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Lauren and my suggestions to this one. Please send back a final. Thanks

**NORTH CAROLINA****POLITICAL CLIMATE****NORTH CAROLINA JOB LOSSES**

North Carolina has lost 149,800 jobs in the manufacturing sector since December 2000, according to data for the month of February 2004.<sup>1</sup> Hardest hit has been the textile and apparel manufacturing industry, which has suffered, in part, because of foreign competition. Furniture manufacturing, another leading industry in the state, has also experienced significant job loss. Since December 2000, North Carolina has lost about 58,700 textile-related jobs (roughly 35 percent of all textile jobs in the state) and about 15,600 jobs in the furniture industry (approximately 20 percent of the total furniture jobs in the state).

In July 2003, the Pillowtex Corporation, a large textile manufacturer in Kannapolis, announced it was filing for bankruptcy. The bankruptcy resulted in the layoff of 4,800 workers in North Carolina, the largest layoff in state history. Congressman Robin Hayes (R-08), who represents the district where Pillowtex is located, and Senator Elizabeth Dole (R, NC) have worked closely with the Administration to secure Federal resources for workers who lost their jobs. In September 2003, Secretary of Labor Elaine Chao announced a \$20 million National Emergency Grant for North Carolina to help laid-off workers with healthcare coverage and job retraining. Secretary Chao also spearheaded an Interagency Working Group of nine Federal agencies to help make expertise and resources available to the community. In an unprecedented showing of Federal support, nine Federal agencies had representatives at a temporary JobLink Resource Center at Pillowtex Plant IV in Kannapolis on four consecutive Tuesdays to provide information and assistance to individuals and community officials.

Some of the leaders in the furniture and textile manufacturing industries in North Carolina have criticized the Administration for not addressing what they view as unfair overseas competition from China, particularly with regard to enforcing existing trade agreements. In November 2003, the Department of Commerce announced that the Administration would impose limits on the importation of Chinese-made bras, dressing gowns, and knit fabric.

Earlier this month, North Carolina Senate candidate Congressman Richard Burr (R, NC-05) said that you should fire Council of Economic Advisers Chairman Greg Mankiw for saying that outsourcing of American jobs to overseas locations is good for the economy.



**NORTH CAROLINA****TOBACCO BUYOUT**

North Carolina is the largest tobacco-producing state in the Nation. Legislation has been introduced in both the U.S. House and Senate that would provide \$13 billion (Senate version) to \$15 billion (House version) to end the Federal tobacco-support program for farmers and quota owners. Both the House and Senate measures would pay for the buyout through assessments on cigarette companies, which they would likely recover from smokers through increased prices. The buyout bill would also impose Federal regulation of cigarettes by the Food and Drug Administration. Senator Elizabeth Dole supports the buyout. Congressman Richard Burr, whose district includes R.J. Reynolds Tobacco Company, stepped down as Vice Chairman on the House Energy and Commerce Committee as a sign to North Carolina tobacco growers that he will not oppose a tobacco buyout. Congressman Burr's decision also stems from Democratic criticisms that he has delayed buyout legislation as Vice Chair of the Committee. Although he has publicly stated his opposition to FDA regulation as part of a buyout deal, he has also said he would vote for a buyout bill that includes the regulation. His critics have claimed he is protecting his hometown company, R.J. Reynolds. The Senate version is seen by R.J. Reynolds as favorable to Kentucky tobacco farmers and to Philip Morris.

**BUDGET**

On June 30, 2003, Governor Mike Easley (D) signed into law a \$14.8 billion State budget just two days after he threatened to veto it. He signed the budget after lawmakers passed a supplementary budget bill giving him increased flexibility in case of a shortfall. Critics believe he signed the budget because he feared a veto override. The budget extends temporary tax increases that raise the State's sales tax to 4.5 percent and maintains the top income tax bracket at 8.25 percent for couples earning more than \$200,000 a year. He signed the budget just in time to avoid a partial government shutdown at the July 1 start of the new fiscal year.

**U.S. NAVY LANDING FIELD**

In September 2003, the Navy announced its intention to build a practice landing field in rural Washington County (northeast North Carolina) for F/A-18 Super Hornet jet fighters based at Cherry Point, North Carolina, and Virginia Beach, Virginia. The jets, practicing for aircraft carrier duty, will make 32,000 touch-and-go maneuvers a year at the new landing field. The field would be five miles from



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the Pocosin refuge, where more than 100,000 waterfowl (mostly large snow geese and tundra swans) spend their winters.

Opponents of the plan say the landing field will endanger wildlife in the area and put pilots at risk for bird strikes. Senator Dole has praised the Navy's decision, as it will have a positive impact on the local economy and will strengthen the Cherry Point Marine Corps Air Station. However, she has met with opponents of the plan and expressed her concerns about the potential impact on the environment.

The Department of the Interior does not agree with the Navy that the landing field should be built. Governor Easley issued a press release asking Secretary Evans to mediate the dispute. By law, the Secretary of Commerce mediates disputes between the Navy and Interior. Governor Easley announced this week that a special study group will work with the Navy to examine the impact the landing field will have on local communities. The study group is expected to make a recommendation on the landing field within 60 days.

Two separate lawsuits challenging the airfield have been filed in Federal court by two counties and three conservation groups.

**STATE LEGISLATIVE REDISTRICTING**

In November 2003, the State Legislature voted on House and Senate district maps after they were redrawn for the third time. Previous maps had been thrown out by the State Supreme Court. Several Republicans in the Legislature are opposed to the maps because their districts have been combined, potentially resulting in some legislators running against each other in primaries. Several of these legislators are angry with Republican co-Speaker Richard Morgan for agreeing to the plan.

In two opinions last year, the State Supreme Court handed down rules for the Legislature to follow in drawing new districts. Districts must be compact, splitting as few counties as possible, and legislators must abide by the Voting Rights Act when creating districts with substantial numbers of minority voters.

In December 2003, a group of Republican legislators filed a lawsuit challenging the new map. In January, State Superior Court Judge Robert Hobgood upheld a law requiring the State Supreme Court Chief to name three Superior Court judges to

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consider pending and future redistricting lawsuits. Lawyers for the Republican legislators filed notice of an appeal with the North Carolina Supreme Court.

Due to the redistricting battle, the state's May 4 primary has been moved to July 29.

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**NORTH CAROLINA****STATISTICS****2000 General Election Results  
(Presidential):**

	<b>Total Votes</b>	<b>% Won</b>
<b>Bush</b>	1,631,163	56%
<b>Gore</b>	1,257,692	43%
<b>Other</b>	26,135	1%

**1996 General Election Results  
(Presidential):**

	<b>Total Votes</b>	<b>% Won</b>
<b>Dole</b>	1,213,819	49%
<b>Clinton</b>	1,098,297	44%
<b>Perot</b>	167,465	7%

**CONGRESSIONAL DELEGATION****U.S. SENATE:**

- John Edwards (D), 1<sup>st</sup> term, elected in 1998 with 51%
- Elizabeth Dole (R), 1<sup>st</sup> term, elected in 2002 with 54%

**U.S. HOUSE: 13 Total (7R, 6D)**

- Frank Ballance (D-01), 1<sup>st</sup> term, elected with 64%

**Note:** Federal and state law enforcement officials are investigating a foundation headed by Congressman Ballance that has distributed state tax dollars to some of his staffers and organizations run by his mother and political supporters. State GOP Chairman Ferrell Blount has called on Ballance to resign his seat, but Ballance has said he will not resign.

- Bob Etheridge (D-02), 4<sup>th</sup> term, re-elected with 65%
- Walter Jones (R-03), 5<sup>th</sup> term, re-elected with 91%
- David Price (D-04), 8<sup>th</sup> full term, 4<sup>th</sup> consecutive term, re-elected with 61%
- Richard Burr (R-05), 5<sup>th</sup> term, re-elected with 70%
- Howard Coble (R-06), 10<sup>th</sup> term, re-elected with 90%
- Mike McIntyre (D-07), 4<sup>th</sup> term, re-elected with 71%
- Robin Hayes (R-08), 3<sup>rd</sup> term, re-elected with 54%
- Sue Myrick (R-09), 5<sup>th</sup> term, re-elected with 72%
- Cass Ballenger (R-10), 10<sup>th</sup> term, re-elected with 59%



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- Charles Taylor (R-11), 7<sup>th</sup> term, re-elected with 56%
- Melvin Watt (D-12), 6<sup>th</sup> term, re-elected with 65%
- Brad Miller (D-13), 1<sup>st</sup> term, elected with 55%

### STATE GOVERNMENT

Governor Michael Easley (D), 1<sup>st</sup> term, elected in 2000 with 52%

Lieutenant Governor Beverly Perdue (D), 1<sup>st</sup> term, elected in 2000 with Governor Easley

Secretary of State Elaine Marshall (D), 2<sup>nd</sup> term, re-elected in 2000 with 54%

Attorney General Roy Cooper, III (D), 1<sup>st</sup> term, elected in 2000 with 51%

Auditor Ralph Campbell, Jr. (D), 3<sup>rd</sup> term, re-elected in 2000 with 51%

Treasurer Richard Moore (D), 1<sup>st</sup> term, elected in 2000 with 55%

Superintendent of Public Instruction Mike Ward (D), 2<sup>nd</sup> term, re-elected in 2000 with 53%

Agriculture Commissioner W. Britt Cobb, Jr. (D)

**Note:** Former Agriculture Commissioner Meg Scott Phillips (D) resigned in June 2003, after she was indicted for receiving illegal contributions from carnival vendors who wanted to work at two State-run fairs. She was convicted of lying and hiding evidence, and she pled guilty to extortion, mail fraud, and conspiracy charges. Phillips has been released from jail, but she will receive Federal and state sentences this year. Governor Easley named interim Commissioner Britt Cobb to finish Phillips term, which ends in January 2005. Cobb will run for Agriculture Commissioner in 2004.

Labor Commissioner Cherie Berry (R), 1<sup>st</sup> term, elected in 2000 with 50%

Insurance Commissioner Jim Long (D), 5<sup>th</sup> term, re-elected in 2000 with 57%

**State House:** 120 (61R, 59D)

Co-Speakers: Richard Morgan (R) / Jim Black (D)

Republican Leader: Joe Kiser

Democrat Leader: Joe Hackney

**State Senate:** 50 (23R, 27D)

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President: Lieutenant Governor Beverly Perdue (D)  
Majority Leader: Tony Rand (D)  
Minority Leader: Patrick Ballantine (R) (Candidate in GOP primary for governor)

### STATE PARTY

Chairman: Ferrell Blount  
National Committeeman: Jim Cain  
National Committeewoman: Linda Shaw

### STATE DEMOGRAPHIC PROFILE

#### **Estimated Population 2000:**

North Carolina: 8,049,313, and increase of 21.4% since 1990

National: 281,421,906, an increase of 13.1% since 1990

#### **Race/Ethnicity:**

North Carolina: 70.2% White, 21.6% African-American, 4.7% Hispanic, 1.4% Asian, 1.2% Native American

National: 69.1% White; 12.5% Hispanic; 12.3% African-American; 3.6% Asian; 0.9% Native American

#### **Median Age:**

North Carolina: 35.3 years (12.0% are 65 years and older)

National Median: 35.3 years (12.4% are 65 years and older)

#### **College Educated:**

North Carolina: 22.5%

National Average: 24.4%

#### **Median Income:**

North Carolina: \$39,184

National Median: \$41,994

#### **Households:**

North Carolina: 68.9% family households; 52.5% married couple families

National: 68.1% family households; 51.7% married couple families

(Source: 2000 U.S. Census Bureau)



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### **YOUR PREVIOUS TRAVEL**

<b>Event</b>	<b>Date</b>	<b>City</b>
Remarks at Centennial of Flight Celebration	December 17, 2003	Kitty Hawk
Bush–Cheney '04 Luncheon and Conversation on the Economy and Job Training	November 7, 2003	Winston-Salem
Address to Marines and Families at Camp Lejeune	April 3, 2003	Jacksonville
Dole for Senate Rally	October 24, 2002	Charlotte
Malpractice Reform event at High Point Hospital and Dole Fundraiser	July 25, 2002	High Point; Greensboro
Airport Welcome and Fort Bragg Visit	March 15, 2002	Fayetteville
Welfare reform event at Chamber of Commerce and Dole Fundraiser	February 27, 2002	Charlotte
Citizen Preparedness Message Event; Meeting with Grassroots Leaders; and Roundtable at the Center for Community Safety	January 30, 2002	Winston-Salem
Tour and Remarks at Concord Middle School and North Carolina Welcome	April 11, 2001	Concord; Greenville

### **THE VICE PRESIDENT'S PREVIOUS TRAVEL**

<b>Event</b>	<b>Date</b>	<b>City</b>
Burr for Senate Fundraiser and Hayes for Congress Fundraiser	September 12, 2003	Raleigh Charlotte
Dole for Senate Fundraiser	October 29, 2002	Wilmington
Southern Republican Leadership Conference and	June 28, 2002	Charlotte; Raleigh



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Dole Fundraiser		
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<sup>1</sup> Bureau of Labor Statistics

<sup>2</sup> *McLaughlin & Associates poll*; conducted 1/7 – 1/8 for nominee Richard Vinroot surveyed 400 likely GOP primary voters with a +/- 4.9% margin of error.

<sup>3</sup> *Research 2000 poll*; conducted 1/5 – 1/8- for the *Raleigh News and Observer* surveyed 600 likely voters with a margin of error +/- 4%