

**Subject:** Night Note 2/2  
**Sent:** Thu, 2 Feb 2006 20:41:34 -0500  
**From:** "Langdon, James C." <James\_C.\_Langdon@who.eop.gov>  
**To:** <kr@georgewbush.com>, "Rove, Karl C." <K\_Rove@who.eop.gov>, "Hughes, Taylor A." <Taylor\_A.\_Hughes@who.eop.gov>, "Jackson, Barry S." <Barry\_S.\_Jackson@who.eop.gov>, "Smith, Heidi M." <Heidi\_M.\_Smith@who.eop.gov>, "Kavanaugh, Brett M." <Brett\_M.\_Kavanaugh@who.eop.gov>, "West, Christal R." <Christal\_R.\_West@who.eop.gov>, "Weinstein, Jared B." <Jared\_B.\_Weinstein@who.eop.gov>, "Boyer, Matthew W." <Matthew\_W.\_Boyer@who.eop.gov>, "Kropp, Emily L." <Emily\_L.\_Kropp@who.eop.gov>, "Katz, Jeremy L." <Jeremy\_L.\_Katz@who.eop.gov>, "Ralston, Susan B." <Susan\_B.\_Ralston@who.eop.gov>, "Kane, M. Lauren" <Mary\_L.\_Kane@who.eop.gov>, "Hoare, Thomas H." <Thomas\_H.\_Hoare@who.eop.gov>, "Hook, Brian H." <Brian\_H.\_Hook@who.eop.gov>, "Jordan, Myriah L." <Myriah\_L.\_Jordan@who.eop.gov>, "Langdon, James C." <James\_C.\_Langdon@who.eop.gov>  
**Cc:** "McMillin, Stephen S." <Stephen\_S.\_McMillin@who.eop.gov>  
[Pending Issues 2-2.doc](#)  
[Policy Time Calendar 2-2.doc](#)  
[Working Group Calendar 2-2.doc](#)  
[Cabinet Member Schedule 2-2.doc](#)

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

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

Thanks,  
James  
x61475

February 2, 2006

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

FROM: STEVE MCMILLIN, BRIAN HOOK, and JEREMY KATZ

RE: NIGHT NOTE

**Mine Safety.** Today DOL/MSHA held a media call to announce MSHA is focusing its full inspection resources already located in West Virginia – a total of 113 inspectors – on an aggressive inspection and enforcement schedule. It is also deploying a Federal Task Force consisting of an additional 100 MSHA officials from across the nation to assist with inspections, emergency training, stand-down procedures and other tasks. MSHA's national "Stand-Down for Safety" will take place on Monday, February 6, and will include all of the coal mines located in West Virginia. In a "stand down" each shift takes time to review safety procedures and perform safety checks before work commences. In addition, MSHA has requested West Virginia inspection and enforcement records to assist this intensive Federal mine safety operation. Both the Governor's Office and the West Virginia congressional delegation have been contacted about these actions.



## Other Issues

- Administrative Reforms (Troy/DPC; Hook) – On 1/25 DPC held the last of 3 deputies meetings on their proposed administrative reforms for 2006. The reforms discussed focused on human services and labor issues. Those in attendance approved moving forward on most of the reforms, but raised questions on a few items, which DPC will continue to research and review with CEQ and OMB. DPC prepared a memo for the Chief's office outlining reform proposals.
- Airlines (Sharp/DPC; Hook)
- AMT (Hennessey/NEC; Katz)
- Amtrak (Sharp/DPC; Hook)
- Anthrax/Medkits (Venkaya/HSC; Katz) – HSC has decided to delay meeting with the President on 2/8. Instead of meeting with the President on 2/8, HSC will convene Principals to further discuss issues raised at Deputies last week. HSC convened Deputies on 1/26 who were briefed by HHS on the Cities Readiness Initiative and the Home MedKit Evaluation project. It was agreed that DHS should be responsible for coordination of security planning necessary for countermeasure distribution efforts. HHS reviewed the progress of efforts to develop and test distribution of countermeasures through the Postal Service and directly to individuals through MedKits. In each case, there has been little progress since the President was last briefed in June 2005. Objections from Postal unions delayed implementation of a pilot test for three months, and HHS had to recruit another pilot city (St. Louis) after Seattle pulled out. HHS continues to run into substantial opposition from the public health community to the entire concept of Home MedKits due to concerns about inappropriate use or overuse of antibiotics by recipients (contributing to adverse health effects and a diminution of the effectiveness of these drugs over time). They hope to overcome these concerns when the results of a trial evaluation are available sometime next year. (The trial had been planned to begin in Fall 2005, HHS now says it will begin in March 2006.)
- Asbestos (Ho/DPC; Hook) - *Senators Specter and Leahy will hold a press conference tomorrow morning to discuss the asbestos trust fund bill. Representatives from supportive groups, including Governor Engler of the National Association of Manufacturers, are also expected to be in attendance.*
- Associated Health Plans (Leggitt/DPC; Katz) – *DPC, OLA, and DOL met with members of the AHP coalition including the NFIB, National Association of Realtors, US Chamber, and the American Hotel and Lodging Association to discuss options for promoting a vote on AHP legislation in the Senate this year. EOP staff reiterated continued support for Rep. Johnson and Senator Snowe's AHP legislation. The coalition indicated they are working with the insurance industry on a potential compromise related to the Enzi legislation and said they understood our position. All parties agreed to continue open lines of communication as we move forward in pushing toward a vote on AHP legislation this March. In a follow up to this meeting, OLA is setting up a meeting with EOP staff and Senate leadership (Frist's office) to discuss strategy. Jeremy also communicated to DPC that future meetings with outside associations should be run through OPL).*
- Avian Flu (Venkaya/HSC; Katz) – *The HSC memo to the President, which still hasn't gone to the President, summarizes the tabletop exercise from mid-December with the Cabinet. It also contains language suggesting the Secretary of HHS will lead Federal health and medical response efforts and be principal Federal spokesperson for pandemic issues. The Secretary of HHS would be supported by the Secretary of DHS, who will play a "prominent supporting role" in coordinating the response to a pandemic, including its impact on critical infrastructure and*



the private sector as well as in coordination of other Federal Departments and Agencies in support of the response. Thus, the Secretary of HHS would have the lead role unless a significant degradation of infrastructure or societal disruption emerges, in which case the Secretary of DHS would take lead. These delineations were not discussed at the tabletop exercise. According to HSC, the language delineating responsibility was developed by HSC and cleared by Secretary Chertoff. We asked that Fran raise with the Chief or Joe the HSC recommendation regarding which Secretary would take the lead before sending the memo to the President.

- Baker Bill/Katrina (Warsh/ NEC; McMillin)
- BSE (Sommers/NEC; Katz) – Today (2/2), the USDA Office of Inspector General released the results of its audit outlining flaws in the USDA BSE testing and prevention regime. This report is the product of nearly two years of investigation. The IG began this work in the Spring of 2004. The report raises several serious problems with the system, but USDA has worked with the IG to implement all of the recommendations. The IG concludes that even with the flaws there is no evidence that specified risk materials entered the food supply. However, this will raise eyebrows internationally and could make reopening of the Japanese market more difficult.
- CALEA (Russell/NEC; Katz) - NEC hosted an inter-agency meeting on 2/1 to continue the process of reviewing and reaching agreement on DOJ's draft bill to extend the Communications Assistance for Law Enforcement Act (CALEA) to new broadband technologies and expand authorities under existing law. While progress was made, significant disagreements remain between DOJ and DOC over provisions that increase the burden on communications companies and may impact the pace of technology development. DOJ and DOC are putting together a series of one-pagers for next week outlining the specific areas of disagreement and potential alternative solutions. A deputies meeting will be convened the following week to resolve outstanding issues associated with the DOJ's draft legislative text and to determine if, when and how legislative language should be shared with the Hill.
- Campaign Finance Reform (Taylor/OPA; Hook)
- Canadian Lumber (Hunter/NSC; Katz)
- CDBG (Streeter/DPC; Hook) - Al and Steve met with Powell and his staff on 1/31 to review the figures on damage estimates in and out of the flood plains in LA and MS. The estimates directly inform how much CDBG funding would be necessary to address the needs of uninsured homeowners and thus help us articulate our policy publicly and to the LA leadership. Even with inflated figures to account for a possible undercount of homes, the figures that HUD's research office has provided suggest that all under-insured (hazard only, no flood) and uninsured homeowners both inside and outside the flood plain could be fully compensated for losses for \$5.8 billion, less than LA's \$6.2 billion allotment of CDBG funds. Powell and staff will travel to LA on Wednesday to meet with LRA and Blanco leadership to review the numbers (Isaacson has indicated that LRA accepts our numbers). If the figures are placed within the plan that Isaacson has shopped around, the overall CDBG figure for homeowners would drop down closer to \$4 billion. Assuming they can reach agreement on the figures, one outstanding issue they will likely discuss will be how to approach owners of rental property. LA has much more damaged rental property than MS, and CDBG funds can be used for rebuilding rental housing. Under the plan LRA is currently considering, there would be substantial CDBG resources to cover rental costs, but their leadership may still point to rental housing as a reason why LA needs more money than it has received.
- CFIUS (Shirzad/NSC; Katz) – On 1/24, CFIUS policy staff unanimously agreed to recommend to Deputies an investigation of Check Point's (the Israel-based internet security firm) filing for



the acquisition of Sourcefire (a U.S. supplier of computer intrusion detection systems). The agencies' determination is based on Check Point's negligence (purposeful or not) in complying with a 2004 CFIUS-related security agreement, and the vulnerabilities of USG and industry created by the merger. Following Deputies' approval, Treasury plans next Tuesday to suggest to Check Point that it withdraw its filing permanently. NSC is working with the GOI on a communications plan, if necessary. If Check Point does not withdraw its request, a 45-day investigation will ensue on Feb. 7th and possibly end on 3/23 - that is, 5 days before Israeli elections - with a Presidential determination 15 days thereafter.

- Clear Skies (Stolpe/CEQ; Hook)
- Climate Change (Connaughton/CEQ; Hook)
- Competitiveness (Troy/DPC; Hook)
- Cotton (Shirzad/NSC; Katz) – On 2/1, the House passed the conference report to the Budget Reconciliation Act that includes language repealing the WTO-inconsistent Byrd Amendment (which diverts anti-dumping and subsidy duties from the U.S. Treasury to petitioning U.S. companies). The report also includes language repealing the cotton “Step - 2” program, which was found to be WTO-inconsistent in a challenge brought by Brazil. The Step-2 program pays U.S. exporters and domestic mills that purchase U.S. cotton, and has been strongly criticized by cotton-producing countries in Africa. Because the Byrd repeal does not take effect until 10/07, we will likely see continued retaliation from Canada, the EU, Japan and Mexico.
- Doha (Shirzad/NSC; Katz)
- Drug Reimportation (Leggitt/DPC; Katz)
- Dynamic Scoring (Kupfer/NEC; Katz) - NEC had thought about doing a pre-budget release on our new proposals regarding dynamic scoring but Treasury felt that with so much else going on post SOTU and pre-budget, that it would make more sense to wait and roll it out on Monday. Secretary Snow will highlight it in his budget testimony next week -- and it can be reinforced in Bolten's testimony and in any Hubbard media interviews. Snow is also trying to place an op-ed next week on the subject.
- EEO-1 (Sharp/DPC; Hook)
- Endangered Species Act (CEQ; Hook) – Interior has drafted a revision of the ESA regulations and is beginning the process of vetting the draft with EOP and engaging Commerce, which also has ESA authorities. CEQ will need to referee the interagency struggle for a common approach to regulations, and CEQ may also need to harmonize the content of the rules with the Congressional debate.
- *Entitlement Commission (Blahous/NEC; Katz) - Keith held a Deputies meeting today to review the key questions involved in creating an entitlement commission. NEC will draft a memo for Principals tonight with a meeting on Monday. The most sensitive of the issues is how we will respond to expected Democrat demands that we explicitly declare taxes to be "on the table." Also discussed was whether a credible outside Democrat as co-chair (Rubin model -- paired with a strong Republican) could overcome the Reid/Pelosi reluctance to cooperate. Other issues needing resolution include size, end date, scope (include pensions and private health costs etc.), who picks members, reporting deadline, scope of mission, etc. NEC also drafted a preliminary list of current and former members of Congress and other prominent potential commissioners (including Governors to cover the Medicaid angle), which will be vetted with OLA, OPA, etc.*
- Equal Opportunity Survey (Sharp/DPC; Hook) – On 1/27 DOL published an NPRM that proposes to eliminate the EO Survey. The survey requires federal contractors to record personnel activity and compensation data by ethnic, racial, and gender categories. An outside



study found the survey generated a 93% false positive rate in identifying employers that systemically discriminate in their hiring.

- Everglades (Connaughton/CEQ; Hook) – On 1/27, CEQ hosted a meeting on the everglades with Governor Bush, Interior, EPA, Justice, CEQ, IGA, OSI. In advance of meeting, Florida and the Corps worked out an approach that conforms to legal requirements. Participants discussed how to transition from Interior's management and oversight of Florida obligations to improve water quality in the Everglades under a ten year old litigation consent decree, to a regulatory water permitting approach implemented by FL and overseen by EPA. The goal of such a transition would be to end the consent decree. It was agreed that the transition is sound policy, sound regulatory management, and sound litigation management. The parties plan to conclude remaining issues this week.
- Farm Bill (Sommers/NEC; Katz)
- FDA (Leggitt/DPC; Katz)
- *FDIC Reform (Warsh/NEC; Katz) – The House passed the final section of FDIC reform as part of reconciliation yesterday and the entire bill is now headed for the President.*
- Federal Sentencing Guidelines (Ho/DPC; Hook)
- FEMA Housing for Currently Leased Apartments (Streeter/DPC; Hook) - DPC, OMB, HSC and Don Powell's office held a call with DHS on 1/23 on FEMA's plan for handling leases that cities established in the wake of Katrina. At issue are approximately 45,000 households in multiple states (with the vast majority, 34,000, in Houston) living in apartments that cities have rented and for which FEMA provides reimbursement. FEMA sent letters in September stating that cities would be reimbursed for 12 months for all such leases. This was done before the Administration established the policy giving priority to cash rental assistance. The type of assistance under the Stafford Act (403 emergency assistance) that FEMA uses to reimburse for the rental costs cannot be used past March 1. FEMA gave guidance in November that all households would have to switch to cash rental assistance in March, but that created such a backlash from cities (which had entered into one-year leases with landlords based on the September guidance) that DHS/FEMA has decided to change their policy. Instead of cash rental assistance, their new plan is to pay the rental leases for the remainder of the 12 months using other funding (408 direct assistance). This way, no year-long leases have to be broken, and families will have a more seamless experience. No family living under this arrangement can receive cash assistance from FEMA for any purpose other than recovery of losses which are eligible under the Stafford Act. FEMA plans to begin communicating the policy in the next week to counter the perception that people will begin to be evicted from their apartments on March 1. Although this is yet another policy change for FEMA, DHS is confident that the policy will be met favorably by local leaders.
- Flood Insurance (Warsh/NEC; Katz) - FEMA (David Maurstand, head of the National Flood Insurance Program) testified on 1/26 at a Senate Banking Committee on behalf of the Administration on the structural reforms required to fix the Federal flood program. Chairman Shelby concurred with Administration views, and said he intends to move forward with a major revamp of the program as part of funding the remaining Katrina-related insurance payments of \$5 billion to \$6 billion.
- Florida Everglades (Hannegan/CEQ; Hook)
- FMLA (Sharp/DPC; Hook)
- FTAs (Shirzad/NSC; Katz)
- *GSEs (Warsh/NEC; Katz) - Shelby is awaiting the Administration's nominee to run OFHEO before taking other action. PPO says the paperwork for the nominee should be soon. Shelby*



was pleased by the letter Chairman Greenspan transmitted to Sununu, Hagel and Dole, which criticized the House bill as not taking "the steps needed to create an effective GSE regulator nor addressing the systemic risks posed by Fannie's and Freddie's investment portfolios."

Separately, the release date for the Rudman report on Fannie Mae appears to be February.

*Warsh met with Shelby yesterday and Shelby communicated he is still a strong supporter of our reforms.*

- *Health IT (Leggitt/DPC; Katz) – There are 7 more AHIC meetings scheduled for 2006 with the next meeting on 3/7. Dr. Brailer, the National Coordinator for Health Information Technology at HHS, has informed DPC he intends to leave his position at HHS in the next few months. He has not yet made any official announcement.*
- *Immigration (Ho/DPC; Hook) – DOJ has received several requests from Members for briefings on the Department's ongoing review of immigration adjudications. In its recent letter informing Members about the review, the Justice Department expressly offered the briefings. House Members taking the Department up on its offer include Chairman Wolf, Chairman Sensenbrenner, and the Judiciary Subcommittee on Immigration. Senate Members include Senators Kennedy, Sessions, and Cornyn. The Justice Department is tentatively planning to schedule the briefings for next week, but will consult with OLA and DPC on timing and substance before proceeding.*
- *Indian Trust/Cobell (Ho/DPC; Hook) – On 11/15 the Court of Appeals for the D.C. Circuit ruled that the district court owes substantial deference to Interior's proposed \$335 million accounting plan (and may not impose Judge Lamberth's \$12 billion substitute).*
- *Internet Pharmacy (Ho/DPC; Katz)*
- *Internet Pornography (Russell/OSTP; Katz)*
- *IRS (Kupfer/NEC; Katz) – On 1/24, the IRS announced that it would review its program to delay refunds for additional scrutiny. In recent weeks, the program has been criticized by the National Taxpayer Advocate and some members of Congress for holding too many refunds, especially of low income taxpayers -- and also for not notifying taxpayers that they were under scrutiny. Each year, the IRS processes 130 million returns and issues over 100 million refunds for more than \$200 billion. Because of increasing fraud, the IRS has been holding up about a half-million refunds a year, though most of those refunds are quickly analyzed and paid within the normal refund cycle. About 200,000 returns are held for longer, sometimes for several years. IRS is working with the Taxpayer Advocate Nina Olson (the one who identified the problem) to make sure she is in agreement on how to correct the problem, and that is taking longer than they had anticipated. NEC believes that IRS recognizes the importance of getting this done fast, but supports IRS' efforts to go the extra mile with the Advocate. As such, it is likely that resolution of the issue will slip to next week.*
- *Katrina and Community Reinvestment Act (Warsh/NEC; Katz)*
- *Lobbying Reform (Kelley/WHC; Hook) – Principals met on 1/24 to discuss the statutory and rule changes Congress is considering and how they affect the executive branch.*
- *Louisiana Recovery Corporation (Warsh/NEC; Katz)*
- *MCC (Shirzad/NSC; Katz)*
- *Medicaid Clawback (Ramthun/NEC; Katz) – Six states, including California, Kentucky, Missouri, and Texas say they will file a lawsuit this month challenging the Federal government's plan to take back states' savings from the new Medicare Part D prescription drug plan (also known as "clawback payments"). Under the Medicare law, Congress required states to pay back the money they no longer have to spend on drugs for poor beneficiaries on Medicaid and Medicare. The state attorneys general threatening the suit believe the clawback*



*payments are unconstitutional and plan to take the matter directly to the U.S. Supreme Court. They also say that in the first few years of the plan, the amount the states are being asked to repay exceeds the amount they would have spent if they were still buying drugs for poor seniors.*

- Medicaid Commission (Ramthun/NEC; Katz) – The Commission met last week. Gov Bush complained to us about having to sit through extremely long Medicaid Commission meetings and his frustration that the overall process isn't a good one. The Commission met for dinner on Tuesday night where they got sworn in and then for 7 hours on Wednesday and 3 hours on Thursday. NEC will host a Deputies meeting in the very near future. The Commission will next meet in March.
- Medical Liability (Ho/DPC; Hook)
- Medicare Advantage Plans (Ramthun/NEC; Katz)
- Methamphetamine (Leggitt/DPC; Katz)
- NASA (Russell/DPC; Katz)
- Native Hawaiian (Ho/DPC; Hook) - The U.S. Civil Rights Commission held a hearing on 1/21 on the Native Hawaiian Reorganization Act ("the Akaka bill"). It is not yet clear when the full Senate will take up the bill.
- NCLB (Medina/DPC; Hook)
- OCS (*Hannegan/CEQ; Katz*) - Senate Energy Chairman Domenici and Ranking Member Bingaman will likely introduce a bill tomorrow which would open up to new leasing activities the Lease Sale 181 "bulge" area west of the "military line" and outside 100 miles from the Florida coast. It is unclear whether the bill contains revenue sharing provisions. Domenici said they have the votes to get it out of committee, but doesn't know about the full Senate. On 1/31, the FL Senate delegation introduced legislation to permanently place this same area under moratoria. *We continue to press through CEQ for a draft reply from Secretary Norton in response to the Florida delegation's letter to her regarding the principle of equidistance. We also asked OLA whether there are any other reasons to hold off on engaging the LA and AL delegations about using the principle of equidistance now that House reconciliation is complete (FLA members complain it unfairly benefits LA and AL).*
- OIRA EO (Yanes/OMB; Katz) - Agencies received the draft EO from OMB two weeks ago and comments were due on 1/27. The agency comments that have been critical reflect concern that the EO will involve OIRA in too much of their work as expressed through guidance documents. Next step will be to ensure that the agencies really stand by their comments at senior political levels. After that process, OMB/OIRA will sit down to hear the objections. Again, OMB doesn't believe it is going to be dissuaded from its basic view on guidance documents, but they will modify the EO wherever they are persuaded it can be improved. OMB/OIRA believes it will likely be a couple of weeks before they are ready to go final. The portion of the executive order most likely to attract agency comment and other attention is the extension of the OIRA review process to certain guidance documents issued by agencies. Currently, only certain regulations are required to undergo OIRA clearance.
- OPEC (Shirzad/NSC; Katz)
- OPM (Ramthun/NEC; Katz)
- PAPs (*Ramthun/NEC; Katz*) - Barry Jackson, along with DPC, OLA, NEC, HHS, CMS, WHC, met with PhHRMA regarding concerns over drug companies discontinuing their patient assistance programs (PAPs) for beneficiaries covered under Part D. This creates a problem for a small percentage of the population whose income falls between 150% and 200% of the federal poverty level because PAPs usually cover up to 200% while Part D's low income assistance covers up to 150%. Although still covered under Part D, these individuals' drug



plans may require them to pay 100% of the cost of their drugs in the "coverage gap" (also known as the "donut hole") until they hit their out-of-pocket limit. If these individuals had not enrolled in a Medicare drug plan but remained with their PAP, they would either get their drugs for free or pay very little for them. The law prohibits anyone other than Medicare from providing coverage for drugs in the coverage gap. As a result, some drug companies claim that they must drop their PAP programs out of fear of violating federal law. At the meeting today, both CMS and the HHS/Office of the Inspector General made it clear to PhRMA that they could legally continue these programs and would provide technical assistance for any drug company that has questions on how to structure their program to avoid such violations. Doug Badger suggested that Secretary Leavitt and the IG send PhRMA an official letter clarifying this issue and encouraging the companies to continue the programs. PhRMA was cautiously receptive of this information and agreed to provide the information to their members to assist in addressing their concerns. *We have asked NEC to have WHC and the GC at HHS to weigh in on the matter.*

- Part D (Ramthun/NEC; Katz)
- Pensions (Blahous/NEC; Katz)
- Plan B (Leggit/DPC; Katz) - In early 2005, several abortion rights groups filed suit against FDA in U.S. District Court in New York, claiming the agency failed to follow its procedures in denying an application for over the counter sales of the emergency contraception drug Plan B. Government lawyers have challenged the groups' standing to file suit, but in the course of discovery the groups have asked for depositions of several senior current and former FDA officials, including former commissioners McClellan and Crawford, and deputy commissioner Woodcock, regarding what the groups term "political interference" in FDA decision-making. The Government has challenged their right for such discovery, but on Friday the judge indicated he would seriously consider the claim for discovery. He has made no decision, and it is not clear when he will. But HHS believes a decision to allow this kind of discovery could come soon, and that an appeal to prevent this type of discovery motion is unlikely to succeed.
- Postal Reform (Sharp/DPC; Hook) – Senator Collins continues to push for expedited passage of her bill while Senate conservatives continue to question the bill's cost and general lack of meaningful reform.
- SBA Loans (Warsh/NEC; Katz)
- *Social Security Checks for Medicare Drug Plan Premiums (Ramthun/NEC; Katz)* - NEC learned on 1/25 that approx 1.1 million seniors that signed up for drug coverage effected 1/1 will have no drug plan premium taken out of their Social Security check in February (the first month it could be taken out) and may be double billed in March. CMS believes the average monthly premium for these seniors comes out to \$27 a month. *NEC staff prepared a memo for Al and Keith's consideration and we continue to push NEC for their recommendation on how best to move forward. A press article reported that the Kansas Department on Aging said today that people who signed up to have Medicare Part D coverage deducted from their monthly checks may have two premium deductions on their February checks.*
- Steel (Shirzad/NSC; Katz)
- Steroids (Ho/DPC; Hook) – On 11/14 Major League Baseball and its player's union announced a tough new steroids policy. The new plan is essentially what Commissioner Selig proposed earlier this year: a 50-game suspension for a first offense, a 100-game suspension for a second offense, and a lifetime ban for a third offense. After a two-year period, players could appeal a lifetime ban. Although discussions on the Hill between Commissioners and Members are ongoing, the agreement may preempt the passage of any steroid bills.



- Stem Cells (Levin/DPC; Hook)
- Strengthening America's Community Initiative (Streeter/DPC; Hook)
- *Sugar (Sommers/NEC; Katz) - USDA today increased the allowable sugar imports by an additional 500,000 tons. This sugar is needed because of shortfalls in domestic production due to adverse weather and to processing and transportation disruptions due to hurricanes. The U.S. typically consumes about 10 million tons per year in food uses. U.S. beet and cane producers supply 8.0 to 8.5 million tons in a typical year. The market has been in serious imbalance this year due to use being somewhat stronger than expected, production being severely reduced due to adverse weather in the upper Midwest and hurricanes in the south, and processing interruptions due to hurricanes. The refined sugar increase will be allocated to countries with supplies readily available to the U.S. market. Typical suppliers are Canada, Mexico, Europe, Central and South America, and others. Food manufacturers, who have complained of late about high sugar prices, will welcome this news. Sugar producer organizations are likely to react negatively.*
- *Tabletops (Venkaya/HSC; Katz) - A tabletop assessment of the medical response to a mass casualty event will be led by HSC on 2/9. The exercise will be held at the Assistant Secretary level. This activity will assess and identify gaps in the U.S. Government's ability to mount a coordinated medical response to a mass casualty event. The results will guide future deliberate planning by participating Departments and Agencies. The assessment will be built around the projected medical requirements resulting from the detonation of a 10 kt improvised nuclear device in the National Capital Region. On 3/18, HSC is planning to do another tabletop exercise with the entire Cabinet on smallpox. We've asked HSC to reach out to Heidi in Cabinet Affairs to ensure it is coordinated and that the Chief and Joe approve of it being held.*
- *TANF (Streeter/DPC; Hook) - The deficit reduction act that passed the House on 2/1 includes TANF Reauthorization with key elements of the President's reauthorization proposal. The provisions are the same as those the House previously past. By way of recap, the bill succeeds in strengthening work by recalibrating the way that the participation rate for families receiving TANF is calculated. Because of the previous calculation by which credit was given to States, they have been able to coast for the past couple of years without having to reduce their caseloads. The new calculation will get States in the business of moving people from welfare to work again. Another positive aspect of the bill is that it contains a \$1 billion increase in child care instead of the \$6 billion for which the Senate has been advocating, but this comes at the expense of no increase in weekly work hours for TANF recipients as the President has proposed. The bill also contains \$150 million for the President's healthy marriage initiative and allows \$50 million of the funds to be used on responsible fatherhood activities. The net \$100 million for healthy marriage activities is half of the President's requested amount, but sufficient to initiate positive activity in this area.*
- *Tax Reform (Hennessey/NEC; Katz) – Senator Breaux was quoted as saying that tax reform "must be in a closet somewhere, on a shelf somewhere... I am really disappointed."*
- Telecom (Russell/NEC; Katz)
- Tricare Rx (Leggitt/DPC; Katz)
- Union Officer Conflict of Interest Reporting, LM-30 (Sharp/DPC; Hook)
- Unions (Sharp/DPC; Hook)
- Veterans (Leggitt/DPC; Katz)



## POLICY TIME – FEBRUARY 2006

| SUN | MONDAY   | TUESDAY                       | WEDNESDAY   | THURSDAY                                  | FRIDAY                         | SAT |
|-----|--|-------------------------------|---|---|--------------------------------|-----|
| 29  | 30<br>NO TIME  | 31<br>NO TIME                 | 1<br>NO TIME  | 2<br>NO TIME                              | 3<br>NO TIME                   | 4   |
| 5   | 6<br>1:25-2:10 NEC: Katrina<br>Periodic Update (45min) | 7<br>2:45-3:30 Rove (45 min)  | 8<br>11:10-11:55 NEC: Tax<br>Reconciliation (45 min)* | 9<br>1:50-2:35 NEC: Medicare<br>(45 min)* | 10<br>9:50-10:35 Rove (45 min) | 11  |
| 12  | 13<br>9:50-10:35 Rove (45<br>min)                      | 14<br>2:55-3:40 Rove (45 min) | 15<br>NO TIME   | 16<br>2:40-3:25 Rove (45 min)             | 17<br>NO TIME                  | 18  |
| 19  | 20<br>NO TIME  | 21<br>TBD Rove (45 min)       | 22<br>TBD Rove (45 min)                               | 23<br>TBD                                 | 24<br>TBD                      | 25  |

2/2/06

**Possible February Policy Times: Avian Flu; DPC Administrative Reforms; Economic Update; Immigration; Katrina Periodic Updates (Powell); Medicaid; Voting Rights Act**

\* Indicates Cabinet Member Attendance



## Working Group Calendar

### WORKING GROUP CALENDAR

| Monday, January 30 <sup>th</sup> | Tuesday, January 31 <sup>st</sup>   | Wednesday, February 1 <sup>st</sup>   | Thursday, February 2 <sup>nd</sup>   | Friday, February 3 <sup>rd</sup>                             |
|----------------------------------|---|---|--|--|
|                                  | <p>9:15 DPC: Weekly DOT call – PCC (BH)</p> <p>1:00 DPC: Weekly Asbestos Call – PCC (BH)</p> <p>3:00 DPC: Weekly ED Call – PCC (BH)</p> <p>5:30 DPC: Weekly DOJ Call – PCC (BH)</p> | <p>11:00 DPC: Weekly Conf Call w/ DOL (BH)</p> <p>11:00 OMB: Meeting on Line Item Veto legislation (JK)</p> <p>4:30 OSTP: Meeting on CALEA – PCC (JK)</p> | <p>9:15 NEC: Principals Meeting on China Econ</p> <p>10:00 DPC: Weekly Call w/ HHS (JK)</p> <p>10:00 NEC: Deputies Meeting on Entitlements Commission (JK)</p> <p>3:30 NEC: Weekly Medicare Meeting – PCC (JK)</p> <p>4:00 NEC: Weekly Medicaid Meeting – PCC (JK)</p> | <p>1:00 NEC: Deputies Meeting on Tax Reconciliation (JK)</p> |



## Working Group Calendar

| Monday, February 6 <sup>th</sup>                           | Tuesday, February 7 <sup>th</sup>   | Wednesday, February 8 <sup>th</sup>     | Thursday, February 9 <sup>th</sup>  | Friday, February 10 <sup>th</sup> |
|--|---|---|---|-----------------------------------|
| 3:00 DPC: Meeting on Online Pharmacy Regulation – PCC (JK) | 9:15 DPC: Weekly DOT call – PCC (BH)<br><br>9:30 NEC: Meeting on Canadian/US Feed Ban (JK)<br><br>3:00 DPC: Weekly ED Call – PCC (BH)<br><br>5:30 DPC: Weekly DOJ Call – PCC (BH) | 11:00 DPC: Weekly Conf Call w/ DOL (BH) | 9:00 NEC: Biweekly Pension Call – PCC (JK)<br><br>10:00 DPC: Weekly Call w/ HHS (JK)<br><br>1:00 DPC: Weekly Asbestos Call – PCC (BH)<br><br>2:00 HSC: Meeting on Mass Casualty Tabletop – PCC (JK)<br><br>3:30 NEC: Weekly Medicare Meeting – PCC (JK)<br><br>4:00 NEC: Weekly Medicaid Meeting – PCC (JK) |                                   |



OFFICE OF CABINET LIAISON



CABINET MEMBER SCHEDULE

---

FRIDAY 02/03/2006

---

**Administrator Johnson**

|      |
|------|
| b(6) |
|------|

---

MONDAY 02/06/2006

---

**Secretary Bodman**

|                 |        |                           |
|-----------------|--------|---------------------------|
| 3:00pm – 3:30pm | 2FL/WW | Meeting with Steve Hadley |
|-----------------|--------|---------------------------|

---

TUESDAY 02/07/2006

---

**Secretary Jackson**

|                  |          |             |
|------------------|----------|-------------|
| 9:30am – 11:30am | Room 164 | Office Time |
|------------------|----------|-------------|

**Secretary Mineta**

|                 |          |             |
|-----------------|----------|-------------|
| 2:00pm – 4:00pm | Room 164 | Office Time |
|-----------------|----------|-------------|

**Secretary Johanns**

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

*Participants:*

White House

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

USDA

Chuck Conner, Deputy Secretary  
Dale Moore, CoS  
Drew DeBerry, DCoS  
Beth Johnson, DCoS  
Terri Teuber, Director Of Communications

|                 |          |             |
|-----------------|----------|-------------|
| 4:45pm – 6:00pm | Room 164 | Office Time |
|-----------------|----------|-------------|



---

WEDNESDAY 02/08/2006

---

**Secretary Spellings & Ambassador Portman (T)**

1:30pm – 2:30pm      **Room 350**      CEO Business Roundtable

*Participants:*

John Negroponte, DNI (T)

---

THURSDAY 02/09/2006

---

**Secretary Leavitt**

|      |
|------|
| b(6) |
|------|

**Secretary Spellings**

3:00pm – 5:00pm      **Room 164**      Office Time