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Suggested edits.

CALIFORNIA BRIEFING

POLITICAL CLIMATE

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REDISTRICTING

Congressman Devin Nunes (R, CA-21) will spearhead an effort to revamp California's redistricting process. Earlier attempts proved unsuccessful, but Nunes now says he has the backing of Governor-elect Schwarzenegger and thinks it is possible. The plan calls for taking the redrawing of congressional and state districts out of the hands of the State Legislature and turning it over to a bipartisan commission of former judges. The plan would not allow cities and counties to be split into numerous different districts as they are now. Nunes estimates each party would hold 20-plus safe seats, leaving up to ten districts in play. Nunes' redistricting effort follows five or six similar initiatives over the past 20 years.

STATE ISSUES

BUDGET

Governor-elect Schwarzenegger is expected to face a budget shortfall that could hit \$11 to \$20 billion by next year. The \$38.2 billion budget agreement California lawmakers adopted two months ago is beginning to unravel. About \$1.2 billion that budget makers were counting on from American Indian gambling taxes and State work force reductions has not materialized; two bonds the State had planned to sell worth \$12.7 billion are being challenged in court; and the deficit could grow by another \$4 billion if Schwarzenegger makes good on a campaign promise to repeal California's loathed car-tax increase.

Schwarzenegger said he would rely on some of Governor Davis' (D) financing methods, including re-negotiating State worker contracts and taxing casino slot machines. Though Schwarzenegger has pledged not to raise taxes and has not yet identified any cuts, he has suggested the Federal Government owes California money for the cost of serving illegal immigrants and noted that the State does not receive anywhere near what its residents pay in taxes to Washington.

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ENERGY

California wants the Federal Energy Regulatory Commission to order energy companies to refund \$9 billion in electricity overcharges to California ratepayers, saying utilities illegally manipulated the power market to profit from the State's power crisis in 2000-2001. Governor Gray Davis (D) failed to persuade the Administration to impose a cap on energy prices in May 2001, and has come up empty in his demands for refunds.

During his campaign, Schwarzenegger vowed to restore stability to California's energy system and stimulate private investment in electricity generation and transmission but did not address the \$9 billion refund demand.

OFF-SHORE DRILLING

No drilling has been approved for 36 undeveloped Federal offshore leases because of a leasing moratorium on offshore California. Lessees of these undeveloped Federal leases have sued the United States for breach of contract because they have not been permitted to proceed with development.

California has also sued the Federal Government to protect its coastline from offshore drilling. This summer your Administration proposed new rules to counter a Federal appellate decision upholding the State's ban on new off-coast oil exploration.

Governor-elect Schwarzenegger has said he is opposed to offshore oil drilling and will urge the Federal Government to buy up the remaining offshore oil leases.

AIR QUALITY

California is preparing to join as many as nine other states in suing the U. S. Environmental Protection Agency (EPA) challenging EPA's decision not to regulate carbon dioxide and other greenhouse gases under the Clean Air Act. California officials said the broad language in the EPA decision suggests the Federal Government intends to block the State from acting on their own to regulate such emissions.

Schwarzenegger's campaign said he wanted to make the State Environmental Protection Agency more efficient and ensure it works closely with the Federal EPA.

HEALTHCARE

Governor-elect Schwarzenegger must decide which side to support in a coming legal battle between employers and the State over the "pay or play" law Davis signed last week requiring large employers to provide health insurance to their workers or pay into a State fund.

Employers plan?? to sue, claiming the law violates Federal preemption that prevents California from regulating health benefits offered by certain companies operating in multiple states.

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COLORADO RIVER

On October 10, Secretary of the Interior Gale Norton signed a historic agreement that requires California to limit its use of the Colorado River to its legal entitlement. California has exceeded its entitlement for decades, and the agreement will resolve water disputes dating back to 1931. The parties to the agreement are the United States, the San Diego County Water Authority, the Metropolitan Water District of Southern California, the Coachella Valley Water District, and the Imperial Irrigation District. As part of this agreement, farmers in California's Imperial Valley will be paid to conserve water which will then flow to San Diego. This agreement will reduce California's use of the Colorado River, allowing the six other Colorado River Basin States (UT, NM, WY, CO, AZ, and NV) to protect their authorized shares to meet future needs. Secretary Norton will lead an official signing ceremony to be held at Hoover Dam on Thursday, October 16.

KLAMATH BASIN

Klamath Accord

Klamath Basin tribes and farmers are seeking to resolve their battle over water through a historic accord. The goal is to assure farms a predictable, if reduced, water supply and to restore fish and wildlife promised to the tribes under their 1864 treaty with the Federal Government. The talks come as the Administration is reportedly weighing returning roughly 690,000 acres of former reservation land that is now national forest to Klamath Basin tribes.

Participants said the compact would likely include an intensive restoration of fish and wildlife habitat throughout the Klamath drainage; a transfer of segments of national forests to the Klamath Tribes; shrinking of farms within the 220,000-acre Klamath Project with assurance that remaining farms will receive water in dry years; resolution of overlapping water rights in the upper end of the basin; and reduced power rates for farmers.

Some estimate the likelihood of an accord at 50 percent because the negotiations excluded parts of the community who backed farmers through the bitter 2001 summer. That summer, the Bureau of Reclamation shut off irrigation water to most of the 1,400 farms in favor of water restoration for endangered sucker fish and threatened coho salmon.

Doolittle Water Plan

Congressman John T. Doolittle (R, CA-04) introduced the Doolittle Water Plan, which provides \$25 million for Upper Klamath Basin water projects. The bill passed the House 412-8 on September 24 and is expected to move to the Senate. The \$25 million package is for water infrastructure projects, such as lining irrigation canals to improve efficiency; off set the costs of using well water instead of surface water; and replacing aging pipelines. The bill is viewed as a plus for the farming community.

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EARTHQUAKE

On October 8, a magnitude-4.3 earthquake hit northern Baja California affecting residents near the U.S.-Mexico border. There were no immediate reports of injuries or property damage.

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STATISTICS

2000 General Election Results (Presidential):

	Total	Win %
Gore	5,861,203	53%
Bush	4,567,429	42%
Nader	418,707	4%
Other	118,517	1%

1996 General Election Results (Presidential):

	Total	Win %
Clinton	5,119,815	51%
Dole	3,828,368	38%
Perot	697,845	7%
Other	372,553	4%

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CONGRESSIONAL DELEGATION

Note: California gained one Congressional seat due to reapportionment.

U.S. SENATE:

- Senator Dianne Feinstein (D), 2nd full term, re-elected in 2000 with 56%
- Senator Barbara Boxer (D), 2nd term, re-elected in 1998 with 53%

U.S. HOUSE: Total 53 (33D, 20R)

- Mike Thompson (D-01), 3rd term, re-elected with 64%
- Wally Herger (R-02), 9th term, re-elected with 66%
- Doug Ose (R-03), 3rd term, re-elected with 62%
- John T. Doolittle (R-04), 7th term, re-elected with 65%
- Bob Matsui (D-05), 13th term, re-elected with 70%
- Lynn Woolsey (D-06), 6th term, re-elected with 67%
- George Miller (D-07), 15th term, re-elected with 71%
- Nancy Pelosi (D-08), 8th full term, re-elected with 80%
- Barbara Lee (D-09), 3rd full term, re-elected with 81%
- Ellen O. Tauscher (D-10), 4th term, re-elected with 76%
- Richard W. Pombo (R-11), 6th term, re-elected with 60%
- Tom Lantos (D-12), 12th term, re-elected with 68%
- Fortney “Pete” Stark (D-13), 16th term, re-elected with 71%
- Anna G. Eshoo (D-14), 6th term, re-elected with 68%
- Mike Honda (D-15), 2nd term, elected with 66%
- Zoe Lofgren (D-16), 5th term, re-elected with 67%
- Sam Farr (D-17), 6th term, re-elected with 68%
- Dennis A. Cardoza (D-18), 1st term, elected with 51%
- George Radanovich (R-19), 5th term, re-elected with 67%
- Cal Dooley (D-20), 7th term, re-elected with 64%
- Devin Nunes (R-21), 1st term, elected with 70%
- William “Bill” M. Thomas (R-22), 13th term, re-elected with 73%
- Lois Capps (D-23), 4th term, re-elected with 59%
- Elton Gallegly (R-24), 9th term, re-elected with 65%
- Howard “Buck” P. McKeon (R-25), 6th term, re-elected with 65%
- David Dreier (R-26), 12th term, re-elected with 64%
- Brad J. Sherman (D-27), 4th term, re-elected with 62%
- Howard L. Berman (D-28), 11th term, re-elected with 71%
- Adam Schiff (D-29), 2nd term, re-elected with 63%
- Henry A. Waxman (D-30), 15th term, re-elected with 70%
- Xavier Becerra (D-31), 6th term, re-elected with 81%
- Hilda Solis (D-32), 2nd term, re-elected with 69%

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- Diane Watson (D-33), 2nd term, re-elected with 83%
- Lucille Roybal-Allard (D-34), 6th term, re-elected with 74%
- Maxine Waters (D-35), 7th term, re-elected with 78%
- Jane Harman (D-36), 5th full term, 2nd consecutive term, re-elected with 61%
- Juanita Millender-McDonald (D-37), 5th term, re-elected with 73%
- Grace Flores Napolitano (D-38), 3rd term, re-elected with 71%
- Linda Sánchez (D-39), 1st term, elected with 55%
- Ed Royce (R-40), 6th term, re-elected with 68%
- Jerry Lewis (R-41), 13th term, re-elected with 67%
- Gary Miller (R-42), 3rd term, re-elected with 68%
- Joe Baca (D-43), 3rd term, re-elected with 66%
- Ken Calvert (R-44), 6th term, re-elected with 64%
- Mary Bono (R-45), 3rd full term, re-elected with 65%
- Dana Rohrabacher (R-46), 8th term, re-elected with 62%
- Loretta Sanchez (D-47), 4th term, re-elected with 61%
- Christopher Cox (R-48), 8th term, re-elected with 68%
- Darrell Issa (R-49), 2nd term, re-elected with 77%
- Randy “Duke” Cunningham (R-50), 7th term, re-elected with 64%
- Bob Filner (D-51), 6th term, re-elected with 58%
- Duncan L. Hunter (R-52), 12th term, re-elected with 70%
- Susan Davis (D-53), 2nd term, re-elected with 62%

STATE GOVERNMENT

Governor Gray Davis (D), 2nd term, re-elected in 2002 with 47%
Lieutenant Governor Cruz M. Bustamante (D), 2nd term, re-elected in 2002 with 49%
Secretary of State Kevin Shelley (D), 1st term, elected in 2002 with 46%
Attorney General Bill Lockyer (D), 2nd term, re-elected in 2002 with 51%
Treasurer Phil Angelides (D), 2nd term, re-elected in 2002 with 49%
Controller Steve Westly (D), 1st term, elected in 2002 with 45%
Commissioner of Insurance John Garamendi (D), 2nd full term, 1st consecutive term,
re-elected in 2002 with 47%
Superintendent of Public Instruction Jack O’Connell (D), 1st term, elected in 2002 with 62%

State Assembly: 80 Total (48D, 32R)
Speaker: Herbert Wesson (D)
Majority Leader: Marco Firebaugh (D)
Minority Leader: Dave Cox (R)

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State Senate: 40 Total (25D, 15R)

President: Lieutenant Governor Cruz Bustamante (D)
Majority Leader: Don Perata (D)
Minority Leader: Jim Brulte (R)

STATE PARTY

Chairman: Duf Sundheim
National Committeeman: Timothy J. “Tim” Morgan
National Committeewoman: Barbara Alby

STATE DEMOGRAPHIC PROFILE

Population 2000: 33,871,648, up 13.6% from 1990, 12% of total U.S. population
Race/Ethnicity: 46.7% White (non-Hispanic), 32.4% Hispanic, 10.8% Asian,
6.4% African-American
Median Household Income: \$47,493
College Educated: 26.6%
Median Age: 33 years; 12% are 65 years and older
Households: 51% married; 26% married couple families with children
Unemployment: 6.9%

(Source: 2004 National Almanac of American Politics)

YOUR PREVIOUS TRAVEL

Event	Date	Location
Briefing and Tour, Volunteer Activity, and Remarks at Santa Monica Mountains National Recreation Area; Bush-Cheney '04 Finance Event	August 15, 2003	Thousand Oaks Irvine
Remarks to Military Personnel and Families, Luncheon with Military Personnel, Interview with the Armed Forces Radio and Television Service; Bush-Cheney '04 Finance Event	August 14, 2003	Marine Corps Air Station Miramar San Diego
Bush-Cheney '04 Finance Events	June 27, 2003	Los Angeles San Francisco
Tour and Remarks at United Defense Industries	May 2, 2003	Santa Clara
Bill Simon for Governor Breakfast	August 24, 2002	Westwood
Stockton, California Welcome; Bill Simon for Governor Luncheon; Remarks to Latino Community Leaders; and Bill Simon for Governor Reception	August 23, 2002	Stockton Stockton Santa Ana Dana Point

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Bill Simon for Governor Luncheon; and Remarks at Parkside Hall to the Commonwealth Club and the Churchill Club	April 30, 2002	Santa Clara San Jose
Roundtable and Remarks to Community Leaders; and Bill Simon for Governor Finance Dinner	April 29, 2002	Los Angeles
Hispanic Chambers of Commerce Town Hall Meeting and Meeting with JCM Engineering	January 5, 2002	Ontario
Remarks to Statewide Business Organizations; Remarks to Military Personnel and their Families; and Private Meeting with Governor Davis	October 17, 2001	Sacramento Travis Air Force Base
Tour and Remarks to Announce the National Parks Policy	May 30, 2001	Sequoia National Park
Remarks on Trade and Energy	May 29, 2001	Camp Pendleton

THE VICE PRESIDENT'S PREVIOUS TRAVEL

Event	Date	Location
Bush-Cheney '04 Finance Events	August 6, 2003	Sacramento
Speech on Economic Agenda; Team California Finance Event; and Dick Monteith Finance Event	August 7, 2002	San Francisco Burlingame Fresno
Speech to Business Leaders	February 21, 2002	San Jose
Agriculture Roundtable	February 20, 2002	Fresno
Team California Dinner; <i>The Tonight Show</i> with Jay Leno; and Nixon Library Tour	February 19, 2002	Los Angeles Los Angeles Yorba Linda
Remarks at Marine Corps Air Station Miramar	February 18, 2002	Carlsbad

¹An Edison Media Research/Mitofsky International exit poll; conducted October 7, 2003 for the Associated Press and CBS, ABC, NBC, CNN and Fox; surveyed 4,214 voters (3,814 at the precincts, 400 absentee voters); +/- 2% margin of error.

²The Field Poll; conducted 9/3-7/03; surveyed 649 registered voters in California; margin of error +/- 4%.

³The California Secretary of State Statewide Special Election Exit Poll; 100.0 % (15,235 of 15,235) precincts reporting; Oct 9, 2003.

⁴An Edison Media Research/Mitofsky International exit poll; conducted October 7, 2003 for the Associated Press and CBS, ABC, NBC, CNN and Fox; surveyed 4,214 voters (3,814 at the precincts, 400 absentee voters); +/- 2% margin of error.

⁵The California Secretary of State Statewide Special Election Exit Poll; 100.0 % (15,235 of 15,235) precincts reporting; Oct 9, 2003.

⁶A Public Policy Institute of California poll; conducted 9/9-17/03; surveyed 2,001 adults; margin of error +/- 2%. Subsample: 1,033 likely voters; margin of error +/- 3%.