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Here is our current draft.

We have some work and cleaning up to do.... Will send the final version in a bit...

State of the Union Address
Tuesday, January 31, 2006
Draft #31

Mr. Speaker,¹ Vice President Cheney,² Members of Congress,³ Members of the Supreme Court⁴ and diplomatic corps,⁵ distinguished guests,⁶ and fellow citizens⁷:

Each time I am invited to this rostrum, I am humbled by the privilege, and mindful of the history we have seen together. We have gathered under this Capitol dome in moments of national mourning and national achievement. We have served America through one of the most

¹ THE PRESIDENT: “Mr. **Speaker**, Vice President Cheney, members of Congress, fellow citizens: As a new Congress gathers, all of us in the elected branches of government share a great privilege: We've been placed in office by the votes of the people we serve. And tonight that is a privilege we share with newly-elected leaders of Afghanistan, the Palestinian Territories, Ukraine, and a free and sovereign Iraq.” (Applause.) State of the Union Address, Chamber of the U.S. House of Representatives, The United States Capitol, Washington, D.C., February 2, 2005 (<http://www.whitehouse.gov/news/releases/2005/02/20050202-11.html>)

² THE PRESIDENT: “Mr. Speaker, **Vice President Cheney**, members of Congress, fellow citizens: As a new Congress gathers, all of us in the elected branches of government share a great privilege: We've been placed in office by the votes of the people we serve. And tonight that is a privilege we share with newly-elected leaders of Afghanistan, the Palestinian Territories, Ukraine, and a free and sovereign Iraq.” (Applause.) State of the Union Address, Chamber of the U.S. House of Representatives, The United States Capitol, Washington, D.C., February 2, 2005 (<http://www.whitehouse.gov/news/releases/2005/02/20050202-11.html>)

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⁴ Language and presence confirmed by Brett Kavanaugh, Assistant to the President and Staff Secretary (62702)

⁵ Language and presence confirmed by Brett Kavanaugh, Assistant to the President and Staff Secretary (62702)

⁶ THE PRESIDENT: “Mr. Speaker, Vice President Cheney, members of Congress, **distinguished guests**, and fellow citizens: America this evening is a nation called to great responsibilities. And we are rising to meet them.” **State of the Union Address**, United States Capitol, Washington, D.C., January 20, 2004 (<http://www.whitehouse.gov/news/releases/2004/01/20040120-7.html>)

⁷ THE PRESIDENT: “Mr. Speaker, Vice President Cheney, members of Congress, **fellow citizens**: As a new Congress gathers, all of us in the elected branches of government share a great privilege: We've been placed in office by the votes of the people we serve. And tonight that is a privilege we share with newly-elected leaders of Afghanistan, the Palestinian Territories, Ukraine, and a free and sovereign Iraq.” (Applause.) State of the Union Address, Chamber of the U.S. House of Representatives, The United States Capitol, Washington, D.C., February 2, 2005 (<http://www.whitehouse.gov/news/releases/2005/02/20050202-11.html>)

consequential periods of our history – and it has been my honor to serve with you.

In a system of two parties, two chambers, and two elected branches, there will always be differences and debate. But even tough debates can be conducted in a civil tone, and differences cannot be allowed to harden into anger. To confront the great issues before us, we must act in a spirit of good will and respect for one another – and I will do my part. Tonight the state of our union is strong – and together we will make it stronger.

In this decisive year, you and I will make choices that determine both the future and the character of our country. We will choose to act confidently in pursuing the enemies of freedom – or retreat from our duties in the hope of an easier life. We will choose to build our prosperity by leading the world economy – or shut ourselves off from trade and opportunity. In a complex and challenging time, the road of isolationism and protectionism may seem broad and inviting – yet it ends in danger and decline. The only way to protect our people ... the only way to secure the peace ... the only way to control our destiny is by our leadership – so the United States of America will continue to lead.

Abroad, our nation is committed to an historic, long-term goal – we seek the end of tyranny in our world. Some dismiss that goal as misguided idealism. In reality, the future security of America depends on it. On September 11th, 2001, we found that problems originating in a failed and oppressive state seven thousand miles away⁸ could bring murder and destruction to our country. Dictatorships shelter terrorists, feed resentment and radicalism, and seek weapons of mass destruction. Democracies replace resentment with hope, respect the rights of their citizens and their neighbors, and join the fight against terror. Every step toward freedom in

⁸ Distance Result (Washington, DC to Kabul, Afghanistan)

LONG/LATS + TOTAL DISTANCE

Washington, US	-77.0367 38.8950
Kabul, AF	69.1833 34.5167
Miles:	6918.92
Kilometers:	11134.61
Bearing:	SE

(<http://www.mapcrow.info/>)

the world makes our country safer, and so we will act boldly in freedom's cause.

Far from being a hopeless dream, the advance of freedom is the great story of our time. In 1945,⁹ there were about two dozen lonely democracies on Earth.¹⁰ Today, there are 122.¹¹ And we are writing a new chapter in the story of self-government – with women lining up to vote in Afghanistan¹² ... and millions of Iraqis marking their liberty with purple ink¹³ ... and men and women from Lebanon to Egypt debating the rights of individuals and the necessity of freedom.¹⁴ At the start of 2006, more than half¹⁵ the people of our world¹⁶ live in democratic nations.¹⁷ And we do not

⁹ Information confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280)

¹⁰ Democracies across the World in 1945 (in alphabetic, not numeric order): (1) Australia, (2) Belgium, (3) Canada, (4) Costa Rica, (5) Finland, (6) France, (7) Holland, (8) Iceland, (9) India, (10) Ireland, (11) New Zealand, (12) Norway, (13) Sweden, (14) United Kingdom, (15) United States; also, "possible consideration"* given to the following nations, post-WWII 1945: (16) Greece*, (17) Italy*, (18) Japan*, (19) West Germany*-- Information provided and confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280); Democratic Governments 1945-1995 (<http://users.erols.com/mwhite28/govt2000.htm>); Also, see **Appendix: Democratic Governments 1945-1995**; Other sites include (<http://www.hawaii.edu/powerkills/DP.CLOCK.HTM>) and (<http://www.democracyfortheworld.org/>)

¹¹ **"The number of electoral democracies increased by three, from 119 to 122.** This represents 64 percent of the world's countries-the highest number in the survey's 33-year history." **Global Survey 2006: Middle East Progress Amid Global Gains in Freedom**, New York, December 19, 2005 (<http://www.freedomhouse.org/template.cfm?page=70&release=317>); Also, see **Appendix: Electoral Democracies 2005**; Based on the CIA World Factbook which gives population estimates that date to July 2005, **the number of people living in the 122 democratic nations that we cite is actually 3,734,960,089** (composite of July 2005 estimates--well over the "about three billion souls"); **World Population: 6,446,131,400** (July 2005 est.), CIA, The World Factbook (<http://www.cia.gov/cia/publications/factbook/geos/xx.html>);

¹² Language and information confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280)

¹³ Language and information confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280)

¹⁴ Language and information confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280)

¹⁵ Based on the CIA World Factbook which gives population estimates that date to July 2005, **the number of people living in the 122 democratic nations that we cite is actually 3,734,960,089** (composite of July 2005 estimates--well over the "about three billion souls"); **World Population: 6,446,131,400** (July 2005 est.), CIA, The World Factbook (<http://www.cia.gov/cia/publications/factbook/geos/xx.html>)

¹⁶ **World Population: 6,446,131,400 (July 2005 est.)**, CIA, The World Factbook (<http://www.cia.gov/cia/publications/factbook/geos/xx.html>)

forget the other half – in places like Syria,¹⁸ Burma,¹⁹ Zimbabwe,²⁰ North Korea,²¹ and Iran²² – because the demands of justice, and the peace of this world, require their freedom as well.

No one can deny the success of freedom, but some men rage and fight against it. And one of the main sources of reaction and opposition is radical Islam – the perversion by a few of a noble faith into an ideology of terror and death. Terrorists like bin Laden are serious about mass murder – and all of us must take their declared intentions seriously. They seek to expel free nations from the Middle East, seize power in Iraq, impose a heartless system of totalitarian control, and arm themselves with weapons of mass murder. Lacking the military strength to challenge us directly, the terrorists have chosen the weapon of fear. When they murder children at a school in Beslan²³ ... or blow up commuters in London ... or behead a bound captive ... the terrorists hope these horrors will break our will, allowing the violent to inherit the Earth. But they have miscalculated: We love our freedom, and we will fight to keep it.

¹⁷ Based on the CIA World Factbook which gives population estimates that date to July 2005, **the number of people living in the 122 democratic nations that we cite is actually 3,734,960,089** (composite of July 2005 estimates--well over the "about three billion souls"); **World Population: 6,446,131,400** (July 2005 est.), CIA, The World Factbook (<http://www.cia.gov/cia/publications/factbook/geos/xx.html>); **"The number of electoral democracies increased by three, from 119 to 122.** This represents 64 percent of the world's countries-the highest number in the survey's 33-year history." **Global Survey 2006: Middle East Progress Amid Global Gains in Freedom**, New York, December 19, 2005 (<http://www.freedomhouse.org/template.cfm?page=70&release=317>)

¹⁸ Information confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280)

¹⁹ Information confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280)

²⁰ Information confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280)

²¹ Information confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280)

²² Information confirmed by Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC (X69141 and/or BB 703-969-2280)

²³ "A shaken President Vladimir Putin made a rare and candid admission of Russian weakness in the face of an "all-out war" by terrorists after **more than 350 people - nearly half of them children - were killed in a hostage-taking at a school in southern Russia**.... Shocked relatives wandered among row after row of bodies lined up in black plastic or clear body bags on the pavement at a morgue in Vladikavkaz, the capital of North Ossetia, where the dead from the school standoff in **Beslan** were taken. In some open bags lay the contorted, thin bodies of **children**, some monstrously charred." Mike Eckel, "Putin vows tough response to "all-out war" by terrorists as death toll in school rises above 340," Associated Press (AP), September 4, 2004 (Nexis)

In a time of testing, we cannot find security by abandoning our commitments and retreating within our borders. If we were to leave these vicious attackers alone, they would not leave us alone. They would simply move the battlefield to our own shores. There is no peace in retreat. And there is no honor in retreat. By allowing radical Islam to work its will – by leaving an assaulted world to fend for itself – we would signal to all that we no longer believe in our own ideals, or even in our own courage. But our enemies and our friends can be certain: The United States will not retreat from the world, and we will never surrender to evil.

America rejects the false comfort of isolationism. We are the nation that saved liberty in Europe, and liberated death camps, and helped raise up democracies, and faced down an evil empire. Once again, we accept the call of history to deliver the oppressed, and move this world toward peace.

We remain on the offensive against terror networks. We have killed or captured many of their leaders – and for the others, their day will come.

We remain on the offensive in Afghanistan²⁴ – where a fine president²⁵ and general assembly²⁶ are fighting terror while building the institutions of a new democracy.²⁷

And we are on the offensive in Iraq, with a clear plan for victory. First, we are helping Iraqis build an inclusive government,²⁸ so that old resentments will be eased,²⁹ and the insurgency marginalized.³⁰ Second,

²⁴ Language confirmed by Kurt Amend, Director for Afghanistan, NSC (69381)

²⁵ Language confirmed by Kurt Amend, Director for Afghanistan, NSC (69381)

²⁶ Inaccurate description per Kurt Amend, Director for Afghanistan, NSC (69381) (He says that it is a **National Assembly**)

²⁷ “National Assembly isn’t helping to fight terror; Karzai, the military and police are fighting terror,” says Kurt Amend, Director for Afghanistan, NSC (69381)

²⁸ Language and information confirmed by Meghan O’ Sullivan, Special Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan, NSC (69381)

²⁹ Language and information confirmed by Meghan O’ Sullivan, Special Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan, NSC (69381)

³⁰ Language and information confirmed by Meghan O’ Sullivan, Special Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan, NSC (69381)

we are continuing reconstruction efforts,³¹ and helping the Iraqi government to fight corruption³² and build a modern economy,³³ so all Iraqis can experience the benefits of freedom. Third, we are striking terrorist targets³⁴ while we train Iraqi forces³⁵ that are increasingly capable of defeating the enemy.³⁶ A young³⁷ man from Tikrit³⁸ who is with us tonight joined the very first unit of the new Iraqi Army.³⁹ His family has suffered terrorist violence,⁴⁰

³¹ Language and information confirmed by Meghan O' Sullivan, Special Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan, NSC (69381)

³² Language and information confirmed by Meghan O' Sullivan, Special Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan, NSC (69381)

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³⁵ Language and information confirmed by Meghan O' Sullivan, Special Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan, NSC (69381)

³⁶ "Our strategy in Iraq has three elements. On the political side, we know that free societies are peaceful societies, so we're helping the Iraqis build a free society with inclusive democratic institutions that will protect the interests of all Iraqis. We're working with the Iraqis to help them engage those who can be persuaded to join the new Iraq -- and to marginalize those who never will. **On the security side, coalition and Iraqi security forces are on the offensive against the enemy, cleaning out areas controlled by the terrorists and Saddam loyalists, leaving Iraqi forces to hold territory taken from the enemy,** and following up with targeted reconstruction to help Iraqis rebuild their lives.

As we fight the terrorists, we're working to build capable and effective Iraqi security forces, so they can take the lead in the fight -- and eventually take responsibility for the safety and security of their citizens without major foreign assistance." President Outlines Strategy for Victory in Iraq United States Naval Academy, Annapolis, Maryland, November 30, 2005 (<http://www.whitehouse.gov/news/releases/2005/11/20051130-2.html>)

³⁷ [REDACTED] b(6) Per MAJ Thomas A. McNally (703-350-3664), Yousif's handler via Charles Dunne, Director for Iraq, NSC (69381)

³⁸ "You got that **he's a Sunni, from Tikrit,** and he joined the very first unit of the new Iraqi army, and he and his wife have been targeted by IEDs. [REDACTED] b(6)

[REDACTED] Information provided by Michele Davis, Deputy Assistant to the President and Deputy National Security Advisor for Strategic Communication and Global Outreach, Communications, Press, and Speechwriting, NSC (69271)

³⁹ "He joined the Iraqi Civil Defense Corps battalion formed in Salahaddin province in August 2003 in the first training class for this ICDC unit. In 2004, the Iraqi government incorporated all ICDC battalions into the Iraqi army, and at that time he became an Iraqi army officer as opposed to an officer in a civil defense corps unit. **Thus it would be incorrect to say he joined the very first Iraqi army unit. You could say he took the first opportunity to sign up to defend his country,** or something like that." Information provided by Charles Dunne, Director for Iraq, NSC (69381)

but his commitment to Iraq's freedom is unshaken. We are honored to welcome **Lieutenant Colonel Yousif**.⁴¹ Colonel, the people of Iraq are showing courage every day, and we are proud to be your allies in the cause of freedom.

Our work in Iraq is difficult, because our enemy is brutal. But that brutality has not stopped the dramatic progress of a new democracy. In less than three years, that nation has gone from dictatorship, to liberation, to sovereignty, to a Constitution, to national elections.⁴² At the same time, our coalition has been relentless in shutting off terrorist infiltration, clearing out insurgent strongholds, and turning over territory to Iraqi security forces. I am confident in our plan for victory ... I am confident in the will of the Iraqi people ... I am confident in the skill and spirit of our military. Fellow citizens, we are in this fight to win, and we are winning.

The road of victory is the road that will take our troops home. As we make progress on the ground, and Iraqi forces increasingly take the lead, we should be able to further decrease our troop levels – but those decisions will be made by our military commanders, not by politicians in Washington, DC.⁴³

Our coalition has learned from experience in Iraq. We have adjusted our military tactics and changed our approach to reconstruction. Along the way, we have benefited from responsible criticism and counsel offered by

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b(6)

Information provided to Bill McGurn in an email from Mark Pfeifle, Communications Advisor, Counselor's Office (67047)

⁴¹ "He's ok with being introduced as 'LTC Musab Yousif.'" Per MAJ Thomas A. McNally (703-350-3664) Yousif's handler via Charles Dunne, Director for Iraq, NSC (69381)

⁴² Chronology and information confirmed by Meghan O' Sullivan, Special Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan, NSC (69381)

⁴³ "As the Iraqi forces gain experience and the political process advances, we will be able to decrease our troop levels in Iraq without losing our capability to defeat the terrorists. **These decisions about troop levels will be driven by the conditions on the ground in Iraq and the good judgment of our commanders -- not by artificial timetables set by politicians in Washington.**" **President Outlines Strategy for Victory in Iraq**, United States Naval Academy, Annapolis, Maryland, November 30, 2005 (<http://www.whitehouse.gov/news/releases/2005/11/20051130-2.html>)

Members of Congress of both parties. In the coming year, I will continue to reach out and seek your good advice.

Yet there is a difference between responsible criticism that aims for success, and defeatism that refuses to acknowledge anything but failure. Hindsight alone is not wisdom. And second-guessing is not a strategy.

With so much in the balance, those of us in public office have a duty to speak with candor. A sudden withdrawal of our forces from Iraq would abandon our Iraqi allies to death and prison ... put men like bin Laden and Zarqawi in charge of a strategic country⁴⁴ ... and show that a pledge from America means little. Members of Congress: however we feel about the decisions and debates of the past, our nation has only one option: We must keep our word, defeat our enemies, and stand behind the American military in its vital mission.

Our men and women in uniform are making sacrifices – and showing a sense of duty stronger than all fear. They know what it is like to fight house to house in a maze of streets ... to wear heavy gear in the desert heat ... to see a comrade killed by a roadside bomb. And those who know the costs also know the stakes. Marine Staff Sergeant Dan Clay⁴⁵ was killed last month⁴⁶ fighting the enemy in Fallujah. ⁴⁷ He left behind a letter to his family, ⁴⁸ but his words could just as well be addressed to every American. Here is what Dan wrote: “I know what honor is. It has been an honor to protect and serve all of you. I faced death with the secure

⁴⁴ Language and information confirmed by Meghan O’ Sullivan, Special Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan, NSC (69381)

⁴⁵ “My name is Bud Clay. My son, **SSgt Daniel Clay - USMC** was killed last week 12/01/05 in Iraq. He was one of the ten Marines killed by the IED in Fallujah. **Dan was a Christian** - he knew Jesus as Lord and Savior - so we know where he is.” Bud Clay, Letter to President Bush, December 7, 2005.

⁴⁶ “My name is Bud Clay. My son, **SSgt Daniel Clay - USMC was killed last week 12/01/05** in Iraq. He was one of the ten Marines killed by the IED in Fallujah. Dan was a Christian - he knew Jesus as Lord and Savior - so we know where he is.” Bud Clay, Letter to President Bush, December 7, 2005.

⁴⁷ “My name is Bud Clay. My son, **SSgt Daniel Clay - USMC** was killed last week 12/01/05 in Iraq. **He was one of the ten Marines killed by the IED in Fallujah.**” Bud Clay, Letter to President Bush, December 7, 2005.

⁴⁸ “Dan was a Christian - he knew Jesus as Lord and Savior - so we know where he is. **In his final letter (one left with me for the family - to be read in case of his death)** he says “if you are reading this, it means my race is over.” Bud Clay, Letter to President Bush, December 7, 2005.

knowledge that you would not have to.... Never falter! Don't hesitate to honor and support those of us who have the honor of protecting that which is worth protecting."⁴⁹

Staff Sergeant Dan Clay's wife, Lisa, and his mom and dad, Sara Jo and Bud, are with us this evening.⁵⁰ Our nation is grateful to the fallen, who live in the memory of our country. We are grateful to all who volunteer to wear our nation's uniform – and as we honor our brave troops, let us never forget the sacrifices of America's military families.

Our offensive against terror involves more than military action. Ultimately, the only way to defeat the terrorists is to defeat their dark vision of hatred and fear by offering the hopeful alternative of political freedom and peaceful change.⁵¹ So the United States of America supports democratic reform across the broader Middle East.⁵² Elections are vital – but they are only the beginning. Raising up a democracy requires the rule of law, protection of minorities,⁵³ and strong, accountable institutions that last longer than a single vote.⁵⁴ The great people of Egypt have voted in a

⁴⁹ "This I am so thankful for. **I know what honor is.** It is not a word to be thrown around. **It has been an Honor to protect and serve all of you. I faced death with the secure knowledge that you would not have to.** This is as close to Christ-like I can be. That emulation is where all honor lies. I thank you for making it worth while. As a Marine this is not the last Chapter. I have the privilege of being one who has finished the race. I have been in the company of heroes. I now am counted among them. **Never falter! Don't hesitate to honor and support those of us who have the honor of protecting that which is worth protecting.** Now here are my final wishes. Do Not Cry! To do so is to not realize what we have placed all our hope and faith in. We should not fear." Dan Clay, letter to his family, provided by father Bud Clay in his letter to President Bush, December 7, 2005.

⁵⁰ Family names and their participation confirmed by Melissa Danforth, (6-5807).

⁵¹ "And the third part of our strategy is this: We're spreading the hope of freedom across the broader Middle East. In the long run, **the only way to defeat the terrorists is by offering an alternative to their ideology of hatred and fear.** So a key component of our strategy is to spread freedom." President Addresses Military Families, Discusses War on Terror, Idaho Center, Nampa, Idaho, August 24, 2005, (<http://www.whitehouse.gov/news/releases/2005/08/20050824.html>).

⁵² "It should be clear that the best antidote to radicalism and terror is the tolerance and hope kindled in free societies. **And our duty is now clear:** For the sake of our long-term security, **all free nations must stand with the forces of democracy and justice that have begun to transform the Middle East.** Encouraging democracy in that region is a generational commitment. It's also a difficult commitment, demanding patience and resolve -- when the headlines are good and when the headlines aren't so good." President Discusses War on Terror, National Defense University, Fort Lesley J. McNair, March 8, 2005, (<http://www.whitehouse.gov/news/releases/2005/03/20050308-3.html>).

⁵³ "The promise **of democracy is fulfilled by minority rights, and equal justice under the rule of law,** and an inclusive society in which every person belongs." President Discusses Freedom and Democracy in Latvia, The Small Guild Hall, Riga, Latvia, May 7, 2005, (<http://www.whitehouse.gov/news/releases/2005/05/20050507-8.html>).

multi-party presidential election⁵⁵ – and now their government should open paths of peaceful opposition that will reduce the appeal of radicalism.⁵⁶ The Palestinian people have voted in elections⁵⁷ – now the leaders of Hamas must recognize Israel, disarm, reject terrorism, and work for lasting peace.⁵⁸ Saudi Arabia has taken the first steps of reform⁵⁹ – now it can offer its people a better future by pressing forward with those efforts.⁶⁰ Democracies in the Middle East will not look like our own,⁶¹ because they will reflect the traditions of their own citizens.⁶² Yet liberty is the future of

⁵⁴ “Iraqis are taking big steps on a long journey of freedom. **A free society requires more than free elections; it also requires free institutions**, a vibrant civil society, rule of law, anti-corruption, and the habits of liberty built over generations.” President Discusses Freedom and Democracy, The Rose Garden, March 29, 2005, (<http://www.whitehouse.gov/news/releases/2005/03/20050329.html>).

⁵⁵ Confirmed by Michael Doran, Senior Director for Near East and North African Affairs, NSC, (6-9121). “**The United States congratulates the Egyptian people and government for holding Egypt's first multi-candidate Presidential elections on September 7.**” Statement on President Congratulating Egyptian President Mubarak on Election, September 10, 2005, (<http://www.whitehouse.gov/news/releases/2005/09/20050910-11.html>).

⁵⁶ Confirmed by Michael Doran, Senior Director for Near East and North African Affairs, NSC, (6-9121).

⁵⁷ Confirmed by Michael Doran, Senior Director for Near East and North African Affairs, NSC, (6-9121). “**So the Palestinians had an election yesterday**, and the results of which remind me about the power of democracy. You see, when you give people the vote, you give people a chance to express themselves at the polls – and if they're unhappy with the status quo, they'll let you know.” Press Conference of the President, James S. Brady Briefing Room, January 26, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060126.html>).

⁵⁸ Confirmed by Michael Doran, Senior Director for Near East and North African Affairs, NSC, (6-9121). “Well, I made it very clear that **the United States does not support political parties that want to destroy our ally, Israel**, and that people must renounce that part of their platform. But the government hasn't formed yet.” Press Conference of the President, James S. Brady Briefing Room, January 26, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060126.html>).

⁵⁹ “While the United States considers that nations will create institutions that reflect the history, culture, and traditions of their societies, it does not seek to impose its own style of government on the government and people of Saudi Arabia. **The United States applauds the recently held elections in the Kingdom for representatives to municipal councils and looks for even wider participation in accordance with the Kingdom's reform program.**” Joint Statement by President Bush and Saudi Crown Prince Abdullah, Crawford, Texas, April 25, 2005, (<http://www.whitehouse.gov/news/releases/2005/04/20050425-8.html>).

⁶⁰ Confirmed by Michael Doran, Senior Director for Near East and North African Affairs, NSC, (6-9121).

⁶¹ “This objective will not be achieved easily, or all at once, or primarily by force of arms. **We know that freedom, by definition, must be chosen, and that the democratic institutions of other nations will not look like our own.** Yet we also know that our security increasingly depends on the hope and progress of other nations now simmering in despair and resentment. And that hope and progress is found only in the advance of freedom.” President Discusses War on Terror, National Defense University, Fort Lesley J. McNair, March 8, 2005, (<http://www.whitehouse.gov/news/releases/2005/03/20050308-3.html>).

⁶² “**Democratic governments in the Middle East will reflect their own cultures and their own traditions.** America and France are working with many allies and friends in the region beyond to support

every nation in the Middle East, because liberty is the right and hope of all humanity. ⁶³

The same is true of Iran, a nation now held hostage by a small clerical elite that is isolating and repressing its people. ⁶⁴ The regime in that country sponsors terrorists in the Palestinian territories and in Lebanon⁶⁵ – and that must come to an end. The Iranian government is defying the world with its nuclear ambitions⁶⁶ – and the nations of the world must not permit the Iranian regime to gain nuclear weapons. ⁶⁷ America will continue to rally the world to confront these threats. And tonight, let me speak directly to the citizens of Iran: America respects you, and we respect your country. We respect your right to choose your own future and win your own freedom. And our nation hopes one day to be the closest of friends with a free and democratic Iran. ⁶⁸

To overcome dangers in our world, we must also take the offensive by encouraging economic progress, fighting disease, and spreading hope

the increase of reform, which will serve as the antidote to terror.” Remarks by President Bush and President Chirac in a Joint Press Availability, Elysee Palace, Paris, France, June 5, 2004, (<http://www.whitehouse.gov/news/releases/2004/06/20040605-6.html>).

⁶³ “Americans are a free people, who know that **freedom is the right of every person and the future of every nation**. The liberty we prize is not America's gift to the world, it is God's gift to humanity.” President Delivers “State of the Union”, The U.S. Capitol, January 28, 2003, (<http://www.whitehouse.gov/news/releases/2003/01/20030128-19.html>).

⁶⁴ Confirmed by Michael Doran, Senior Director for Near East and North African Affairs, NSC, (6-9121). “Iran aggressively pursues these weapons and exports terror, **while an unelected few repress the Iranian people's hope for freedom**.” President Delivers State of the Union Address, The President's State of the Union Address, The United States Capitol, Washington, D.C., January 29, 2002, (<http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html>).

⁶⁵ Confirmed by Michael Doran, Senior Director for Near East and North African Affairs, NSC, (6-9121). “**Iran aggressively pursues these weapons and exports terror**, while an unelected few repress the Iranian people's hope for freedom.” President Delivers State of the Union Address, The President's State of the Union Address, The United States Capitol, Washington, D.C., January 29, 2002, (<http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html>).

⁶⁶ Confirmed by Michael Doran, Senior Director for Near East and North African Affairs, NSC, (6-9121).

⁶⁷ “And so we are working hard to continue the diplomacy necessary to send a focused **message to the Iranian government, and that is, your desires for a weapon are unacceptable**. Part of that is -- part of that diplomacy was to provide an acceptable alternative to the Iranian desire to have a civilian nuclear power industry.” Press Conference of the President, James S. Brady Briefing Room, January 26, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060126.html>).

⁶⁸ Paragraph language confirmed by Michael Doran, Senior Director for Near East and North African Affairs, NSC, (6-9121).

in hopeless lands.⁶⁹ Isolationism would not only tie our hands in fighting enemies, it would keep us from helping our friends in desperate need. We show compassion abroad because Americans believe in the God-given dignity and worth of a villager with HIV/AIDS, or an infant with malaria, or a refugee fleeing genocide, or a young girl sold into slavery. We also show compassion abroad because regions overwhelmed by poverty, corruption, and despair are sources of terrorism,⁷⁰ organized crime, human trafficking, and the drug trade.

In recent years, you and I have taken unprecedented action to fight AIDS and malaria, expand the education of girls, and reward developing nations that are moving forward with economic and political reform.⁷¹ For people everywhere, the United States is a partner for a better life. Short-changing these efforts would increase the suffering and chaos of our world, undercut our long-term security, and dull the conscience of our country. I urge members of Congress to serve the interests of America by showing the compassion of America.⁷² —

⁶⁹ “These funds will go into a new Millennium Challenge Account. Under this account, among other efforts, **we will expand our fight against AIDS**; we will bring computer instruction to young professionals in developing nations; we will assist African businesses and their people to sell goods abroad; we will provide textbooks and training to students in Islamic and African countries; we will apply the power of science and technology to increase harvests where hunger is greatest. These are some of the examples of what we intend to do. **The goal is to provide people in developing nations the tools they need to seize the opportunities of the global economy.** In return -- in return for this additional commitment, we expect nations to adopt the reforms and policies that make development effective and lasting.” President Proposes \$5 Billion Plan to Help Developing Nations, Remarks by the President on Global Development Inter-American Development Bank, Washington, D.C., March 14, 2002, (<http://www.whitehouse.gov/news/releases/2002/03/20020314-7.html>).

⁷⁰ “Poverty doesn't cause terrorism. Being poor doesn't make you a murderer. Most of the plotters of September 11th were raised in comfort. **Yet persistent poverty and oppression can lead to hopelessness and despair. And when governments fail to meet the most basic needs of their people, these failed states can become havens for terror.**” President Proposes \$5 Billion Plan to Help Developing Nations, Remarks by the President on Global Development Inter-American Development Bank, Washington, D.C., March 14, 2002, (<http://www.whitehouse.gov/news/releases/2002/03/20020314-7.html>).

⁷¹ See appendix Foreign Operations Appropriations Act, 2006.

⁷² President Bush requested \$3 billion in funding for the Millenium Challenge Corporation (MCC). The MCC was very slow in establishing criteria for obligating funds. Congress determined that the MCC was simply not able to obligate all of the requested funds and so Congress cut funding to \$1.77 billion. Information provided by Joe Bowab, Associate Director, OMB, (5-4657).

Our country must also remain on the offensive against terrorism here at home. The enemy has not lost the desire or capability to attack us.⁷³ Fortunately, this nation has superb professionals in law enforcement, intelligence, the military, and homeland security.⁷⁴ These men and women are dedicating their lives to protecting us all, and they deserve our support and our thanks. They also deserve the same tools they already use to fight drug trafficking and organized crime – so I ask you to reauthorize the Patriot Act.⁷⁵

It is said that prior to the attacks of September 11th, our government failed to connect the dots of the conspiracy.⁷⁶ We now know that two of the hijackers in the United States placed telephone calls to al-Qaida operatives overseas.⁷⁷ If our government had intercepted these calls, we might have been able to stop the attacks.⁷⁸ So to prevent another attack –

⁷³ **“This enemy still wants to do harm to the American people.** We cannot let the fact that we have not been attacked lull us into the illusion that the threats to our nation have disappeared. They have not disappeared; the terrorists are still active.” President Visits National Security Agency, National Security Agency, Fort Meade, Maryland, January 25, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060125-1.html>).

⁷⁴ “And we can be confident because we know our **military and law enforcement and homeland security and intelligence professionals** are working day and night to protect us.” President Visits National Security Agency, National Security Agency, Fort Meade, Maryland, January 25, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060125-1.html>).

⁷⁵ **“The Patriot Act** has enhanced information sharing between law enforcement and intelligence personnel, updated the law to adapt to changes in technology, and **provided critical tools to investigate terrorists that have been used for years in cases against organized crime and drug dealers.**” President Commends House Vote to Reauthorize Provisions of the Patriot Act, July 21, 2005, (<http://www.whitehouse.gov/news/releases/2005/07/20050721-13.html>).

⁷⁶ **“The 9/11 Commission made clear,** in this era of new dangers **we must be able to connect the dots before the terrorists strike so we can stop new attacks.** And this NSA program is doing just that.” President Visits National Security Agency, National Security Agency, Fort Meade, Maryland, January 25, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060125-1.html>).

⁷⁷ Confirmed by Stephen Slick, Senior Director, Intelligence Programs and Reform, NSC, (6-9341). **“We know that two of the hijackers who struck the Pentagon were inside the United States communicating with al Qaeda operatives overseas.** But we didn't realize they were here plotting the attack until it was too late.” President Visits National Security Agency, National Security Agency, Fort Meade, Maryland, January 25, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060125-1.html>).

“You might remember **there was hijackers here that had made calls outside the country** to somebody else, prior to the September the 11th attacks.” President Discusses Global War on Terror at Kansas State University, Kansas State University, Manhattan, Kansas, January 23, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060123-4.html>).

⁷⁸ **NOTE: We understand that there has been some debate about the accuracy of this statement.**

based on authority given to me by the Constitution and by statute⁷⁹ – I authorized a terrorist surveillance program to aggressively pursue the international communications of suspected al-Qaida operatives and affiliates to and from America.⁸⁰ Previous presidents have used the same constitutional authority I have⁸¹ – and federal courts have approved the use of that authority.⁸² Appropriate members of Congress have been kept informed.

Harriet Miers and Mike Hayden (DNI) have expressed their reservations with the language. Please double check the accuracy. Similar previous language is included below:

“Here's what General Mike Hayden said -- he was the former director here at NSA. He's now the Deputy Director of the National Intelligence -- Deputy Director of National Intelligence -- and here's what he said earlier this week: **'Had this program been in effect prior to 9/11, it is my professional judgment that we would have detected some of the 9/11 al Qaeda operatives in the United States, and we would have identified them as such.'**” President Visits National Security Agency, National Security Agency, Fort Meade, Maryland, January 25, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060125-1.html>).

GENERAL HAYDEN: “I'd just add, in terms of what we do globally with regard to signals intelligence, which is a critical part of defending the nation, there are probably no communications more important to what it is we're trying to do to defend the nation; no communication is more important for that purpose than those communications that involve al Qaeda, and one end of which is inside the homeland, one end of which is inside the United States. **Our purpose here is to detect and prevent attacks. And the program in this regard has been successful.**” Press Briefing by Attorney General Alberto Gonzales and General Michael Hayden, Principal Deputy Director for National Intelligence, James S. Brady Briefing Room, December 19, 2005, (<http://www.whitehouse.gov/news/releases/2005/12/20051219-1.html>).

⁷⁹ “Other Presidents -- most Presidents believe that during a time of war, that **we can use our authorities under the Constitution to make decisions necessary to protect us.** Secondly, in this case, there is **an act passed by Congress in 2001 which said that I must have the power to conduct this war using the incidents of war.**” Press Conference of the President, James S. Brady Briefing Room, January 26, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060126.html>).

⁸⁰ “In the weeks following September the 11th, **I authorized a terrorist surveillance program to detect and intercept al Qaeda communications** involving someone here in the United States. **This is a targeted program to intercept communications** in which intelligence professionals have reason to believe that at least one person is a member or agent of **al Qaeda or a related terrorist organization.** The program **applies only to international communications.** In other words, one end of the communication must be outside the United States.” President Visits National Security Agency, National Security Agency, Fort Meade, Maryland, January 25, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060125-1.html>).

⁸¹ “**My predecessors have used the same constitutional authority on numerous occasions.** And the Supreme Court has ruled that Congress gave the President additional authority to use the traditional tools -- or “fundamental incidents” -- of war in the fight against terror when Congress passed the authorization for the use of military force in 2001.” President Visits National Security Agency, National Security Agency, Fort Meade, Maryland, January 25, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060125-1.html>).

⁸² “This terrorist surveillance program includes multiple safeguards to protect civil liberties, and it is fully consistent with our nation's laws and Constitution. **Federal courts have consistently ruled that a President has authority under the Constitution to conduct foreign intelligence surveillance against**

⁸³ This terrorist surveillance program has helped prevent terrorist attacks. ⁸⁴ It remains essential to the security of America. If there are people inside our country who are talking with al-Qaida, we want to know about it⁸⁵ – because we will not sit back and wait to be hit again.⁸⁶ _

In all these areas – from the disruption of terror networks, to victory in Iraq, to the spread of freedom and hope in troubled regions – we need the support of friends and allies. To draw that support, we must always be clear in our principles and willing to act. The only alternative to American leadership is a dramatically more dangerous and anxious world. Yet we also choose to lead because it is a privilege to serve the values that gave us birth. American leaders – from Roosevelt to Truman to Kennedy to Reagan – rejected isolation and retreat, because they knew that America is always more secure when freedom is on the march. Our own generation is in a long war against a determined enemy – a war that will be fought by Presidents of both parties, who will need steady bipartisan support from the Congress. And tonight I ask for yours. Together, let us protect our country, support the men and women who defend us, and lead this world toward freedom.

our enemies.” President Visits National Security Agency, National Security Agency, Fort Meade, Maryland, January 25, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060125-1.html>).

⁸³ “**Leaders in the United States Congress have been briefed more than a dozen times on this program.** And it has been effective in disrupting the enemy, while safeguarding our civil liberties.” Press Conference of the President, The East Room, December 19, 2005, (<http://www.whitehouse.gov/news/releases/2005/12/20051219-2.html>).

⁸⁴ “And this NSA program is doing just that. General Hayden has confirmed that America has gained information from this program that would not otherwise have been available. **This information has helped prevent attacks and save American lives.** This terrorist surveillance program includes multiple safeguards to protect civil liberties, and it is fully consistent with our nation's laws and Constitution.” President Visits National Security Agency, National Security Agency, Fort Meade, Maryland, January 25, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060125-1.html>).

⁸⁵ “In other words, we have ways to determine whether or not someone can be an al Qaeda affiliate or al Qaeda. **And if they're making a phone call in the United States, it seems like to me we want to know why.**” President Discusses Global War on Terror at Kansas State University, Kansas State University, Manhattan, Kansas, January 23, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060123-4.html>).

⁸⁶ **NOTE: Again, we wish to underline the importance of assuring the accuracy in this paragraph given that both Harriet Miers and Mike Hayden (DNI) have expressed their reservations with the language. We do not know if their concerns have been satisfied.**

Here at home, America also has a great opportunity: We will build the prosperity of our country by strengthening our economic leadership in the world.

Our economy is healthy, and vigorous, and growing faster than other major industrialized nations.⁸⁷ In the last two and a half years, America has created 4.6 million new jobs⁸⁸ – more than Japan and the European Union combined.⁸⁹ Even in the face of higher energy prices and natural disasters, the American people have turned in an economic performance that is the envy of the world.⁹⁰

⁸⁷ The data provided below shows the average four quarter growth rate for G-7 countries (Canada, France, Germany, Italy, Japan, United Kingdom). **NOTE: The data below is from the third quarter in 2005.** The United States is the only G-7 country to have released data for the fourth quarter of 2005. That fourth quarter data pulled the four quarter growth rate for the U.S. down to 3.1 percent – still much higher than the most recent available data indicating 1.76 percent for the other G-7 countries.

G-7 countries (exc. U.S.) average 4-quarter growth rate	1.76% through Q3 2005
U.S. 4-quarter growth rate	3.64% through Q3 2005
U.S. 4-quarter growth rate	3.10% through Q4 2005

⁸⁸

United States	Millions Employed
2003 - June	129.854
2005 - Dec	134.468

Net Change	4.614
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Information provided by Diana Wielocha, Research Assistant, CEA, (5-5104).

⁸⁹

Japan	
2003 - June	63.53
2005 - Nov	63.28

Net Change	-0.25
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Eurostat	European Union (25 countries)
	(Millions Employed)

2003 - Q2	198.932
2005 - Q3	201.708
Net change EU	2.776

Net change (European Union and Japan combined)	2.45
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Information provided by Diana Wielocha, Research Assistant, CEA, (5-5104).

The American economy is pre-eminent – but we cannot afford to be complacent. In a dynamic world economy, we are seeing new competitors like China and India. This creates uncertainty, which makes it easier to feed people's fears. And so we are seeing some old temptations return. Protectionists want to escape competition, pretending that we can keep our high standard of living while walling off our economy.⁹¹ Others say that the government needs to take a larger role in directing the economy, centralizing more power in Washington and increasing taxes.⁹² We hear claims that immigrants are somehow bad for the economy – even though this economy could not function without them.⁹³ All these are forms of economic retreat, and they lead in the same direction – toward a stagnant and second-rate economy.

Tonight I will set out a better path – an agenda for a nation that competes with confidence – an agenda that will raise standards of living and generate new jobs. Americans should not fear our economic future, because we intend to shape it.

Keeping America competitive begins with keeping our economy growing. And our economy grows when Americans have more of their own

⁹⁰ "Our small businesses are thriving. **In 2005, the American economy turned in a performance that is the envy of the industrialized world. And we did this in spite of high oil prices and natural disasters.**" President Discusses Strong and Growing Economy, Hilton Chicago, Chicago, Illinois, January 6, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060106-7.html>).

⁹¹ "I believe that trade opens up opportunities for people here at home. **Now, we've got some people in Washington who are what I call economic isolationists.** They have a different point of view -- good people, just a different philosophy. They don't believe trade is good. **They believe that it's okay to wall ourselves off from the rest of the world.** I disagree strongly. And that's why my administration has pursued free trade agreements around the globe, and will continue to do that." President Discusses Strong and Growing Economy, Hilton Chicago, Chicago, Illinois, January 6, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060106-7.html>).

⁹² "Unfortunately, just as we're seeing the evidence of how the tax cuts have created jobs and opportunity, **some in Washington are saying we need to raise your taxes.** See, that's either by saying we're not going to make the tax cuts permanent -- in other words, they're going to expire -- or why don't we repeal the tax cuts right now." President Discusses Strong and Growing Economy, Hilton Chicago, Chicago, Illinois, January 6, 2006, (<http://www.whitehouse.gov/news/releases/2006/01/20060106-7.html>).

⁹³ "**Reform must begin by confronting a basic fact of life and economics: some of the jobs being generated in America's growing economy are jobs American citizens are not filling.** Yet these jobs represent a tremendous opportunity for workers from abroad who want to work and fulfill their duties as a husband or a wife, a son or a daughter." President Bush Proposes New Temporary Worker Program, Remarks by the President on Immigration Policy, The East Room, January 7, 2004, (<http://www.whitehouse.gov/news/releases/2004/01/20040107-3.html>).

money to spend, save, and invest.⁹⁴ In the last five years, the tax relief you passed has left 880 billion dollars in the hands of American workers, investors, small businesses, and families⁹⁵ – and they have used it to help produce more than four years of uninterrupted economic growth.⁹⁶ Yet the tax relief is set to expire in the next few years.⁹⁷ If we do nothing, American families will face a massive tax increase they do not expect and will not welcome.⁹⁸

Because America needs more than a temporary expansion, we need more than temporary tax relief. I urge the Congress to act responsibly, and make the tax cuts permanent.

Keeping America competitive requires us to be good stewards of tax dollars. Every year of my presidency, we have reduced the growth of non-security discretionary spending⁹⁹ – and last year you passed bills that cut this spending.¹⁰⁰ This year my budget will cut it again,

⁹⁴ “I said, the American economy grows when the American people are allowed to keep more of their own money so they can save and they can invest and they can spend as they see fit. So I called on the Congress, as I mentioned to you earlier, to cut the taxes, and Congress responded. It’s been a while since that happened.” President Discusses Strong and Growing Economy, Hilton Chicago, Chicago, Illinois, January 6, 2006 (<http://www.whitehouse.gov/news/releases/2006/01/20060106-7.html>)

⁹⁵ 880 figure provided by OMB via Logan Dryden, Executive Assistant, Office of the Director, OMB (54742). **Information also confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584). See appendix, “Bush Tax Cuts CY”**

⁹⁶ Information confirmed by Keith Hall, Chief Economist, CEA, (55012) and J.D. Foster, Associate Director, Economic Policy, OMB (55873). **See appendix, “GDP Growth”**

⁹⁷ Information confirmed by J.D. Foster. **Note from J.D.:** It would not be accurate to say that “ALL tax relief is set to expire in the next few years.” But the way the sentence is worded now, without the qualifier, is acceptable because when people hear “tax relief,” they generally think of individual income tax relief, which is set to expire within the next few years. Capital gains and dividend rate reductions expire at the end of 2008. Individual rate cuts, doubling of child tax credit, marriage penalty relief, 10 percent tax bracket, pension provisions, and repeal of death tax all expire at the end of 2010.

⁹⁸ Information confirmed by Keith Hall, Chief Economist, CEA, (55012).

⁹⁹ Information confirmed by Patrick Alyward, Staff Assistant, Office of the Director, OMB (55883). In the last Clinton Budget (FY 2001), the growth rate was 14.9 percent. In the Bush Presidency the equivalent measures were:

FY 2002	6.1 percent
FY 2003	5.5 percent
FY 2004	4.4 percent
FY 2005	1 percent
FY 2006	-1.3 percent

¹⁰⁰ Information provided by OMB via Logan Dryden, Executive Assistant, Office of the Director, OMB

¹⁰¹ and reduce or eliminate more than 140 programs that are performing poorly or not fulfilling essential priorities. ¹⁰² By passing these reforms, we will save the American taxpayer another 15 billion dollars next year¹⁰³ – and stay on track to cut the deficit in half by 2009. ¹⁰⁴ I am pleased that Members of Congress are working on earmark reform¹⁰⁵ – because the federal budget has too many special interest projects. ¹⁰⁶ And we can tackle this problem together, if you pass the line-item veto. ¹⁰⁷

(54742) **Appropriations bills that passed last year that cut non-security discretionary spending: PL109-97, -108, -148, -103, -102, -90, -54, -149, -55, -114, -115.**

¹⁰¹ Information confirmed by Patrick Alyward, Staff Assistant, Office of the Director, OMB (55883). **The FY 07 Budget will include a -.05% reduction for non-security spending.**

¹⁰² Information confirmed by Elizabeth Robinson, Assistant Director, OMB (54630). **See appendix, "Summary of FY 2007 Proposed Reductions and Terminations," "Discretionary Program Terminations in the FY 2007 Budget," and "Major Discretionary Terminations in the FY 2007 Budget" for the list the 141 programs that are either terminated or reduced in the 2007 Budget with the associated amounts.**

¹⁰³ Information confirmed by Elizabeth Robinson, Assistant Director, OMB (54630). **The total amount saved will be -\$14.7 billion. See appendix, "Summary of FY 2007 Proposed Reductions and Terminations"**

¹⁰⁴ Information confirmed by Patrick Alyward, Staff Assistant, Office of the Director, OMB (55883). **Our current projections show the deficit at -\$208 billion in 2009, compared to the nominal target of \$261 billion, and at 1.4 percent of GDP compared to a target of 2.3 percent.**

¹⁰⁵ Information confirmed by Deb Fiddelke, Special Assistant to the President for Legislative Affairs, (66493): "Senators McCain and Coburn have a bill that prohibits appropriations for earmarks found in report language unless the provisions are included in the appropriations bill, S. 1495." **"Obligation of Funds Transparency Act of 2005 (Introduced in Senate)**S 1495 IS 109th CONGRESS1st Session **S. 1495 To prohibit Federal agencies from obligating funds for appropriations earmarks included only in congressional reports, and for other purposes. IN THE SENATE OF THE UNITED STATESJuly 26, 2005** Mr. MCCAIN (for himself and Mr. COBURN) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs"

¹⁰⁶ "These saving proposals would help address one of the tax code's many flaws, but they cannot address all the problems the tax code presents for the economy. **Therefore, the President has called for a fundamental reform of the Federal income tax system to make it simpler, fairer, and more pro-growth. The Federal income tax code is not just a complicated mess; it is also a maze of special-interest loopholes that cause America's taxpayers to spend more than six billion hours every year on paperwork.** Work, entrepreneurship, investment, ownership, and even education are discouraged by our tax system. Businesses routinely make decisions about the deployment of capital not on economic merits alone, but also on the relevance of certain chapters of our tax code." The White House, FY 2006 Budget, "PROMOTING ECONOMIC OPPORTUNITY AND OWNERSHIP," (<http://www.whitehouse.gov/infocus/budget/2006/toc.html>)

¹⁰⁷ "Q In particular, though, I was surprised you didn't have a greater emphasis on spending cuts in this budget to offset whatever additional funds for Katrina -- \$400 billion deficit is going to raise some eyebrows. **Why not just clear out the pork in the federal budget? As you know, there's a popular outcry to do so. Why not have the White House come out against the earmarks? They're pork barrel earmarks. They've really allowed cash for legislative favors. In some sense, they're at the heart of the corruption. What's your own view on the earmark issue?** THE VICE PRESIDENT: I

We must also confront the larger challenge of mandatory spending, or entitlements.¹⁰⁸ This year, the first of about 78 million Baby Boomers turn 60, including two of my Dad's favorite people – me, and President Bill Clinton. This milestone is more than a personal crisis – it is a national challenge.¹⁰⁹ The retirement of the Baby Boom generation will put unprecedented strains on the federal government.¹¹⁰ By 2030, spending for Social Security, Medicare, and Medicaid alone will be almost 60 percent

think the earmarks are a problem. I know from my time of running the Defense Department 15 years ago, it was frustrating then to be told by the Congress to specify spending amounts that had nothing to do with national security but were all geared to satisfy some member of Congress's political needs and requirements. And it has gotten much worse. The bill when I -- the authorization bill at Defense used to be about 70 or 80 pages long 50 years ago. **Now it's hundreds of pages long because of earmarks. One solution for this is the line-item veto. And the President has constantly supported that. If you had the line-item veto, he could reach in without having to veto the entire bill and knock out individual earmarks and do a lot to clean up that legislation. That would be a significant plus. I think you're right. I think earmarks are a significant problem.**" Interview of the Vice President by Larry Kudlow, CNBC, Grand Hyatt New York, New York, New York, January 19, 2006 (<http://www.whitehouse.gov/news/releases/2006/01/20060119-8.html>)

¹⁰⁸ **"Long-term Unfunded Obligations. The real fiscal danger is posed by the long-term unfunded obligations of the Social Security, Medicare, and other entitlement programs.** Spending decisions on entitlements often have ramifications on the budget outlook far beyond the conventional 10-year window used to score changes in policy. Enforcement mechanisms are needed to address the long-term impact of entitlement spending expansions. The Budget proposes to establish a new measure to analyze the long-term impact of legislation on unfunded obligations of major entitlement programs. If legislation caused an increase in these obligations, it would require a three-fifths vote of the Senate." The White House, OMB, FY 06 Budget Priorities, "THE NATION'S FISCAL OUTLOOK," (<http://www.whitehouse.gov/omb/budget/fy2006/outlook.html>)

¹⁰⁹ Source recommended by Chuck Blahous, Special Assistant to the President for Economic Policy, NEC (66888): **In 2006, the oldest of the baby boomers, the generation born between 1946 and 1964, will turn 60 years old. Among the Americans celebrating their 60th will be our two most recent presidents, George W. Bush and Bill Clinton.** Other well-known celebrities reaching this milestone include Cher, Donald Trump, Sylvester Stallone and Dolly Parton. To commemorate this occasion, the Census Bureau has compiled a collection of facts relating to, perhaps, our most celebrated generation. **78.2 million Estimated number of baby boomers, as of July 1, 2005.** U.S. Census Bureau, News Releases, Facts for Features, Special Edition, "Oldest Baby Boomers Turn 60!" (http://www.census.gov/Press-Release/www/releases/archives/facts_for_features_special_editions/006105.html) Also see (<http://www.census.gov/popest/national/>)

¹¹⁰ "A snapshot of the Social Security system today gives no hint of the trouble to come because it shows Social Security with a cash surplus estimated to be \$76 billion in 2006. However, this surplus begins to decline in 2008 as the first wave of Baby Boomers retire. **In 2018, the Social Security system will collect less in taxes than it pays in benefits and will shift into a permanent cash deficit. In 2042, Social Security will exhaust its Trust Fund assets and will be bankrupt. If Social Security's problems are left unresolved, today's young workers will see their benefits sharply and suddenly cut, their children's payroll taxes raised, or both.**" The White House, OMB, FY 06 Budget Priorities, "THE NATION'S FISCAL OUTLOOK," (<http://www.whitehouse.gov/omb/budget/fy2006/outlook.html>)

of the entire federal budget.¹¹¹ And that will present future Congresses with impossible choices – staggering tax increases, immense deficits, or deep cuts in every category of spending.¹¹²

Congress did not act last year on my proposal to save Social Security, yet the rising cost of entitlements is a problem that is not going away – and with every year we fail to act, the situation gets worse.¹¹³ So tonight, I ask you to join me in creating a commission to examine the full impact of Baby Boom retirements on Social Security, Medicare, and Medicaid.¹¹⁴ This commission should include Members of Congress of both parties, and offer bipartisan answers.¹¹⁵ We need to put aside partisan politics, work together, and get this problem solved.¹¹⁶

¹¹¹ In 2030 --

Social Security	5.8
Medicare	5.0
Medicaid	<u>2.1</u>
Subtotal	12.9

Total Government Spending 21.6

(And, 12.9 is 60 percent of 21.6)

See appendix, “Analytical Perspectives volume of the Budget, pg. 185.”

Information provided by Elizabeth Robinson, Assistant Director, OMB (54630) via by Joel Kaplan, Deputy Director, Office of the Director, OMB (54742)

¹¹² Information confirmed by Joel Kaplan, Deputy Director, Office of the Director, OMB (54742)

¹¹³ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584). “With continued pro-growth policies and responsible spending restraint, the fiscal condition of the Federal Government shows steady and solid improvement over the five-year budget window. **This period of relative success will end roughly a decade from now when the retirement of Baby Boomers begins in earnest, and the costs of the Nation’s entitlement programs explode. At that point, the Federal Government’s deficits are expected to begin a dramatic rise, and the entitlement programs that are currently manageable will eventually overwhelm the rest of the Federal budget—unless appropriate and effective reforms are enacted.**” The White House, OMB, FY 06 Budget Priorities, “THE NATION’S FISCAL OUTLOOK,” (<http://www.whitehouse.gov/omb/budget/fy2006/outlook.html>)

¹¹⁴ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

¹¹⁵ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

¹¹⁶ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

Keeping America competitive requires us to open more markets for all that Americans make and grow. One out of every five factory jobs in America is related to global trade,¹¹⁷ and we want people everywhere to buy American. With open markets and a level playing field,¹¹⁸ no one can out-produce or out-compete the American worker.

Keeping America competitive requires an immigration system that upholds our laws, reflects our values, and serves the interests of our economy. Our nation needs orderly and secure borders. To meet this goal, we must have stronger immigration enforcement and border protection.¹¹⁹ And we must have a rational, humane guest worker program that rejects amnesty ... allows temporary jobs for people who seek them legally¹²⁰ ... and reduces smuggling and crime at the border.

¹¹⁷ Information provided by Georg Mehl, Department of Commerce, (202) 482-5097 via Dagmara (Mara) Tchalakov, Research Assistant, CEA (55618): **"Our latest export-related employment numbers are for 2001, and they are only for jobs that are sustained by manufactured exports. They indicate that 3.25 million manufacturing jobs out of 15.88 million total jobs in the U.S. manufacturing sector (roughly one in every five jobs) is export-sustained.** Please note that in 2001 "the total number of manufacturing jobs in the U.S. was 15.88 million. Since that time, manufacturing jobs have declined steadily, and the number is now estimated to be well under 15 million. The number of those jobs that are export-supported is not known. We undoubtedly understate the export-related jobs total, and the numbers we have are dated. **However, our export-related jobs project with Cen[s]us is presently the only game in town, as far as this subject is concerned....."** Also the **"2001 export-related jobs figures refer only to jobs generated by manufactured exports -- excluded are jobs from exports of services, agricultural goods, and mined products."**

See appendix, "State Export-Related Manufacturing Employment"

¹¹⁸ **"CAFTA Will Benefit American Textile Workers. Increased global trade** means that American textile firms need to take advantage of regional opportunities for exports and growth. The National Council of Textile Organizations endorses CAFTA, **which will help level the playing field for American firms by eliminating existing duties on American products.** This will save jobs and make U.S. exports much more competitive." The White House, "CAFTA Will Create Jobs and Level the Playing Field for American Workers," July 15, 2005 (<http://www.whitehouse.gov/news/releases/2005/07/20050715-1.html>)

¹¹⁹ **"President Bush Outlined The Strategy To Enhance America's Homeland Security Through Comprehensive Immigration Reform. Addressing the Customs and Border Protection agents stationed in southern Arizona, the President discussed the strategy to secure the border, prevent illegal crossings, and strengthen enforcement of immigration laws.** The President also proposed to take pressure off the border by creating a Temporary Worker Program that meets the economy's demands while rejecting amnesty for those who break America's laws. **Securing The Border Is Essential To Securing The Homeland. Since he took office, the President has increased funding for border security by 60 percent. Border agents have apprehended and sent home more than 4.5 million people coming into the country illegally including about 350,000 with criminal records.** The U.S. border must be open to trade and tourism and closed to criminals, drug dealers, and terrorists." The White House, "Securing American Through Immigration Reform," (<http://www.whitehouse.gov/infocus/immigration/>)

¹²⁰ **"I do not believe that any guest worker program ought to contain amnesty, because I believe that**

Keeping America competitive requires affordable health care.¹²² Our government has a responsibility to help provide health care for the poor and the elderly, and we are meeting that responsibility.¹²³ For all Americans, we must confront the rising cost of care ... strengthen the doctor-patient relationship ... and help people afford the insurance coverage they need.¹²⁴ We will make wider use of electronic records and other health information technology, to help control costs and reduce dangerous medical errors.¹²⁵ We will strengthen Health Savings Accounts – by making sure individuals and small business employees can buy insurance with the same advantages that people working for big businesses now get.¹²⁶ We will do more to make this coverage portable, so

if you granted amnesty to the people here working now that that would cause another 8 million people or so to come here. I do believe, however, it is humane to say to a person, you're doing a job somebody else won't do, here is a temporary card to enable you to do the card [sic]." The length of stay here will be dependent upon the actions of the Congress. It's conceivable you could have a three-year period with a renewal period. I've thought a lot about this issue, I just want you to know. And by the way, when you mention guest worker, a lot of people automatically spring to amnesty, all I want to do is grant legal status. That's just not the case. I don't believe we ought to do that. But I do believe we ought to recognize there are people doing work others won't do." President Discusses Global War on Terror at Kansas State University, Kansas State University, Manhattan, Kansas, January 23, 2006 (<http://www.whitehouse.gov/news/releases/2006/01/20060123-4.html>)

¹²¹ "And I know that we've got a lot of our Border Patrol agents trying to catch people sneaking in the country. And so it seems like to me that why don't we recognize reality, give people workers cards on a temporary basis so somebody can come back and forth legally, with tamper-proof card that will enable an employer to know whether or not they're hiring somebody who is illegal. And if we catch employers after that hiring somebody illegal, there's got to be a fine and a consequence." President Discusses Global War on Terror at Kansas State University, Kansas State University, Manhattan, Kansas, January 23, 2006 (<http://www.whitehouse.gov/news/releases/2006/01/20060123-4.html>)

The information in this entire paragraph was confirmed by Doug Baker, Special Assistant to the President and Director for Border and Transportation Security, HSC (62222)

¹²² Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

¹²³ Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584) prefers that the line read, "we will meet that responsibility."

¹²⁴ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

¹²⁵ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

¹²⁶ Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584) prefers that the line read, "with the same tax advantages that people working for big businesses now get."

workers can switch jobs without having to worry about losing their health insurance.¹²⁷ And because lawsuits are driving many good doctors out of practice¹²⁸ – leaving women in nearly 1500 American counties without a single OB-GYN¹²⁹ – I ask the Congress to pass medical liability reform this year.¹³⁰

¹²⁷ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

¹²⁸ Information confirmed by Allyson Ho, Special Assistant to the President for Domestic Policy, (Justice) DPC, (65574). **“Frivolous lawsuits and excessive jury awards are driving many health care providers out of communities and forcing doctors to practice defensive medicine.** This reduces access to medically necessary services and raises the costs of health care for all. The President has proposed proven reforms, such as common-sense limits on non-economic damages, to make the medical liability system more fair, predictable, and timely.” The White House, OMB, FY06 Budget Priorities, “PROMOTING ECONOMIC OPPORTUNITY AND OWNERSHIP.” (<http://www.whitehouse.gov/omb/budget/fy2006/promoting.html>)

¹²⁹ According to 2004 data provided by the following source, **There are 1453 total counties without any kind of OB-GYN; this includes DOs (osteopaths) in the total. *1453 does not take into account federal OB-GYNs as they are not considered available to the public.**

For further documentation please see the excel file attached to the email that accompanied this document, “OBGYN2004data.xls,”

Source description: **Survey: Physician Characteristics and Distribution in the US, 2005.** Department of Data Quality and Measurement, Division of Data and Operations, American Medical Association; 2005. *“Physician Characteristics and Distribution in the US, 2005* is the most accurate and complete source for statistical data about the physician supply in the United States. It provides extensive data on trends, characteristics and distribution of more than 884,000 physicians. “All data are derived from the American Medical Association Physician Masterfile, which obtains data from primary sources only. Primary sources include medical schools, hospitals, medical societies, the National Board of Medical Examiners, state licensing agencies and many others. The stringent verification process is unique and one of the most thorough in the industry.” **Above description provided by Al Meltzer and Colleen Goodman, MBA**

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On reference from:

Louis A. Kuta, M.B.A.

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This source was confirmed by Allyson Ho, Special Assistant to the President for Domestic Policy, (Justice) DPC (65574).

¹³⁰ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

Keeping America competitive requires affordable energy. Here we have a serious problem: America is addicted to oil, which is often imported from unstable parts of the world.

The best way to break this addiction is through technology. Since 2001, we have spent nearly 10 billion dollars to develop cleaner, cheaper, more reliable alternative energy sources¹³¹ – **and we are on the threshold of incredible advances.**¹³² So tonight, I announce the Advanced Energy Initiative – a 22-percent increase in clean-energy research at the Department of Energy,¹³³ to push for breakthroughs in two vital areas.¹³⁴ To change how we power our homes and offices, we will invest more in zero-emission coal-fired plants,¹³⁵ revolutionary solar and wind technologies;¹³⁶ and clean, safe nuclear energy.

¹³¹ Information provided by David Anderson, Associate Director, OMB (56988).

Clean Energy and Oil Displacement

	<u>Cumulative</u> 2002-2006
Clean Energy and Oil Displacement	
R&D, deployment, tech transfer	9,846
Tax incentives	
Total	9,846

¹³² Still checking with Keith Hennessey.

¹³³ Information confirmed by Steve Mertens, Deputy Associate Director, Natural Resource Programs, OMB (53634).

Funding for Energy Technology Programs (\$ in millions):

2006 Enacted = 1,737

2007 Budget = 2,125

2007-2006 \$ (difference) = 388

2007-2006 % = 22.34% (percentage increase)

See the excel doc attached to the email that accompanied this document, “Energy Technology Funding” – “DOE” tab, bottom green highlighted line. Document provided by David Anderson, Associate Director, OMB (56988).

¹³⁴ Information confirmed by Steve Mertens, Deputy Associate Director, Natural Resource Programs, OMB (53634): **“With respect to powering homes and offices, the 2007 Budget shows a net increase of \$247 million for nuclear energy, solar, fusion, and other technologies. The Budget includes a \$141 million increase for technologies that advance clean vehicle technology, including hydrogen, fuel cells, and biomass research and development.”**

¹³⁵ Information confirmed by Steve Mertens, Deputy Associate Director, Natural Resource Programs, OMB (53634): **Zero-emission coal-fired plants: +\$36 million over 2006 funding for the FutureGen clean coal demonstration plant is a subset of “Clean Coal – Fossil Energy R&D account line of the chart). The Budget also proposes a \$203 million FY 2008 advance appropriation for FutureGen. (Total “Clean Coal” funding declines \$17 million from 2006.) See the excel doc attached to the email that accompanied this document, “Energy Technology Funding” – “DOE” tab**

¹³⁶ Information confirmed by Steve Mertens, Deputy Associate Director, Natural Resource Programs,

We must also change how we power our automobiles. We will increase our research in better batteries for hybrid and electric cars,¹³⁸ and in pollution-free cars that run on hydrogen.¹³⁹ We will also fund additional research in cutting-edge methods of producing ethanol, not just from corn but from wood chips, stalks, or even weeds.¹⁴⁰ Our goal is to make this new kind of ethanol practical and competitive within six years.¹⁴¹ Breakthroughs on this and other new technologies will help us reach another great goal: to replace more than 75 percent of our oil imports from the Middle East by 2025.¹⁴² By applying the talent and technology of America, this country can dramatically improve our environment ... move beyond a petroleum-based economy ... and make our dependence on Middle Eastern oil a thing of the past.¹⁴³

OMB (53634): **Revolutionary Solar and Wind: +\$99 million for solar technologies (chart shows programs within EERE Programs and Science Programs) and +\$5 million for wind technologies (the chart includes a separate line for wind) See the excel doc attached to the email that accompanied this document, "Energy Technology Funding" – "DOE" tab**

¹³⁷ Information confirmed by Steve Mertens, Deputy Associate Director, Natural Resource Programs, OMB (53634): **Clean, Safe Nuclear Energy: +\$148 million for nuclear energy, with the increase focused in the Global Nuclear Energy Partnership initiative. (See the NE (Nuclear Energy) total line on the chart.) See the excel doc attached to the email that accompanied this document, "Energy Technology Funding" – "DOE" tab**

¹³⁸ Information confirmed by Steve Mertens, Deputy Associate Director, Natural Resource Programs, OMB (53634): **Batteries: +\$6.7 million (This is included in the Vehicle Technology line within EERE programs.) See the excel doc attached to the email that accompanied this document, "Energy Technology Funding" – "DOE" tab**

¹³⁹ Information confirmed by Steve Mertens, Deputy Associate Director, Natural Resource Programs, OMB (53634): **Pollution-Free cars that run on Hydrogen: These technologies are addressed in the chart's cross-cut totals for FreedomCAR and the Hydrogen Fuel Initiative. These initiatives include funding in the Hydrogen Technology, Fuel Cell Technology, Vehicle Technology, Fossil Energy, Nuclear Energy and Science programs. See the excel doc attached to the email that accompanied this document, "Energy Technology Funding" – "DOE" tab**

¹⁴⁰ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

¹⁴¹ OMB is not comfortable with the use of "practical."

¹⁴² **Still working on this....** Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584). **See Appendix, "Light Vehicle Oil Savings by Technology Used", and "Projected Gross US Imports of Crude and Products by Source 2005-2025. **See highlighted figures for 2020 and 2025. 5.26 in 2025 is greater than 75% of 5.990 in 2025.**

¹⁴³ Information confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

And to keep America competitive, one commitment is necessary above all: We must continue to lead the world in human talent and creativity. Our greatest advantage in the world has always been our educated, hard-working, ambitious people – and we are going to keep that edge. Tonight I announce the American Competitiveness Initiative,¹⁴⁴ to encourage innovation throughout our economy, and to give our nation's children a firm grounding in math and science.¹⁴⁵

First: I propose to double the federal commitment to the most critical basic research programs in the physical sciences over the next ten years.¹⁴⁶ This funding will support the work of America's most creative minds as they explore promising areas such as nanotechnology, supercomputing, and alternative energy sources.¹⁴⁷

Second: I propose to make permanent the research and development tax credit, to encourage bolder private-sector investment in technology.¹⁴⁸ With more research in both the public and private sectors, we will improve our quality of life – and ensure that America will lead the world in opportunity and innovation for decades to come.

Third: We need to encourage children to take more math and science, and make sure those courses are rigorous enough to compete with other nations. We have made a good start in the early grades with the No Child Left Behind Act, which is raising standards and lifting test scores across our country.¹⁴⁹ Tonight I propose to train 70,000 high school

¹⁴⁴ "American Competitiveness Initiative" confirmed as the correct title by Tevi Troy, Deputy Assistant to the President for Domestic Policy, (65221).

¹⁴⁵ Information confirmed by Tevi Troy, Deputy Assistant to the President for Domestic Policy (65521). Tevi notes that we will not be able to give ALL "our nation's children a firm grounding in math and science"

¹⁴⁶ Information confirmed by Richard Russell, Assistant Director, and Deputy Director for Technology, Office of Science and Technology Policy, (X66014).

¹⁴⁷ Information confirmed by Richard Russell, Assistant Director, and Deputy Director for Technology, Office of Science and Technology Policy, (X66014).

¹⁴⁸ Information confirmed by Richard Russell, Assistant Director, and Deputy Director for Technology, Office of Science and Technology Policy, (X66014).

¹⁴⁹ Information confirmed by Martha Wilson, Associate Director – Education, Domestic Policy Council, (62384). "**Nine-year-olds. The average reading score was higher in 2004 than in any previous assessment year.**" National Center for Education Statistics, **National Trends** in Reading by Average Scale Scores – Key Findings. NCES.Ed.Gov, (<http://nces.ed.gov/nationsreportcard/ltt/results2004/nat-reading-scalescore.asp>) and "**Nine-year-olds. The score at the 50th percentile—the median—was**

teachers, to lead advanced-placement courses in math and science¹⁵⁰ ... bring 30,000 math and science professionals to teach in classrooms¹⁵¹ ... and give early help to students who struggle with math¹⁵², so they have a better chance at good, high-wage jobs. If we ensure that America's children succeed in life, they will ensure that America succeeds in the world.

Preparing our nation to compete in the world is a goal that all of us can share. I urge you to support the American Competitiveness Initiative¹⁵³ ... and together we will show the world what the American people can achieve.

America is a great force for freedom and prosperity. Yet our greatness is not measured in power or luxuries, but by who we are and how we treat one another. So we strive to be a compassionate, decent, hopeful society.

In recent years, America has become a more hopeful nation. Violent crime rates have fallen to their lowest levels since the 1970s.¹⁵⁴ Welfare

higher in 2004 than in any other assessment year. The scores at the 10th, 25th, and 75th percentiles were significantly higher in 2004 than in 1971 and 1999." National Center for Education Statistics, National Trends in Reading by Percentages – Key Findings. NCES.Ed.Gov, (<http://nces.ed.gov/nationsreportcard/ltt/results2004/nat-reading-percentile.asp>)

¹⁵⁰ Information confirmed by Martha Wilson, Associate Director – Education, Domestic Policy Council, (62384).

¹⁵¹ Information confirmed by Martha Wilson, Associate Director (Education), Domestic Policy Council, (62384).

¹⁵² Information confirmed by Martha Wilson, Associate Director (Education), Domestic Policy Council, (62384).

¹⁵³ **"American Competitiveness Initiative" confirmed as the correct title by Tevi Troy**, Deputy Assistant to the President for Domestic Policy, Domestic Policy Council (65221).

¹⁵⁴ Information confirmed by Allyson Ho, Special Assistant to the President for Domestic Policy (Justice), Domestic Policy Council, (65574). Violent crime rates have fallen to their lowest levels since the 1970s. The FBI reported that the Nation's murder rate in 2004 hit a 40-year low, **but the violent crime rate fell in 2004 to its lowest level since 1974. The Bureau of Justice Statistics has also reported that the violent crime victimization rate in 2004 was the lowest it had ever recorded in the 30-year history of its survey of crime victimization.**

cases have dropped by more than half over the past decade.¹⁵⁵ Drug abuse among youth is down 19 percent since 2001.¹⁵⁶ There are fewer abortions

¹⁵⁵ Information confirmed by Ryan Streeter, Special Assistant to the President for Domestic Policy (Welfare and Housing), Domestic Policy Council, (67128). **Note: Please see “10. Welfare Statistics” in appendix for copy of charts and further explanation.**

Total TANF families and recipients
(In thousands)

	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Jan-99	Jun-00	(93-00)
Families	<u>4,963</u>	5,053	4,963	4,628	4,114	3,305	2,734	2,208	- 56%
2,755,000 fewer families									
Recipients	<u>14,115</u>	14,276	13,931	12,877	11,423	9,132	7,455	5,781	- 59%
8,334,000 fewer recipients									

<http://www.acf.dhhs.gov/news/stats/caseload.htm>

Temporary Assistance for Needy Families
TOTAL NUMBER OF FAMILIES AND RECIPIENTS
Percent Change from March 2003 to June 2003

	Recipients			Families		
	Mar-03	<u>Jun-03</u>	% change	Mar-03	<u>Jun-03</u>	% change
U.S. Totals	4,986,914	<u>4,955,479</u>	-0.6%	2,038,966	<u>2,032,157</u>	-0.3%

http://www.acf.hhs.gov/news/press/2003/mar03_jun03.htm

¹⁵⁶ Information confirmed by Terry Zobeck, Deputy Associate Director, Planning and Budget, ONDCP, (5-5503). **The actual drop is 19.1 percent. The data are for teens (8th, 10th, and 12th graders) and are taken from the Monitoring the Future (MTF) study, conducted by the University of Michigan's Institute for Social Research, and funded by the National Institute on Drug Abuse.**

Drug use among the general population has been relatively flat for the past five years. Despite this, ONDCP claims that this statistic is still very powerful because drug use among youth is indicative of future drug use. **Note: the text should read drug “use,” according to Terry Zobeck, confirmed via telephone with Brendon Merkley on January 30, 2006.**

in America than at any point in the last three decades¹⁵⁷, and the number of children born to teenage mothers has been falling for a dozen years in a row.¹⁵⁸

These gains are evidence of a quiet transformation – a revolution of conscience, in which a rising generation is finding that a life of personal responsibility is a life of fulfillment. Government has played a role. Wise policies such as welfare reform, drug education, and support for abstinence and adoption have made a difference in the character of our country. And everyone here tonight, Democrat and Republican, has a right to be proud of this record.

Yet many Americans, especially parents, still have deep concerns about the direction of our culture, and the health of our most basic institutions. They are concerned about unethical conduct by public officials, and discouraged by activist courts that try to redefine marriage. And they worry about children in our society who need direction and love ... fellow citizens still displaced by natural disaster ... and suffering caused by treatable disease.

As we look at these challenges, we must never give in to the belief that America is in decline, or that our culture is doomed to unravel. The American people know better than that. We have proven the pessimists wrong before – and we will do it again.

A hopeful society depends on courts that deliver equal justice under law. The Supreme Court now has two superb new members, Chief Justice

¹⁵⁷ Information confirmed by Yuval Levin, Associate Director (Health), Domestic Policy Council, (65194). **Please see “11. Abortion Statistics” in appendix for a chart of abortion statistics by year and further analysis.**

¹⁵⁸ Information confirmed by Ryan Streeter, Special Assistant to the President for Domestic Policy (Welfare and Housing), Domestic Policy Council, (67128). **“The rate has plummeted by one-third since the 1991 peak (61.8). The rate for ages 15-17 years was 22.4 per 1000, 42% lower than in 1991, and the rate for ages 18-19 years was 70.7 per 1,000, 25% lower than in 1991. Declines in rates have been especially striking for black teenagers; their overall rate dropped 45% since 1991, whereas the rate for young black females 15-17 years has plunged more than half.** Rate declines for all teenagers was substantial enough to more than compensate for the increased number of female teenagers, so that the number of births to women under 20 years dropped to the fewest since 1946, the first year of the baby boom.” US Department of Health and Human Services, National Center for Health Statistics, National Vital Statistics Reports, Volume 54, Number 2 – Births: Final Data for 2003, Pg. 2. Note: printed PDF document “National Vital Statistics Reports – Births: Final Data for 2003” contains a chart that shows a discernibly declining number of births for mothers aged 15-19 years. This document will be added to annotated draft.

John Roberts¹⁵⁹ and Justice Sam Alito.¹⁶⁰ I thank the Senate for confirming both of them.¹⁶¹ And I will continue to nominate men and women who understand that judges must be servants of the law, and not legislate from the bench. Today marks the official retirement¹⁶² of a very special American. For 24 years of faithful service to our nation, the United States honors Justice Sandra Day O'Connor.¹⁶³

A hopeful society has institutions of science and medicine that do not cut ethical corners, and that recognize the matchless value of every life. Tonight I ask you to pass legislation to prohibit the most egregious abuses of medical research – human cloning in all its forms¹⁶⁴ ... creating or

¹⁵⁹ **Chief Justice Roberts:** "In welcoming an exceptional **new leader as Chief Justice**, we also honor the Supreme Court itself, and we mark a day of renewal for one of the noblest institutions in our land. **Judge Roberts, thank you for agreeing to serve our country and for accepting this new call to duty. (The oath is administered.)** (Applause.)" President's Remarks at Swearing-In Ceremony of Chief Justice Roberts, The East Room, September 29, 2005, Whitehouse.gov (<http://www.whitehouse.gov/news/releases/2005/09/20050929-3.html>)

¹⁶⁰ Awaiting Senate confirmation on Judge Alito's nomination.

¹⁶¹ Awaiting Senate confirmation on Judge Alito's nomination.

Chief Justice John Roberts:

Vote Summary

Question: On the Nomination (**Confirmation John G. Roberts, Jr.**, of Maryland, to be Chief Justice of the United States)

Vote Number:	245	Vote Date:	September 29, 2005, 11:31 AM
Required For Majority:	1/2	Vote Result:	Nomination Confirmed
Nomination Number:	PN801		
Nomination Description:	John G. Roberts, Jr., of Maryland, to be Chief Justice of the United States		
Vote Counts:			

YEAs	78
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NAYs	22
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http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=109&session=1&vote=00245

¹⁶² Justice **Sandra Day O'Connor**, in accordance with her July 1 announcement that she **will retire** " upon the nomination and confirmation of my successor," is still there. NATIONAL DESK | October 28, 2005 [COURT IN TRANSITION: THE SUPREME COURT; For Now, and Possibly This Year, Talk of a Vacancy on the Court Appears to Be Mere Talk](#) By LINDA GREENHOUSE

¹⁶³ "Sandra Day O'Connor: Sworn in: September 25, 1981 Time served: 24 years, 4 months, 4 days." Oyez, Supreme Court Multimedia, Northwestern University Law School, (http://www.oyez.org/oyez/resource/legal_entity/102/)

¹⁶⁴ Information confirmed by Yuval Levin, Associate Director, Health, Domestic Policy Council, (65194).

implanting embryos for experiments¹⁶⁵ ... creating human-animal hybrids¹⁶⁶ ... and buying, selling, or patenting human embryos.¹⁶⁷ Human life is a gift from our Creator – and that gift should never be discarded, devalued, or put up for sale.

A hopeful society expects elected officials to uphold the public trust. Honorable people in both parties are working on reforms¹⁶⁸ to strengthen the ethical standards of Washington – and I support your efforts. Each of us has made a pledge to be worthy of public responsibility – and that is a pledge we must never forget, never dismiss, and never betray.

As we renew the promise of our institutions, let us also show the character of America in our compassion and care for one another.

A hopeful society gives special attention to children who lack direction and love. Through the Helping America's Youth initiative¹⁶⁹, we are encouraging caring adults to get involved in the life of a child – and this good work is led by our First Lady, Laura Bush.¹⁷⁰ This year we will add

¹⁶⁵ Information confirmed by Yuval Levin, Associate Director, Health, Domestic Policy Council, (65194).

¹⁶⁶ Information confirmed by Yuval Levin, Associate Director, Health, Domestic Policy Council, (65194).

¹⁶⁷ Information confirmed by Yuval Levin, Associate Director, Health, Domestic Policy Council, (65194).

¹⁶⁸ **"Republican leaders proposed broad new restrictions yesterday on the lobbying of Congress, including a ban on privately funded travel for members, tight curbs on meals and other gifts from lobbyists, and an end to access to the House and Senate floors and congressional gyms for former lawmakers who register as lobbyists."** Republicans Propose Restrictions On Lobbying - Some Object to Banning Privately Funded Trips. *By Jonathan Weisman*, Washington Post Staff Writer, Wednesday, January 18, 2006; Page A01. (<http://www.washingtonpost.com/wp-dyn/content/article/2006/01/17/AR2006011700478.html>)

"Congressional Democrats yesterday laid out a plan to change what they called a GOP "culture of corruption" in Washington, even as Republicans pointed to ethics lapses on their antagonists' side of the aisle." **Democrats Unveil Lobbying Curbs** - As Party Escalates Reform Push, GOP Calls Scandal Bipartisan. *By Jonathan Weisman*, Washington Post Staff Writer, Thursday, January 19, 2006; A01 (http://www.washingtonpost.com/wp-dyn/content/article/2006/01/18/AR2006011801760_pf.html)

¹⁶⁹ **Helping America's Youth** is a nationwide effort, initiated by President George W. Bush and **led by First Lady Laura Bush, to benefit children and teenagers by encouraging action in three key areas: family, school, and community.**" HelpingAmericasYouth.gov, (<http://www.helpingamericasyouth.gov/>)

¹⁷⁰ Information confirmed by Page Austin, Deputy Associate Director, Mrs. Bush's Office, (62557). **"Helping America's Youth is a nationwide effort, initiated by President George W. Bush and led by First Lady Laura Bush, to benefit children and teenagers by encouraging action in three key areas: family, school, and community."** HelpingAmericasYouth.gov, (<http://www.helpingamericasyouth.gov/>)

resources to encourage young people to stay in school¹⁷¹ – so more of America's youth can raise their sights and achieve their dreams.

A hopeful society comes to the aid of fellow citizens in times of suffering and emergency – and stays at it until they are back on their feet. So far the federal government has committed 85 billion dollars to the people of the Gulf Coast and New Orleans.¹⁷² We are removing debris¹⁷³, repairing highways¹⁷⁴, and building stronger levees¹⁷⁵ – and providing business loans¹⁷⁶ and housing assistance¹⁷⁷. Yet as we meet these immediate needs, we must also address deeper challenges that existed before the storm arrived. In New Orleans and in other places, many of our

¹⁷¹ Information confirmed by Brett Kavanaugh, Assistant to the President and Staff Secretary, (62702).

¹⁷² Information confirmed by Doug Pitkin, Program Examiner, Office of Management and Budget, (53025).

Major pieces include:

\$39 billion in from the first two supplemental appropriations (reflects the \$23.4 billion reallocation from FEMA)

\$29 billion from the recent reallocation package (reflects funds reallocated from FEMA to other recovery activities)

\$17 billion in additional Flood Insurance borrowing authority authorized by Congress (\$14 billion paid for claims to date) **Those figures are in Director Bolton's briefing materials for the FY07 Budget.**

¹⁷³ **It should be 63 million cubic yards.** Information confirmed by Shannon Burkhardt, Associate Director (Policy), Counselor's Office (66165); Approximately 2 million cubic yards of debris were removed from the WTC collapse + 43 million from Andrew = 45 million cubic yards combined, far short of the **63 million cubic yards so far removed from the Gulf Coast. Confirmed.** Information provided by Nicol Andrews, Public Affairs, DHS (202-641-4161) via Shannon Burkhardt, Associate Director (Policy), Counselor's Office (66165). **Note: footnote regarding debris removal was originally in annotated for Jan. 12 Katrina remarks.**

¹⁷⁴ Information confirmed by Michael Barton, Associate Director (Border and Transportation Security), Homeland Security Council, (62611).

¹⁷⁵ Information confirmed by Bryan Hannegan, Chief of Staff, Council on Environmental Quality, (50801).

¹⁷⁶ Information confirmed by Porter Montgomery, Associate Administrator for Policy and Planning, U.S. Small Business Administration (202) 619.0479: **"Through Jan. 10, the SBA has approved 36,917 disaster recovery loans worth \$2.564 billion."** SBA, News Release, "SBA Hurricane Loans Exceed \$2.5 Billion; Record Pace For Disaster Loan Approvals Continues" January 11, 2005.

¹⁷⁷ **HUD-assisted or insured housing in affected region:** There are **approximately 760,127 units of HUD-assisted or insured housing in the region affected by Hurricanes Katrina and Rita.** These numbers include 17,540 units of elderly housing and 1,381 units of housing for the disabled. The 12 Public Housing Agencies in the New Orleans Metropolitan area have an inventory of approximately 9,600 unites and authority to issue 14,000 vouchers. January, 6, 2006.
(<http://www.hud.gov/news/katrina05response.cfm>)

fellow citizens have felt excluded from the promise of our country. The answer is not only temporary relief, but schools that teach every child ... and job skills that bring upward mobility ... and more opportunities to own a home and start a business. As we recover from a disaster, let us also work for the day when all Americans are protected by justice, equal in hope, and rich in opportunity.

A hopeful society acts boldly to fight diseases like HIV/AIDS, which can be prevented, and treated, and defeated. More than a million Americans live with HIV¹⁷⁸, and half of all AIDS cases occur among African-Americans.¹⁷⁹ I ask Congress to reform and reauthorize the Ryan White Act ... and provide new funding to states, so we end the waiting lists for AIDS medicine in America.¹⁸⁰ We will also lead a nationwide effort, working closely with African-American churches and faith-based groups, to deliver rapid HIV tests to millions¹⁸¹, end the stigma of AIDS, and come closer to the day when there are no new infections in America.

Fellow citizens, we have been called to leadership in a period of consequence. We have entered a great ideological conflict we did nothing to invite. We see great changes in science and commerce that will

¹⁷⁸ Information confirmed by Carol Thompson, Director, Office of National AIDS policy, (67330). **"HIV Estimate: At the end of 2003, an estimated 1,039,000 to 1,185,000 persons in the United States were living with HIV/AIDS**, with 24-27% undiagnosed and unaware of their HIV infection." CDC- Division of HIV/AIDS Prevention, CDC.gov, (<http://www.cdc.gov/hiv/stats.htm#aidscales>).

¹⁷⁹ Information confirmed by Carol Thompson, Director, Office of National AIDS policy, (67330).

Estimated numbers of diagnoses of AIDS, by race or ethnicity:

Race or Ethnicity	Estimated # of AIDS Cases in 2003
White, not Hispanic	12,222
<u>Black, not Hispanic</u>	<u>21,304</u>
Hispanic	8,757
Asian/Pacific Islander	497
American Indian/Alaska Native	196

Total Number of AIDS cases in 2003 was 42,976; African-Americans were 21,304 of that number – fifty percent of the total. CDC, Division of HIV/AIDS Prevention, CDC.gov, (<http://www.cdc.gov/hiv/stats.htm#aidsrace>) Note: 2003 are the most recent government figures on national AIDS infection rates.

¹⁸⁰ Information confirmed by Carol Thompson, Director, Office of National AIDS policy, (67330).

¹⁸¹ Information confirmed by Carol Thompson, Director, Office of National AIDS policy, (67330).

influence all our lives. And sometimes it can seem that history is turning in a wide arc, toward an unknown shore.

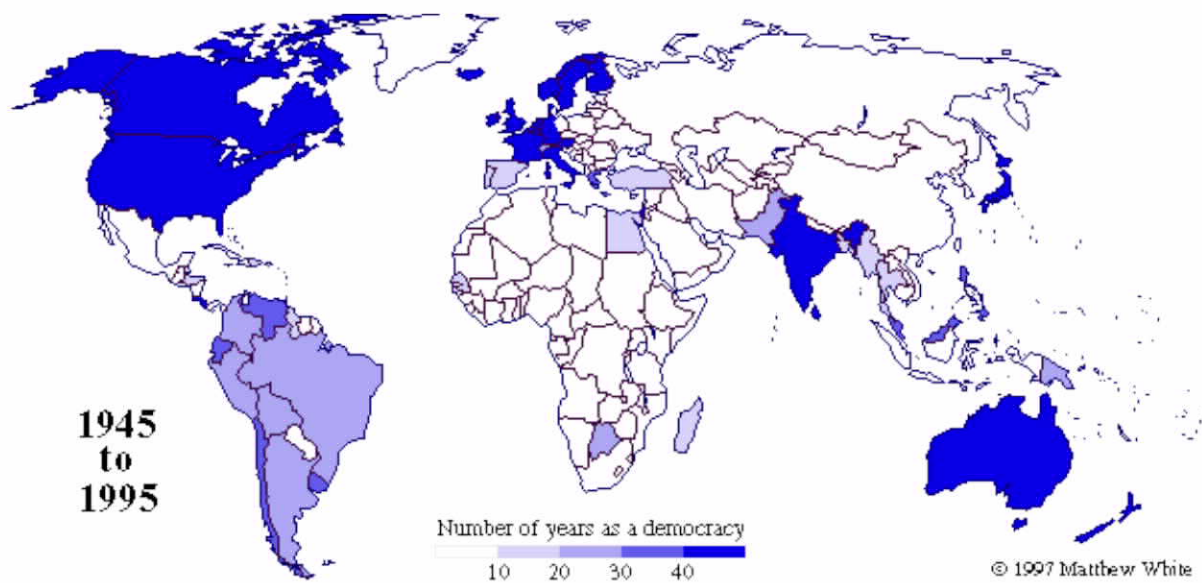
Yet the destination of history is determined by human action, and every great movement comes to a point of choosing. Lincoln could have accepted peace at the cost of disunity and continued slavery. Martin Luther King could have stopped at Birmingham or at Selma, and achieved only half a victory over segregation. The United States could have accepted the permanent division of Europe, and been complicit in the oppression of others. Today, having come far in our own historical journey, we must decide: Will we turn back, or finish well?

Before history is written down in books, it is written in courage. Like Americans before us, we will show that courage and we will finish well. We will lead freedom's advance. We will compete and excel in the global economy. We will renew the defining moral commitments of this land. And so we move forward – optimistic about our country, faithful to its cause, and confident of victories to come. Thank you, God bless you, and may God bless America.

*Drafted by: Mike Gerson, John McConnell and Bill McGurn, Office of Speechwriting
Office: 202/456-0170, 202/456-2816 and 202/456-2553
Cell: 202/494-2319, 202/494-2650 and 202/441-1671*

APPENDIX

Democratic Governments 1945-1995



Source: Map—Democracies (<http://users.erols.com/mwhite28/govt2000.htm>)

Electoral Democracies 2005

Electoral Democracies (119); UPDATED (122)*

Albania	Malawi
Andorra	Mali
Antigua and Barbuda	Malta
Argentina	Marshall Islands
Australia	Mauritius
Austria	Mexico
Bahamas	Micronesia
	Moldova

Bangladesh
Barbados
Belgium
Belize
Benin
Bolivia
Botswana
Brazil
Bulgaria
Canada
Cape Verde
Chile
Colombia
Comoros
Costa Rica
Croatia
Cyprus
Czech Republic
Denmark
Dominica
Dominican Republic
East Timor
Ecuador
El Salvador
Estonia
Finland
France
Georgia
Germany
Ghana
Greece
Grenada
Guatemala
Guyana
Honduras
Hungary
Iceland
India
Indonesia
Ireland
Israel
Italy
Jamaica
Japan
Kenya
Kiribati

Monaco
Mongolia
Mozambique
Namibia
Nauru
Netherlands
New Zealand
Nicaragua
Niger
Nigeria
Norway
Palau
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Romania
St. Kitts and Nevis
St. Lucia
St. Vincent and the Grenadines
Samoa
San Marino
Sao Tome and Principe
Senegal
Serbia and Montenegro
Seychelles
Sierra Leone
Slovakia
Slovenia
Solomon Islands
South Africa
South Korea
Spain
Sri Lanka
Suriname
Sweden
Switzerland
Taiwan
Thailand
Trinidad and Tobago
Turkey
Tuvalu
Ukraine

Latvia	United Kingdom
Lesotho	United States
Liechtenstein	Uruguay
Lithuania	Vanuatu
Luxembourg	Venezuela
Macedonia	
Madagascar	

* As discussed with Michael Kozak, Senior Director for Democracy, Human Rights, and International Operations, Global Democracy Strategy, NSC, **with the addition of Burundi, Central African Republic, and Liberia the total is 122.**

Source: Freedom House (<http://www.freedomhouse.org/template.cfm?page=205&year=2005>)

Foreign Operations Appropriations Act, 2006 (P.L. 109-102)

EDUCATION FOR GIRLS

DEVELOPMENT ASSISTANCE

SEC. 523. Of the funds appropriated by titles II and III of this Act, not less than \$931,400,000 should be made available for humanitarian, reconstruction, and related assistance for Afghanistan: Provided, That of the funds made available pursuant to this section, not less than \$3,000,000 should be made available for reforestation activities: Provided further, That funds made available pursuant to the previous proviso should be matched, to the maximum extent possible, with contributions from American and Afghan businesses: **Provided further, That of the funds allocated for assistance for Afghanistan from this Act and other Acts making appropriations for foreign operations, export financing, and related programs for fiscal year 2006, not less than \$50,000,000 should be made available to support programs that directly address the needs of Afghan women and girls, of which not less than \$7,500,000 shall be made available for grants to support training and equipment to improve the capacity of women-led Afghan nongovernmental organizations and to support the activities of such organizations:** Provided further, That of the funds made available pursuant to this section, not less than \$2,000,000 should be made available for the Afghan Independent Human Rights Commission and for other Afghan human rights organizations.

REPORT LANGUAGE:

The conferees also agree to provide \$15,000,000 in basic education funding to expand and extend a pilot project to increase access to basic education by addressing the prohibitive fees that keep children, and particularly girls, out of school.

....

The conference agreement contains language, similar to that proposed by the House and Senate that provides that \$50,000,000 should be made available to support programs that directly address the needs of Afghan women and girls, of which not less than \$7,500,000 shall be made available for small grants to improve the capacity of women-led Afghan nongovernmental organizations.

MALARIA

SEC. 598. Of the funds appropriated under the heading 'Child Survival and Health Programs Fund', not less than \$100,000,000 should be made available for programs and activities to combat malaria: *Provided*, That such funds should be made available in accordance with country strategic plans

incorporating best public health practices, which should include considerable support for the purchase of commodities and equipment including: (1) insecticides for indoor residual spraying that are proven to reduce the transmission of malaria; (2) pharmaceuticals that are proven effective treatments to combat malaria; (3) long-lasting insecticide-treated nets used to combat malaria; and (4) other activities to strengthen the public health capacity of malaria-affected countries:

REPORT LANGUAGE:

For malaria, the conference agreement provides a total of \$242,500,000. Of this amount, it is expected that \$139,500,000 of the contribution to the Global Fund will fund malaria programs, \$100,000,000 is funded through the 'other infectious diseases' allocation in this account, and an estimated \$3,000,000 is provided from other bilateral accounts. The conferees have long been concerned by the mortality and morbidity caused by this disease, and have made available more than \$657,500,000 since 2001 to fight malaria, consistently more each year than requested by the President.

HIV/AIDS

For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 for the prevention, treatment, and control of, and research on, HIV/AIDS, \$1,995,000,000, to remain available until expended, of which \$200,000,000 shall be made available, notwithstanding any other provision of law, except for the United States Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2003 (Public Law 108-25) for a United States contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, and shall be expended at the minimum rate necessary to make timely payment for projects and activities.

REPORT LANGUAGE:

The conference agreement provides \$1,995,000,000 for 'Global HIV/AIDS Initiative' instead of \$1,920,000,000 as proposed by the House and \$2,020,000,000 as proposed by the Senate.

Funds in this account are allocated in the following table and, as stipulated in section 596, any change to these allocations is subject to the regular reprogramming procedures of the Committees on Appropriations:

Rewarding Developing Nations That Are Moving Forward With Political and Economic Development

For necessary expenses for the 'Millennium Challenge Corporation', \$1,770,000,000 to remain available until expended: Provided, That of the funds appropriated under this heading, up to \$75,000,000 may be available for administrative expenses of the Millennium Challenge Corporation:

REPORT LANGUAGE:

The conference agreement provides \$1,770,000,000 for the Millennium Challenge Corporation (MCC) instead of \$1,750,000,000 as proposed by the House and \$1,800,000,000 as proposed by the Senate.

....

The conferees understand that strong participation from indigenous civil society organizations is critical to increasing public support for and ensuring that the MCC successfully meets its intended goals of economic growth and poverty reduction. Such participation would also strengthen the nascent democratic processes in eligible countries, contribute to the MCC criteria of good governance, and provide opportunities for discussion of how best to achieve national priorities of economic growth and poverty reduction.

The conferees request that the Chief Executive Officer of the MCC submit a report that describes and assesses the record of national governance structures to take into account indigenous civil society input within countries that have completed compact negotiations. The report should be submitted to the relevant committees of jurisdiction identified in the MCC authorization no later

Bush Tax Cuts CY

How much tax relief has been provided in the past five years?

	Calendar Years						2001-2005	2001-2006
	2001	2002	2003	2004	2005	2006		
	\$ in billions							
EGTRRA (2001)	-60	-83	-86	-105	-119	-142	-453	-595
JCWAA (2002)	-25	-51	-27	-27	29	20	-81	-81
JGTRRA (2003)	0	0	-106	-127	-27	5	-260	-255
WFTRA (2004)	0	0	0	-5	-59	-27	-64	-91
AJCA (2004)	0	0	0	-2	-3	-6	-5	-11
Total	-85	-134	-219	-266	-179	-150	-883	-1033

Note: Includes outlay effect of tax provisions and excludes the cost of additional debt service. Outlay effects of non-tax provisions are excluded.

Information also confirmed by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

GDP Growth

20001

*Q .excel

.DESC		Real GDP quarterly growth rate (annualized)	# of quarters of positive consecutive growth since 2001 tax relief	# of months of positive consecutive growth since 2001 tax relief
20001	200003			
20002	200006	1.01	17	51
20003	200009	1.01		
20004	200012	0.99		
20011	200103	0.98		
20012	200106	1.00		
20013	200109	1.00		
20014	200112	0.98		

20021	200203	0.97
20022	200206	0.99
20023	200209	0.99
20024	200212	0.97
20031	200303	0.96
20032	200306	0.98
20033	200309	0.98
20034	200312	0.96
20041	200403	0.96
20042	200406	0.97
20043	200409	0.97
20044	200412	0.96
20051	200503	0.94
20052	200506	0.96
20053	200509	0.96
20054	200512	1.10

Information provided by Diana Wielocha, Research Assistant, CEA, (55104)

Summary of FY 2007 Proposed Terminations and Reductions
(budget authority in millions of dollars)

	2006		2007	
	Budget #	BA	Budget #	BA
Terminations Requested.....	99	-8,390	91	-7,313
Reductions Requested.....	55	-7,458	50	-7,436
Terminations and Reductions Requested.....	154	-15,848	141	-14,749

Information provided by Elizabeth Robinson, Assistant Director, Budget Review, OMB (54630)

Discretionary Program Terminations in the FY 2007 Budget
(Budget authority in millions)

<u>Terminations</u>	<u>Has the reduction been proposed before?</u>			<u>2006</u>	<u>2006</u>	<u>2007</u>	<u>2007 Request</u>
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Request</u>	<u>Enacted</u>	<u>Request</u>	<u>less 2006 Enacted</u>
Small Vocational Rehabilitation Programs:							
VR Migrant and Seasonal Farmworkers.....	Y	Y	Y	---	2	---	-2
VR Recreational Programs.....	Y	Y	Y	---	3	---	-3
Projects with Industry.....	Y	Y	Y	---	20	---	-20
Supported Employment.....	Y	Y	Y	---	30	---	-30
Teacher Quality Enhancement.....	N	N	Y	---	60	---	-60
Total, Education Terminations.....				---	3,468	---	-3,468
Department of Energy							
University Nuclear Energy Program.....	N	N	N	24	27	---	-27
Oil and Gas Research and Development.....	N	N	Y	20	64	---	-64
Geothermal Technology Program.....	N	N	N	23	23	---	-23
Total, Energy Terminations.....				67	114	---	-114
Department of Health and Human Services							
CDC Preventive Health and Health Services Block Grant.....	N	N	Y	---	99	---	-99
Real Choice Systems Change Grants.....	N	N	Y	---	25	---	-25
Community Services Block Grant.....	N	N	Y	---	630	---	-630
Community Service Programs:							
Community Economic Development.....	N	N	Y	---	27	---	-27
Rural Community Facilities.....	Y	Y	Y	---	7	---	-7
Job Opportunities for Low-Income Individuals.....	N	N	Y	---	6	---	-6
Maternal and Child Health Small Categorical Grants.....	N	Y	Y	---	39	---	-39
Urban Indian Health Program.....	N	N	N	33	33	---	-33
Total, HHS Terminations.....				33	866	---	-866
Department of Homeland Security							
Office of Grants and Training --Terminations.....	N	N	N	1,854	229	---	-229
Total, DHS Major Terminations.....				1,854	229	---	-229
Department of Housing and Urban Development							
HOPE VI.....	Y	Y	Y	-143	99	-99	-198
Total, HUD Terminations.....				-143	99	-99	-198
Department of the Interior							
BIA Johnson-O'Malley Assistance Grants.....	N	N	N	8	16	---	-16
LWCF State Recreation Grants.....	N	N	Y	---	28	---	-28
National Park Service Statutory Aid.....	N	N	Y	---	7	---	-7
Rural Fire Assistance.....	N	N	Y	---	10	---	-10
Total, Interior Terminations.....				8	61	---	-61
Department of Justice							
Byrne Discretionary Grants.....	Y	Y	Y	---	189	---	-189
Byrne Justice Assistance Grant.....	N	N	Y	---	327	---	-327
COPS Law Enforcement Technology Grants.....	N	Y	Y	---	128	---	-128
Juvenile Accountability Block Grants.....	Y	Y	Y	---	49	---	-49
National Drug Intelligence Center.....	N	N	Y	17	39	16	-23
State Criminal Alien Assistance Program.....	Y	Y	Y	---	400	---	-400
Total, Justice Terminations.....				17	1,132	16	-1,116
Department of Labor							
America's Job Bank.....	N	N	N	20	15	---	-15
Denali Commission Job Training Earmark.....	N	Y	Y	---	7	---	-7
Migrant and Seasonal Farmworkers Training Program.....	Y	Y	Y	---	79	---	-79
Reintegration of Youthful Offenders.....	Y	N	Y	---	49	---	-49
Susan Harwood Training Grants (OSHA).....	Y	Y	Y	---	10	---	-10
Work Incentive Grants.....	N	N	N	20	20	---	-20
Total, Labor Terminations.....				40	180	0	-180
Department of Transportation							
National Defense Tank Vessel Construction Program.....	N	N	Y	-75	---	-74	-74
Railroad Rehab. and Improvement Financing Loan Program.....	N	N	Y	---	---	---	---
Total, Transportation Terminations.....				-75	---	-74	-74
Environmental Protection Agency							
Unrequested Projects.....	Y	Y	Y	---	277	---	-277
Total, EPA Terminations.....				---	277	---	-277
Other Agencies							
CNCS National Civilian Community Corps.....	N	N	N	26	27	5	-22
CNCS President's Freedom Scholarships.....	N	N	N	4	4	---	-4
National Veterans Business Development Corp.....	N	N	Y	---	1	---	-1
SBA: Microloan Program.....	N	Y	Y	---	14	---	-14
Postal Service Forgone Revenue Appropriation.....	N	Y	Y	---	29	---	-29
Total, Other Agencies Terminations.....				30	75	5	-70
Total, Discretionary Program Terminations.....				1,961	7,115	-198	-7,313

Discretionary Program Terminations in the FY 2007 Budget
(Budget authority in millions)

Terminations	Has the reduction been proposed before?			2006	2006	2007	2007 Request
	2004	2005	2006	Request	Enacted	Request	less 2006 Enacted
Department of Agriculture							
Microbiological Data Program.....	N	N	N	8	8	—	-8
Community Connect (Broadband) Grants.....	N	Y	Y	—	9	—	-9
Commodity Supplemental Food Program.....	N	N	N	107	107	—	-107
Research & Extension Grant Earmarks/Low Priority Programs.....	Y	Y	Y	—	195	—	-195
P.L. 480 Title I, Direct Credit & Ocean Freight Differential Grants.....	N	N	N	65	80	3	-77
Forest Service Economic Action Program.....	Y	Y	Y	—	10	—	-10
High Cost Energy Grants.....	Y	Y	Y	—	28	—	-28
Public Broadcast Grants.....	N/A	Y	Y	—	5	—	-5
Watershed Protection and Flood Prevention Operations.....	N	N	Y	—	75	—	-75
Total, Agriculture Terminations.....				178	513	3	-510
Department of Commerce							
Advanced Technology Program (ATP).....	Y	Y	Y	—	79	—	-79
Emergency Steel Guarantee Loan Program.....	Y	Y	Y	-50	—	-49	-49
Public Telecom. Facilities, Planning & Construction Grants.....	Y	Y	Y	2	22	—	-22
Total, Commerce Terminations.....				-48	101	-49	-150
Department of Education							
Educational Technology State Grants.....	N	N	Y	—	272	—	-272
Even Start.....	Y	Y	Y	—	99	—	-99
High School Programs Terminations:							
Vocational Education State Grants.....	N	N	Y	—	1,182	—	-1,182
Vocational Education National Programs.....	Y	Y	Y	—	9	—	-9
Tech Prep State Grants.....	Y	Y	Y	—	105	—	-105
Upward Bound.....	N	N	Y	—	311	—	-311
Talent Search.....	N	N	Y	—	145	—	-145
GEAR UP.....	N	N	Y	—	303	—	-303
Smaller Learning Communities.....	Y	Y	Y	—	94	—	-94
Safe and Drug-Free Schools State Grants.....	N	N	Y	—	347	—	-347
Small Elementary and Secondary Education Programs:							
Comprehensive School Reform.....	Y	Y	Y	—	8	—	-8
Javits Gifted and Talented Education.....	Y	Y	Y	—	10	—	-10
National Writing Project.....	Y	Y	Y	—	22	—	-22
School Leadership.....	Y	Y	Y	—	15	—	-15
School Dropout Prevention.....	Y	Y	Y	—	5	—	-5
Close-Up Fellowships.....	Y	Y	Y	—	1	—	-1
Academies for American History and Civics.....	N/A	N/A	N/A	—	2	—	-2
Ready to Teach.....	Y	Y	Y	—	11	—	-11
Parental Information and Resource Centers.....	Y	Y	Y	—	40	—	-40
Alcohol Abuse Reduction.....	Y	Y	Y	—	32	—	-32
Foundations for Learning.....	N	Y	Y	—	1	—	-1
Mental Health Integration in Schools.....	N	N	Y	—	5	—	-5
Exchanges with Historic Whaling and Trading Partners.....	Y	Y	Y	—	9	—	-9
Excellence in Economic Education.....	N	Y	Y	—	1	—	-1
Arts in Education.....	Y	Y	Y	—	35	—	-35
Women's Educational Equity.....	Y	Y	Y	—	3	—	-3
Elementary and Secondary School Counseling.....	Y	Y	Y	—	35	—	-35
Civic Education.....	N	N	Y	—	29	—	-29
Star Schools.....	Y	Y	Y	—	15	—	-15
Smaller Higher Education Programs:							
Higher Education Demos for Students w/Disabilities.....	Y	Y	Y	—	7	—	-7
Underground Railroad Program.....	Y	Y	Y	—	2	—	-2
State Grants for Incarcerated Youth Offenders.....	Y	Y	Y	—	23	—	-23
Small Postsecondary Student Financial Assistance Programs:							
Leveraging Educational Assistance Programs (LEAP).....	Y	Y	Y	—	65	—	-65
Byrd Scholarships.....	N	N	Y	—	41	—	-41
B.J. Stupak Olympic Scholarships.....	Y	Y	Y	—	1	—	-1
Thurgood Marshall Legal Educational Opportunity.....	Y	Y	Y	—	3	—	-3
Perkins Loan Cancellations.....	N	N	Y	—	65	—	-65

Major Discretionary Reductions in the FY 2007 Budget
(Budget authority in millions)

	Has the reduction been proposed before?			2006	2006	2007	2007 Request
	2004	2005	2006	Request	Enacted	Request	less 2006 Enacted
<u>Major Reductions</u>							
<u>Department of Agriculture</u>							
Conservation Operations.....	Y	Y	Y	768	822	745	-77
Resource Conservation and Development Program.....	N	N	Y	26	51	26	-25
State and Private Forestry.....	N	N	N	99	217	118	-99
USDA Research (In-House Research).....	Y	Y	Y	996	1,124	1,001	-123
<u>Mandatory Reductions Providing Discretionary Offsets:</u>							
Environmental Quality Incentives Program.....	Y	Y	Y	-200	-NA-	-270	-270
Market Access Program.....	Y	Y	Y	-75	-NA-	-100	-100
Rural Economic Development Grants.....	Y	Y	Y	-5	-NA-	-89	-89
Watershed Rehabilitation Program.....	Y	Y	Y	-210	-NA-	-65	-65
Farmland Protection Program.....	Y	Y	Y	-18	-NA-	-47	-47
Value-added Marketing Grants.....	Y	Y	Y	-120	-NA-	-40	-40
Wildlife Habitat Incentives Program.....	Y	Y	Y	-25	-NA-	-30	-30
Agricultural Management Assistance.....	N	N	Y	-14	-NA-	-14	-14
Broadband.....	Y	Y	Y	-50	-NA-	-10	-10
Ground and Surface Water Conservation.....	N	N	Y	---	-NA-	-9	-9
Renewable Energy Program.....	Y	Y	Y	-23	-NA-	-3	-3
Biomass Research and Development.....	N	N	Y	-2	-NA-	-2	-2
Total, Agriculture Major Reductions.....				1,149	2,214	1,211	-1,003
<u>Department of Commerce</u>							
Manufacturing Extension Partnership (MEP).....	Y	Y	Y	47	105	46	-59
Technology Administration.....	N	N	Y	4	6	1	-5
Total, Commerce Major Reductions.....				51	111	47	-64
<u>Department of Education</u>							
Teaching American History.....	N	N	N	119	120	50	-70
Mentoring program.....	N	N	Y	49	49	19	-30
Physical Education.....	Y	N	Y	55	73	26	-47
Perkins Loans Institutional Fund Recall.....	N	N	N	---	---	-864	-864
Total, Education Major Reductions.....				223	242	-569	-811
<u>Department of Energy</u>							
Environmental Management.....	N	N	Y	6,505	6,590	5,828	-762
Weatherization Assistance Program.....	N	N	N	230	243	164	-79
Clean Coal Power Initiative.....	N	N	N	50	50	5	-45
Total, Energy Major Reductions.....				6,785	6,883	5,997	-886
<u>Department of Health and Human Services</u>							
HRSA- Children's GME.....	Y	Y	Y	200	297	99	-198
HRSA- Health Professions.....	Y	Y	Y	161	295	159	-136
HRSA- Poison Control Centers (PCC).....	Y	N	N	23	23	13	-10
HRSA- Rural Health.....	Y	Y	Y	29	160	27	-133
Social Services Block Grant.....	N	N	N	1,700	1,700	1,200	-500
Substance Abuse and Mental Health Administration- Programs of Regional and National Significance.....	N	N	Y	837	851	780	-71
Total, HHS Major Reductions.....				2,950	3,326	2,278	-1,048
<u>Department of Homeland Security</u>							
Office of Grants and Training.....	N	N	N	1,854	1,789	1,095	-894
Total, DHS Major Reductions.....				1,854	1,789	1,095	-694
<u>Department of Housing and Urban Development</u>							
Public Housing Capital Fund.....	N	N	Y	2,327	2,439	2,178	-261
Total, HUD Major Reductions.....				2,327	2,439	2,178	-261
<u>Department of the Interior</u>							
BIA School Construction.....	N	Y	Y	174	207	157	-50
Bureau of Reclamation Reductions (excl. Central Utah Project).....	Y	Y	Y	873	977	850	-127
USGS Mineral Resources Program.....	N	Y	Y	25	53	31	-22
Total, Interior Major Reductions.....				1,072	1,237	1,038	-199
<u>Department of Labor</u>							
Job Training Grants Consolidation & Career Advancement Accounts.....	Y	Y	Y	3,933	3,927	3,413	-514
International Labor Affairs Bureau.....	Y	Y	Y	12	73	12	-61
Office of Disability Employment Policy.....	N	N	Y	28	28	20	-8
Total, Labor Major Reductions.....				3,973	4,028	3,445	-583
<u>Department of Transportation</u>							
Amtrak.....	Y	Y	Y	360	1,294	900	-394
FAA - Airport Improvement Program (oblim).....	N	N	Y	3,000	3,515	2,750	-765
Total, Transportation Major Reductions.....				3,360	4,809	3,650	-1,159

Major Discretionary Reductions in the FY 2007 Budget
(Budget authority in millions)

	Has the reduction been proposed before?			2006	2006	2007	2007 Request
	2004	2005	2006	Request	Enacted	Request	less 2006 Enacted
<u>Department of the Treasury</u>							
IRS Business Systems Modernization.....	N	N	N	197	197	167	-30
Total, Corps of Engineers Major Reductions.....				197	197	167	-30
<u>Environmental Protection Agency</u>							
Alaska Native Villages.....	N	N	Y	15	34	15	-19
Clean Water State Revolving Fund.....	Y	Y	Y	730	887	688	-199
Total, EPA Major Reductions.....				745	921	703	-218
<u>International Assistance Programs</u>							
Assistance for Eastern European Democracy.....	N	N	N	382	357	274	-83
Assistance for the Independent States of the Former Soviet Union.....	N	N	Y	482	509	441	-68
Total, IAP Major Reductions.....				864	866	715	-151
<u>National Aeronautics and Space Administration</u>							
Aeronautics Mission Research Directorate.....	N	N	Y	851	884	724	-160
Total, NASA Major Reductions.....				851	884	724	-160
<u>Other Agencies</u>							
Corporation for Public Broadcasting.....	N	N	Y	390	460	346	-114
Denali Commission.....	N	Y	Y	140	53	6	-47
NARA: National Historical Publications and Records Commission.....	N	N	Y	---	8	---	-8
Total, Other Agencies Major Reductions.....				530	521	352	-169
Total, Major Discretionary Reductions.....				26,931	30,467	23,031	-7,436

Information provided by Elizabeth Robinson, Assistant Director, Budget Review, OMB (54630)

ing of the crisis and its resolution are impossible to predict.

The revenue projections start with the budget's estimate of receipts under the Administration's proposals. In the long run, receipts are assumed to increase as people's real incomes rise. The income tax is indexed for inflation, but not for real growth, so as real incomes rise, the effective income rate increases. This tendency is partly offset because many excise taxes are not indexed and therefore tend to decline in real terms as inflation pushes up the price level. Furthermore, payroll taxes are based on cash wages and the share of cash wages in total compensation and in overall GDP has been declining as workers receive a larger share of their compensation in the form of untaxed fringe benefits. These offsetting tendencies are not powerful enough, however, to prevent the overall tax share from rising somewhat in the long run. In the projections summarized in Table 13-2, the ratio of receipts to GDP rises to around 22 percent by the end of the 75-year period.³

In the past, these long-run budget projections have jumped off from the end point for the current budget. This year's Budget includes the effects of adding personal retirement accounts to Social Security. Personal accounts are one element within a set of larger reforms that would restore solvency to Social Security. The Administration has not yet specified a complete set of reforms to achieve solvency. Within the current budget horizon, these other reforms would not have significant budget effects. In the long range, however, their effects would be significant. Because these other reforms are not yet specified, the long-range projections shown here do not incorporate personal retirement accounts. Show-

ing the personal account proposal in isolation would give a distorted picture of the budget effects of comprehensive Social Security reform.

The long-run budget outlook is highly uncertain (see the technical note at the end of this chapter for a further discussion of the forecasting assumptions used to make these budget projections). With pessimistic assumptions, the fiscal picture deteriorates even sooner than in the base projection. More optimistic assumptions imply a longer period before the pressures of rising entitlement spending overwhelm the budget. But despite the unavoidable uncertainty, these projections clearly show that under a wide range of forecasting assumptions, the resources generated by the programs themselves will be insufficient to cover the long-run costs of Social Security and Medicare.

Alternative Economic, Technical, and Policy Assumptions

The quantitative results discussed above are sensitive to changes in underlying economic and technical assumptions. Some of the most important of these alternative economic and technical assumptions and their effects on the budget outlook are discussed below. They generally show that there are mounting deficits under most reasonable projections of the budget.

1. *Health Spending:* The projections for Medicare over the next 75 years are based on the actuarial projections in the 2005 Medicare Trustees' Report that include the effects of the Medicare Prescription Drug and Modernization bill enacted in 2003.⁴ Following the recommendations of its Technical Review Panel, the Medi-

³The Alternative Minimum Tax is also scheduled to take a growing share of income under current law, because its parameters are not indexed to inflation. That increase is not assumed to continue in these projections because it would imply a fundamental change in the tax system.

⁴The long-run projections do not incorporate the Administration's proposal for automatic spending reductions in Medicare if the program's future reliance on general revenues exceeds the threshold of 45 percent of expenditures established in the Medicare Modernization Act. This proposal is intended to encourage Congress and the President to reach agreement on reforms to slow Medicare spending to bring it back in line with the 45 percent threshold. Assuming that these automatic reductions would continue each year throughout the 75-year projection period would result in an unrealistic projection of Medicare spending.

Table 13-2. LONG-RUN BUDGET PROJECTIONS

(receipts, outlays, surplus or deficit, and debt as a percent of GDP)

	1990	1995	2000	2010	2020	2030	2040	2050	2060
Receipts	19.0	18.0	20.9	17.9	18.9	19.4	20.0	21.3	22.4
Outlays:									
Discretionary	10.1	8.7	6.3	6.1	5.6	5.6	5.6	5.6	5.6
Mandatory:									
Social Security	4.3	4.3	4.2	4.2	4.9	5.8	5.9	6.1	6.4
Medicare	1.1	1.7	2.0	2.8	3.7	5.0	6.1	7.9	10.4
Medicaid	0.5	0.7	1.2	1.5	1.9	2.1	2.3	2.8	3.3
Other	3.7	3.2	2.4	2.3	1.9	1.6	1.4	1.1	0.9
Subtotal, mandatory	9.6	9.9	9.8	10.8	12.4	14.4	15.7	17.8	21.0
Net interest	1.9	3.2	2.3	1.9	1.4	1.5	2.3	4.7	9.4
Total outlays	21.7	21.8	18.4	18.9	19.4	21.6	23.6	28.2	36.1
Surplus or Deficit (-)	-2.7	-3.9	2.4	-1.0	-0.6	-2.2	-3.6	-6.9	-13.7
Primary Surplus or Deficit (-)	-0.8	-0.6	4.7	0.9	0.9	-0.6	-1.3	-2.1	-4.2
Federal Debt Held by the Public	26.1	42.0	35.1	37.5	26.2	28.8	43.3	88.6	177.4

Note: The figures shown in this table for 2015 and beyond are the product of a long-range forecasting model maintained by the Office of Management and Budget. This model is separate from the models and capabilities that produce detailed programmatic estimates in the Budget. It was designed to produce long-range forecasts based on additional assumptions regarding growth of the economy, the long-range evolution of specific programs, and the demographic and economic forces affecting those programs. The model, its assumptions, and sensitivity testing of those assumptions are presented in this chapter.

STATE EXPORT-RELATED MANUFACTURING EMPLOYMENT -- 2001
Ranked by Number of Manufactured Jobs that are Export-Related - Thousands of Jobs

Rank		Export-Related Mfg. Employment	Total Manufacturing Employment	Percent of Mfg. Jobs that are Export-Related
	US Total	3,251.7	15,879.5	20.5%
1	California	471.1	1,792.2	26.3%
2	Texas	215.7	950.4	22.7%
3	Ohio	215.2	923.5	23.3%
4	Michigan	190.1	749.5	25.4%
5	Illinois	151.2	811.3	18.6%
6	North Carolina	139.6	693.7	20.1%
7	New York	139.5	707.2	19.7%
8	Pennsylvania	133.2	768.7	17.3%
9	Washington	126.8	309.2	41.0%
10	Indiana	120.3	597.7	20.1%
11	Massachusetts	98.0	376.7	26.0%
12	Wisconsin	86.5	544.3	15.9%
13	South Carolina	80.0	312.4	25.6%
14	Tennessee	77.2	441.4	17.5%
15	Georgia	72.6	484.0	15.0%
16	Minnesota	68.4	376.7	18.2%
17	New Jersey	64.2	379.5	16.9%
18	Florida	58.8	401.3	14.7%
19	Virginia	57.0	327.4	17.4%
20	Missouri	56.3	346.6	16.2%
21	Connecticut	55.2	229.8	24.0%
22	Oregon	49.7	199.2	24.9%
23	Kentucky	49.5	276.3	17.9%
24	Arizona	47.5	186.4	25.5%
25	Alabama	46.4	315.1	14.7%
26	Iowa	41.0	235.9	17.4%
27	Colorado	34.1	163.1	20.9%
28	Arkansas	29.8	227.0	13.1%
29	Oklahoma	27.0	161.7	16.7%
30	Kansas	26.1	193.8	13.5%
31	Maryland	24.3	162.4	15.0%
32	Utah	22.9	121.8	18.8%
33	Louisiana	22.1	156.9	14.1%
34	New Hampshire	20.1	96.7	20.8%
35	Mississippi	19.5	197.8	9.9%
36	Vermont	17.6	45.8	38.4%
37	Idaho	15.6	63.9	24.4%
38	Nebraska	15.4	105.0	14.7%
39	Rhode Island	12.3	70.0	17.6%

40	Maine	11.6	77.7	14.9%
41	West Virginia	11.5	67.7	17.0%
42	New Mexico	7.6	32.7	23.2%
43	South Dakota	6.8	39.6	17.2%
44	Nevada	6.4	40.4	15.8%
45	Delaware	3.7	38.0	9.7%
46	North Dakota	1.9	23.4	8.1%
47	Alaska	1.5	12.6	11.9%
48	Hawaii	1.3	14.4	9.0%
49	Montana	1.3	20.4	6.4%
50	Wyoming	0.4	9.0	4.4%
51	Dist. of Columbia (W)		1.8	0.0%

Note: Details in rows and columns may not add to totals due to independent rounding.

(W) Withheld because estimate did not meet publication standards based on a consistency review.

Source: Manufacturing and Construction Division, U.S. Bureau of the Census.

Prepared by: Office of Trade & Economic Analysis, International Trade Admin., U.S. Dept. of Commerce.

Information provided by Georg Mehl, (202) 482-5097 Department of Commerce via Dagmara (Mara) Tchalakov, Research Assistant, CEA (55618).

Summary of FY 2007 Proposed Terminations and Reductions
(budget authority in millions of dollars)

	2006		2007	
	Budget		Budget	
	#	BA	#	BA
Terminations Requested.....	99	-8,390	91	-7,313
Reductions Requested.....	55	-7,458	50	-7,436
Terminations and Reductions Requested.....	154	-15,848	141	-14,749

Information provided by Elizabeth Robinson, Assistant Director, Budget Review, OMB (54630)

LIGHT VEHICLE OIL SAVINGS BY TECHNOLOGY USED
(MILLION BARRELS PER DAY)

Technology	2020 (mbpd)	2025 (mbpd)	2030 (mbpd)
Ethanol	1.59	2.13	2.66
HEV (including PHEV)	0.87	1.61	2.13
Plug-in HEV (PHEV) (electricity)	0.34	1.1	1.96
Fuel Cell	0	0.42	1.68
Total Savings	2.8	5.26	8.43

1. HEV oil savings includes savings from the operation of PHEV vehicles in their conventional hybrid mode.

	2020	2025	
US, Oil Use, mbpd	26.32	27.93	2030
Net Oil Imports, mbpd	17.11	19.11	data not
% of Oil Imported	65	68.4	available
Light Vehicle Oil Use, mbpd	11.49	12.45	from AEO
% of U.S. Oil Use	43.7	44.6	2005
Reduction in Oil Use, mpbd	2.8	5.26	
% of LV Oil Use	24.4	42.2	
% of US Imports	16.4	27.5	

Information provided by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

** For further information see the hard copy of this doc. (Electronic version not available.)

Projected Gross US Imports of Crude and Products by Source, 2005 - 2025

	2005	2010	2015	2020	2025
Persian Gulf OPEC	2.7	3.18	4.278	5.517	5.99
Other OPEC	3.253	3.704	4.193	4.77	6.158
Canada + Mexico	3.349	3.53	4.03	4.246	4.29
Other Non-Opec	3.632	3.962	3.935	3.639	3.763
Total	12.93	14.38	16.44	18.17	20.2

Share of Total Imports					
All Opec	46.00%	47.90%	51.50%	56.60%	60.10%
Opec Persian Gulf	20.90%	22.10%	26.00%	30.40%	29.70%

Source: Annual Energy Outlook, 2005, Supplemental table 117

Note: Numbers for 2005 are estimates projected as of December 2004, not actual data

Caveats:

1. Projections of oil import sources are inherently highly speculative as import sourcing can change rapidly in a globally competitive market.
2. These estimates do not net out projected exports.
3. AEO2006 projections, not yet released, may differ substantially.

Information provided by Keith Hennessey, Deputy Assistant to the President and Deputy Director, NEC (65584).

** For further information see the hard copy of this doc. (Electronic version not available.)

10. Welfare statistics –

Change in TANF Caseloads

Total TANF families and recipients
(In thousands)

	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Jan-99	Jun-00	(93-00)
Families	<u>4,963</u>	5,053	4,963	4,628	4,114	3,305	2,734	2,208	-56%
2,755,000 fewer families									
Recipients	<u>14,115</u>	14,276	13,931	12,877	11,423	9,132	7,455	5,781	-59%
8,334,000 fewer recipients									

<http://www.acf.dhhs.gov/news/stats/caseload.htm>

Note the difference between the figures from January 1993 and June 2003 for justification of: “welfare cases have dropped by more than half over the past decade”

TANF Caseloads Reported as of 12/02/03

Temporary Assistance for Needy Families TOTAL NUMBER OF FAMILIES AND RECIPIENTS Percent Change from March 2003 to June 2003

	Recipients			Families		
	Mar-03	<u>Jun-03</u>	% change	Mar-03	<u>Jun-03</u>	% change
U.S. Totals	4,986,914	<u>4,955,479</u>	-0.6%	2,038,966	<u>2,032,157</u>	-0.3%

http://www.acf.hhs.gov/news/press/2003/mar03_jun03.htm

12. Abortion Statistics

July 20, 2005

MEMORANDUM FOR THE DEPUTY CHIEF OF STAFF

FROM: YUVAL LEVIN

SUBJECT: ABORTION DATA

The data regarding numbers and rates of abortion in the United States show a steady decline in abortions since the mid-1980s, which has continued through the latest available figures.

The tables on the next page are based on figures from the Guttmacher Institute, which collects and analyzes data both from the CDC and directly from abortion clinics. The Institute is affiliated with abortion rights groups, but all sides take the Guttmacher data to be the most reliable and solid numbers. (CDC's particular figures are not always exactly the same, but the year-to-year trends are the same). The latest available figures are for 2002. The 2003 figures are expected in late fall. [Note: 2003 figures not available at this time.](#)

There are three kinds of numbers relevant to following abortion trends:

- **Number of Abortions:** This is simply the raw number of abortions performed each year. The number is very troubling (at more than 1.2 million abortions a year) but it has been declining steadily from its highpoint in 1990. Note, however, that this figure is heavily affected by the number of pregnancies per year, which has also been declining modestly.
 - **The number of abortions is now the lowest it has been since 1976.**
- **Abortion Ratio:** The abortion ratio is the number of abortions per 1,000 live births. In terms of abortion trends, this is the most significant figure, since it is not skewed by changes in the rate of pregnancy over the years. This number reached its highpoint in 1983 and has been declining modestly but significantly ever since.
 - **The abortion ratio is the lowest it has been since 1975.**
- **Abortion Rate:** The abortion rate is the number of abortions per 1,000 women aged 15-44 in a given year. Here again the slight decline in the pregnancy rate plays a role, but the trend is the same.
 - **The abortion rate is the lowest it has been since 1975.**

The tables on the next page provide the figures for each since 1975—the first year for which abortion figures are considered reliable.

Number of abortions

1975	1,034,000
1976	1,179,300
1977	1,316,700
1978	1,409,600
1979	1,497,700
1980	1,553,900
1981	1,577,300
1982	1,573,900
1983	1,575,000
1984	1,577,200
1985	1,588,600
1986	1,574,000
1987	1,559,100
1988	1,590,800
1989	1,567,000
1990	1,609,000
1991	1,556,500
1992	1,528,900
1993	1,495,000
1994	1,423,000
1995	1,359,400
1996	1,360,200
1997	1,335,000
1998	1,319,000
1999	1,314,800
2000	1,313,000
2001	1,303,000
2002	1,293,000

(Abortions per 1,000 live births)

1975	249
1976	265
1977	286
1978	292
1979	296
1980	300
1981	301
1982	300
1983	304
1984	297
1985	297
1986	294
1987	288
1988	286
1989	275
1990	280
1991	274
1992	275
1993	274
1994	266
1995	259
1996	259
1997	255
1998	251
1999	246
2000	245
2001	245
2002	242

(Abortions per 1,000 women aged 15-44)

1975	21.7
1976	24.2
1977	26.4
1978	27.7
1979	28.8
1980	29.3
1981	29.3
1982	28.8
1983	28.5
1984	28.1
1985	28.0
1986	27.4
1987	26.9
1988	27.3
1989	26.8
1990	27.4
1991	26.3
1992	25.7
1993	25.0
1994	23.7
1995	22.5
1996	22.4
1997	21.9
1998	21.5
1999	21.4
2000	21.3
2001	21.1
2002	20.9

Abortion ratio**Abortion rate**