifically safe. Steve asked for final signoff today from the Chief and Karl before proceeding. On Tuesday, 3/14, Deputy Secretary Clay Sell asked NEC to delay transmittal of the Yucca legislation rather than spring it on the Hill 24 hours before Clay's House Energy and Commerce testimony today.



## POLICY TIME – MARCH 2006

SUN	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT
12	13 9:00-9:30 HSC/NSC: CFIUS Reform / Port Security (30 min)*	14 NO TIME	15 NO TIME	16 NO TIME	17 1:30-2:15 HSC: Avian Flu (45 min)*	18
19	20 NO TIME	21 NO TIME	22 3:15-4:00 NEC: Health Update (45 min)	23 11:10-11:40 DPC/HSC: <i>Immigration (45 min)</i> (tent.)	24 NO TIME	25
26	27 11:10-11:55 DPC: Competitiveness Update (45 min)	28 1:30-2:15 DPC: <i>Postal Reform (30 min) (tent.)</i>	29 TBD NEC: Economic Update (45 min)	30 NO TIME	31 NO TIME	1
2	3 NO TIME	4 TBD Rove (45 min)	5 TBD	6 TBD Rove (45 min)	7 NO TIME	8

3/15/06

**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 13 <sup>th</sup>	Tuesday, March 14 <sup>th</sup>	Wednesday, March 15 <sup>th</sup>	Thursday, March 16 <sup>th</sup>	Friday, March 17 <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>  11:00 DPC: Deputies on American Competitiveness Grants (MJ)  <b>2:30 NEC: Weekly Entitlement Action Team (JK)</b>  3:00 HSC: TWIC/Cargo Security Briefing – PCC (MJ)  <b>3:30 DPC: Weekly ACI Action Team Meeting (MJ)</b>  5:00 NEC: Meeting on Military Mission Line and the OCS (JK)  5:00 CEQ: Conf Call on CA Levee Issues (MJ)	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  9:15 DPC: Weekly DOT Call – PCC (MJ)  1:00 OMB: Meeting on Potassium Iodide – PCC (JK)  2:00 DPC: Deputies on Immigration (MJ)  3:00 DPC: Weekly ED Call – PCC (MJ)  3:00 Comm: Interagency Avian Flu Communications Strategy (JK)  4:00 HSC: Nuclear Materials Information Program – Restricted DC (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)  4:00 DPC: Deputies on Postal Reform (MJ)  5:30 DPC: Deputies on CAFÉ Reform (JK)	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  9:00 HSC: DC Katrina Lessons Learned Report (MJ)  10:00 DPC: Weekly Call w/ HHS (JK)  1:00 HSC: Technical Nuclear Forensics for Attribution – DC (MJ)  2:00 DPC: Deputies on Federal Housing Assistance Reform (MJ)  6:00 NEC: Principals on China Trade (JK)	<b>8:00 OLA: Daily Immigration Legislative Update (MJ)</b>  9:30 DPC: Principals on Immigration Reform (MJ)  1:00 CEQ: Meeting on LNG Permitting – PCC (JK)  2:30 NEC: Deputies on Yucca Mountain (JK)



## 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>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>  TBD OSTP: Meeting on ICANN (JK)



OFFICE OF CABINET LIAISON



CABINET MEMBER SCHEDULE

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THURSDAY 03/16/2006

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**Director Bolten**

9:35am – 10:20am      **Cabinet Room**      Meeting with Members of Congress on the Line Item Veto

**Attorney General Gonzales**

2:25pm – 2:55pm      **Oval Office**      President's Photo-Op with Recipients of Public Safety Officer Medals of Valor

**Attorney General Gonzales & Secretary Chao**

3:00pm – 3:20pm      **Room 350**      Signing of H.R. 32, the Stock Counterfeiting & Manufactured Goods Act

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FRIDAY 03/17/2006

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**Attorney General Gonzales, Secretary Gutierrez, Secretary Chao & Director Bolten**

9:30am – 10:30am      **CL Conf Room**      Principals Meeting on Immigration Reform

*Invited Participants:*

White House

Andrew Card, CoS  
Karl Rove, DCoS  
Steve Hadley, NSC  
Dan Bartlett, Counselor  
Candi Wolff, OLA  
Scott McClellan, Press Secretary  
David Addington, OVP  
Harriet Miers, Counsel  
Nicolle Wallace, Communications  
Al Hubbard, NEC  
Fran Townsend, HSC  
Brett Kavanaugh, Staff Secretary  
Ed Lazear, CEA

Steve McMillin, CoS Office

Ken Rapuano, HSC

Tevi Troy, DPC

Barry Jackson, Senior Advisor's Office

Allyson Ho, DPC

DHS

Michael Jackson, Deputy Secretary



## Secretary Jackson

b(6)

## Secretary Johanns, Secretary Leavitt, Secretary Chertoff & Director Bolten

1:30pm – 2:15pm

Roosevelt Room

Policy Time: Pandemic Implementation Plan

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SATURDAY 03/18/2006

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## Secretary Snow (T), Secretary Johanns, Secretary Gutierrez, Secretary Leavitt, Secretary Mineta, Secretary Nicholson, Secretary Chertoff & Director Bolten

8:00am – 12:00pm

Room 350

Tabletop Exercise: U.S. Government Response to a Smallpox Attack

### *Participants:*

#### White House

Steve Hadley, NSC (T)  
Scott McClellan, Press Secretary  
Harriet Miers, Counsel  
Fran Townsend, HSC  
J.D. Crouch, NSC  
Keith Hennessey, NEC  
Cathie Martin, Communications  
Ken Rapuano, HSC  
Bill Kelley, Counsel's Office  
Lance Leggett, DPC  
Carol Kuntz, OVP  
Sharon Hays, OSTP  
Jeremy Katz, CoS  
Neal Burnham, OCL  
Bruce Miller, OVP

#### State

Paula Dobriansky, Under Secretary for Global Affairs & Democracy

#### DOD

Gordon England, Deputy Secretary  
General Peter Pace, Chairman, Joint Chiefs of Staff  
Paul McHale, Assistant Secretary of Defense for Homeland Defense  
Colonel Peter Aylward, Deputy Director of Homeland Defense for the National Guard

#### DOJ

Paul McNulty, Acting Deputy Attorney General  
Steve Bradbury, Assistant Attorney General, Office of Legal Counsel

#### DOI

Lynn Scarlett, Deputy Secretary  
Larry Parkinson, Deputy Assistant Secretary

#### USDA

Chuck Conner, Deputy Secretary

#### DOC

John Bailey, Senior Policy Advisor

#### HHS

Julie Gerberding, Director for Centers for Disease Control  
William Raub, Acting Assistant Secretary for Planning and Evaluation

#### DOT

Roger Bohnert, Office of Intelligence & Security

#### VA

Lawrence Deyton, Chief, Public Health & Environmental Hazards Officer

#### DHS

Jeff Runge, Acting Under Secretary for Science & Technology

#### DNI

Tom Fingar, Deputy Director of National Intelligence

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**MONDAY 03 / 20 / 2006**

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**Secretary Mineta**

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

**Secretary Bodman**

3:00pm – 3:30pm      **1FL/WW**      Meeting with Steve Hadley

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**TUESDAY 03 / 21 / 2006**

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**Secretary Jackson**

9:30am – 11:30am      **Room 164**      Office Time

**Secretary Rice, Secretary Rumsfeld, Secretary Snow, Secretary Jackson & Ambassador Portman**

12:00pm – 1:40pm      **East Room**      President's Lunch with the President of Liberia

**Secretary Johanns**

4:00pm – 5:00pm      **CL Conf Room**      Kitchen Cabinet Meeting

*Participants:*

White House

Jim Connaughton, CEQ

Neil Patel, OVP

Barry Jackson, Senior Advisor's Office

David Anderson, OMB

Megan Hauck, OLA

Peter Rowan, OLA

Michael Sommers, NEC

Greg Schildwachter, CEQ

USDA

Chuck Conner, Deputy Secretary

Dale Moore, CoS

Drew DeBerry, DCoS

Beth Johnson, DCoS

Terri Teuber, Director Of Communications

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**WEDNESDAY 03 / 22 / 2006**

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No Events Scheduled.