

From: "Silverberg, Kristen"

To: "Bennett, Jessica C.", "Hughes, Taylor A.", "Jackson, Barry S.", "Smith, Heidi M.", "Hook, Brian H.", "Kavanaugh, Brett M.", "West, Christal R.", "Weinstein, Jared B.", "Boyer, Matthew W.", "Kropp, Emily L.", "Katz, Jeremy L.", "Ralston, Susan B.", "Kane, Mary L."

Cc: "Rhodes, Elizabeth"

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OFFICE OF CABINET LIAISON

TUESDAY 08/02/2005

Secretary Jackson

9:45am – 10:15am **Room 164** Meeting with Ivan Bolden

Participants:

HUD

Camille Pierce, CoS

Scott Keller, DCoS

Brian Montgomery, Assistant Secretary for Housing

10:15am – 10:45am **Room 164** E-Grants Amendments

Participants:

White House

Steve McMillin, OMB

Tim Young, OMB

HUD

Camille Pierce, CoS

Scott Keller, DCoS

Marty Skahen, Office of the Deputy Secretary

Kim Kendrick, Senior Advisor

Kathy Koch, Associate General Counsel

Camille Acevedo, Associate General Counsel, Office of Legislation and Regulations

Lisa Schlosser, Chief Information Officer

Darlene Williams, General Deputy Assistant Secretary for Administration

10:45am – 11:00am **Room 164** Meeting with Sara Taylor

Participants:

HUD

Camille Pierce, CoS

Scott Keller, DCoS

David Hazelton, WH Liaison

11:00am – 11:15am **Room 164** Budget Discussion

Participants:

HUD

Camille Pierce, CoS

Scott Keller, DCoS
Russell Bowers, Consultant
Carin Barth, Consultant

11:15am – 11:45am **Room 164** 236 Audit Briefing

Participants:

HUD
Camille Pierce, CoS
Scott Keller, DCoS
Jim Parenti, CoS to the Dep. Sec.
George Tomchick, Deputy ACFO for Budget
Brian Montgomery, Assistant Secretary for Housing
Frank Davis, General Deputy Assistant Secretary for Housing
Kathy Koch, Deputy General Counsel
Russell Bowers, Consultant
Carin Barth, Consultant

12:00pm – 1:30pm **WH Mess** Personal

Secretary Rice, Secretary Chertoff, Secretary Mineta, and Secretary Leavitt

9:50am – 10:20am **1FL/WW** Emergency Communications

Participants:

<u>White House</u> Andrew Card, CoS	<u>DOD</u> Gordon England, Acting Deputy Secretary
	<u>DOJ</u> Robert McCallum, Associate AG
	<u>DNI</u> General Michael Hayden, Principal Deputy DNI
	<u>FBI</u> Robert Mueller, Director

Secretary Rice, Secretary Gutierrez, and Secretary Johanns

11:25am – 11:55am **East Room** CAFTA-DR Bill Signing

Secretary Johanns

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

Participants:

<u>White House</u> Jim Connaughton, CEQ	<u>USDA</u> Dale Moore, CoS D. R. B. D. C.
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Kevin O'Donovan, OVP
Barry Jackson, Senior Advisor's Office
Marcus Peacock, OMB
Megan Hauck, OLA
Peter Rowan, OLA

4:45pm – 6:00pm **Room 164** Office Time

WEDNESDAY 08 / 03 / 2005

Administrator Johnson

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

THURSDAY 08 / 04 / 2005

Director Walters

1:30pm – 2:30pm **CL Conf Room** Drug Data Initiative Meeting

Participants:

White House

Tevi Troy, DPC
Dean Clancy, OMB

HHS

Laura Lawlor, Acting Counselor for Science Policy
Jennifer Young, Senior Counselor for Health Policy

SAMHSA

Stephenie Colston, Senior Advisor
Andy Knapp, Counselor

DOJ

Kristi Macklin, OJP

ONDCP

Steve Katsurinis, CoS

NIDA

Nora Volkow, Director

Secretary Chao

4:00pm – 5:00pm **Room 164** Meeting with Barry Jackson - FMLA

FRIDAY 08 / 05 / 2005

Secretary Leavitt

1:00pm – 3:00pm **Room 164** Office Time

MONDAY 08/08/2005

Director Walters

12:00pm – 1:00pm **WH Mess** Personal

Secretary Chao

12:30pm – 1:30pm **WH Mess** Lunch with Ruben Barrales

Secretary Mineta

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

Secretary Bodman

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

Secretary Leavitt

3:30pm – 4:00pm Medicare Drug Benefit Outreach to Hispanic Community

Working Group Calendar

Monday, July 25	Tuesday, July 26	Wednesday, July 27	Thursday, July 28	Friday, July 29
8:15 NEC: Social Security Conference Call	8:15 NEC: Social Security Conference Call	8:15 NEC: Social Security Conference Call	8:15 NEC: Social Security Conference Call	8:15 NEC: Social Security Conference Call
3:00 NEC: Rump Group-PCC (JK)	10:00 DPC: Ryan White-PCC	12:00 NEC: Economic Principals Lunch- PC	8:30 NEC: Rump Group-PCC (JK)	10:00 DPC: Ryan White Conf Call- PCC
4:00 DPC: Meth Hearing Conf Call- PCC (JK)	11:15 OCL: Trade WTO Strategy- PC	12:30 OFBCI: Charitable Choice- PC (KS)	9:30 DPC: Avian Flu- PC	10:30 Policy Deputies- DC (KS, JK, and BH)
4:30 NEC: Identity Theft Conf Call- PCC (JK)	1:00 HSC: Update on Avian Flu and Medkits- PC (KS)	2:00 NEC: GSE Conf Call- PCC (JK)	10:00 OCL: HHS Conf Call- PCC	11:00 NEC: International Energy Initiatives- PC (KS)
5:00 DPC: Update on Avian Flu Conf Call- PCC (JK)	4:00 NEC: Medicare SGR/P4P- PCC (JK)	2:30 NSC: Post G8 Strategy- PCC	11:00 NEC: WTO Strategy- PC	12:00 OSA: Tax Reform
6:30 CAFTA Conf Call- PC	4:30 NEC: GSE- PCC (JK)	3:30 OVP: Avian Flu- PC	12:00 NEC: Social Security Planning- PCC	5:00 NSC: UN High Level Event- PC (KS)
	6:00 CAFTA Conf Call- PC	3:30 DPC: Meth Conf Call- PCC (JK)	4:00 Identity Theft- PC (JK)	
			4:00 NEC: Internal Medicare- PCC (JK)	
			5:30 LSG on Social Security (KS)	

Working Group Calendar

Monday, August 1	Tuesday, August 2	Wednesday, August 3	Thursday, August 4	Friday, August 5
8:15 NEC: Social Security Conference Call	8:15 NEC: Social Security Conference Call	All Day: DPC Retreat	8:15 NEC: Social Security Conference Call	8:15 NEC: Social Security Conference Call
11:00 DPC: Meth- PCC (JK)	10:00 DPC: Ryan White- PCC	8:15 NEC: Social Security Conference Call	10:00 OCL: HHS Conf Call- PCC	10:00 DPC: Ryan White Conf Call- PCC
1:00 DPC/HSC – PCC (JK)	10:15 OMB: E-Grants Update w/ HUD	9:00 CEA: August 9 th Economic Summit Meeting (JK)	12:00 NEC: Social Security Planning- PCC	11:00 Policy Deputies- DC (KS, JK, and BH)
4:00 NASA Briefing- PC	2:00 NSC: INA- PCC (JK)	12:00 NEC: Economic Principals Lunch- PC	1:00 DPC: Asbestos Conference Call- PCC (KS)	
4:00 NEC: Medicaid Clawback- PCC (JK)			5:30 LSG on Social Security (KS)	

Working Group Calendar

August 8 th	August 9 th	August 10 th	August 11 th	August 12 th

Working Group Calendar

August 15 th	August 16 th	August 17 th	August 18 th	August 19 th

Working Group Calendar

August 22 nd	August 23 rd	August 24 th	August 25 th	August 26 th
				1:30 DPC: Mtg. with Dr. Gratzer of Manhattan Institute (JK)

Working Group Calendar

August 29 th	August 30 th	August 31 st	September 1 st	September 2 nd
		2:30 ONDCP: Substance Abuse Block Grant (JK)		

POLICY TIME – JULY/AUGUST 2005

SUN	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SAT
24	25 NO TIME H: Suspensions S: DOD Auth Act	26 10:45-11:30am NEC/NSC: Nuclear Power (45 min) H: Suspensions, Interior Approps, Postal S: DOD Auth Act	27 NO TIME H: Suspensions, HEALTH, CAFTA S: Arms	28 2:10-2:55pm OFBCI: Faith- Based (45 min) H: Suspensions, Energy S: Gun Liability, CAFTA	29 1:05-1:50pm DPC/HSC: Avian Flu (45 min) H: Transportation S: Interior Approps	30
31	1 10:45-11:30am NEC: Energy (45 min) Congressional Recess	2 NO TIME Congressional Recess	3 NO TIME Congressional Recess	4 NO TIME Congressional Recess	5 NO TIME Congressional Recess	6
7	8 NO TIME Congressional Recess	9 NO TIME Congressional Recess	10 NO TIME Congressional Recess	11 NO TIME Congressional Recess	12 NO TIME Congressional Recess	13
14	15 Congressional Recess	16 Congressional Recess	17 Congressional Recess	18 Congressional Recess	19 Congressional Recess	20

7/29/2005

Early September policy times- Appropriations; Avian Flu; China Overview; Immigration; ID Theft

August 1, 2005

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

FROM: KRISTEN SILVERBERG, BRIAN HOOK and JEREMY KATZ

RE: NIGHT NOTE

Avian Flu. DPC and HSC have prepared a summary of conclusions from Friday's policy time. They are also submitting an SP for the President's meeting in September with industry representatives.

Immigration. Barry hosted three outside groups today to hear presentations from DHS and DOL. We stressed the need for broad education and outreach efforts. The business groups were focused on employer issues. The conservative groups believe our proposal lacks a key element -- the assimilation/citizenship piece. The Hispanic groups raised some new issues for further discussion. They believe we should be sensitive to the distinction between those who have been here less than three years versus those who have firmly established roots in the U.S.

Energy. NEC is preparing a memo on electricity as a follow-up to today's policy time.

Stem Cell. Later this week OMB will respond to a FOIA request from Ceci Connolly for documents relating to "the 60 or more human embryonic stem cell lines that NIH has deemed to be extent and suitable for study by federally funded scientists in this country" and to the development of the August 9, 2001 announcement. OMB will decline to turn over the documents on the ground that they are pre-decisional.

Wright Amendment. In preparation for the President's interviews tomorrow, there was some discussion of what the President should say regarding legislation to overturn the Wright Amendment. In the pre-brief, Dan will recommend that he avoid taking a position.

Other Issues

- Airlines/Northwest Strike (Sharp/DPC; Hook) – On 7/20 the NMB released Northwest and AMFA from mediation. In 30 days, the mechanics will be free to strike unless the President convenes a Presidential Emergency Board. The Administration has said that the President will not create a PEB because we agree with the NMB that, because of Northwest's contingency planning, a mechanics strike would not have a substantial impact on interstate commerce. Northwest has made plans to outsource heavy maintenance and address day-to-day maintenance through agreements with other carriers, use of management mechanics, and use of trained contingency mechanics. To ensure the transition to outsourced maintenance goes smoothly and safely, FAA will add additional inspectors to monitor Northwest. Northwest also believes, and DOT agrees, that the other unions, particularly the pilots, will not honor AMFA's picket lines because a shutdown may push the carrier into bankruptcy. DOT believes at this time that Northwest's contingency plan is both safe and adequate to ensure continuity of service. Therefore a PEB is not necessary.
- Airlines/US Airways/America West Merger (Sharp/DPC; Hook) -- On 7/22, the Air Transportation Stabilization Board (ATSB) approved the merger deal. The ATSB reviewed the merger application because both airlines have outstanding loans with the ATSB. Recently the Department of Justice cleared the merger as well. US Airways' bankruptcy judge and the Department of Transportation must now sign off for the merger to go through.
- Amtrak (Sharp/DPC; Hook) – Senator Commerce passed out of committee its Amtrak bill on 7/28. The six-year bill would authorize \$11 billion in capital/operating spending and debt restructuring and make modest reforms designed to improve efficiency and service. Overall the bill falls far short of the Administration's vision for comprehensive Amtrak reform, but does incorporate small elements of DOT's proposal including limited introduction of competition, Federal/state capital grants, and performance standards for long-distance routes. Senator McCain is our best Amtrak critic on the committee.
- Asbestos (Ho/DPC; Hook)
- BSE (Sommers/NEC; Katz) - We may have another case of BSE. A 12-year old animal died in Oklahoma in April. The veterinarian who treated the cow sent a sample to the Ames, IA lab after a considerable delay. The test was inconclusive. *They are re-testing it at Ames as well as a lab in Weybridge, England. We should know the results from Weybridge either tomorrow or Wednesday.*
- CAFE (Sharp/DPC; Hook) -- On Monday July 25, OMB formally received DOT's draft CAFE reform regulation. OMB will likely clear it in mid-late August for notice and public comment. The final rule must be published by April 2006, to allow 18 months before the beginning of Model Year 2008.
- Charitable Choice (Towey/OFBI; Silverberg)
- Clear Skies (CEQ; Hook) -- EPA modeling is underway. CEQ plans to brief Senate EPW staff on the modeling details very soon. The outputs are expected in eight to ten weeks.
- Climate (CEQ; Hook)
- Community College Initiative (Sharp/DPC; Hook) – The Senate Labor HHS Appropriations Subcommittee passed its bill last week and included \$125 million for CCS, which is equal to the House number (we requested \$250 million).

- Cooperative Conservation Event (Pinero/DPC; Hook) -- CEQ expects 1,200 participants (1000 have already accepted). The conference agenda is essentially finalized. CEQ is working with the departments on their planned remarks.
- Drug Reimportation (Leggitt/DPC; Katz)
- Economic and Community Development (DPC; Hook) – Senate Commerce-Justice-Science Appropriations Subcommittee did not adopt on 6/21 the Strengthening America's Communities Initiative, as we expected.
- Education (DPC; Hook) – On 7/22, the House Education Committee approved the College Access & Opportunity Act, to reform and strengthen federal student aid and higher education programs, adding new options for student loan borrowers, greater accountability to empower consumers, and refocusing the law back to its original mission by expanding college access for low- and middle-income students.
- EEO-1 (Sharp/DPC; Hook) – DPC has received cost estimates from EEOC. DPC, OMB, and Barry met recently with EEOC officials to discuss policy options given the revised cost estimates.
- Endangered Species Act (CEQ; Silverberg) – It is being reported that Chairman Pombo is negotiating with Democrats to introduce a rewrite of the Endangered Species Act by the end of this month. Senator Chafee held a hearing on ESA on 7/13.
- EEO-1 (Sharp/DPC; Hook) -- DPC, OMB, and OPA agree that the high implementation costs associated with expanding race and ethnicity reporting requirements for Hispanics and Latinos are not offset by any increased enforcement benefits. Therefore, the group agrees that EEOC should proceed with its proposed changes to the EEO-1 form that comply with OMB's standards without requiring these additional costly data points for Hispanics and Latinos.
- EEOC Definition of "Applicant" (Sharp/DPC; Hook) -- Currently, EEOC requires companies to keep records all job applicants. In the Internet age, companies like Monster.com can flood a company with resumes, making compliance very burdensome. DOL formally submitted on 6/5 a draft final rule to OMB that modifies job applicant recordkeeping requirements. DOL's rule would narrow the definition of an "applicant" to filter out applications from individuals that do not meet minimal qualifications for the job.
- FAA Contract Negotiations (Sharp/DPC; Hook) –
- Faith Based Initiative (Towey/OFBCI; Hook) - JCT published a report in January proposing twelve measures designed to eliminate fraud and abuse related to charities. OFBCI has concerns that a number of the provisions are unnecessary and would burden charities unfairly. Grassley's staff may mark up late July.
- FDIC (Warsh/NEC; Katz) – We expect to get word in August from Oxley and Shelby on their negotiation regarding FDIC and coverage limits.
- Federal Sentencing Guidelines (Ho/DPC; Hook) – DOJ provided on 6/5 an informational briefing for DPC and Counsel's office on the legislative fix they are likely to propose to Congress. There is a possibility that Congress may try to enact sentencing reform as early as September as part of a bill on child sex crimes (and not as stand-alone legislation). The Department will keep EOP apprised of its proposal as it develops.
- Fiduciary Duties of Union Officials (Sharp/DPC; Hook) -- DOL has formally submitted to OMB clearance a request for information regarding the fiduciary duties of union officials under the Labor Management Reporting and Disclosure Act.
- FMLA (Sharp/DPC; Hook) – Senate HELP Committee held a hearing on 6/23 on FMLA. Chairman Enzi called on DOL to examine the definition of "serious medical condition,"

the rules on “intermittent leave,” and procedures for employers to “assess the validity of leave requests.” Employee groups and Senator Kennedy strongly oppose any reforms.

- *The Global Fund (Thompson/DPC; Silverberg)* - By law, the United States cannot contribute more than 33 percent of total contributions to the Fund at any one time. Each year, on July 31, the United States calculates the amount of contributions received by the Fund from other donors in order to determine the amount the U.S. is legally allowed to contribute. For FY 2005, the Global Fund has received enough contributions from non-U.S. donors for the U.S. to contribute the full \$435 million appropriated by Congress. However, the Global Fund must meet other requirements to be eligible for the full U.S. contribution. Twenty-five percent of the appropriation must be withheld until the Secretary of State certifies that the Global Fund has made progress in operational areas including support for country-level bodies, coordination of technical assistance, and the establishment of an independent Inspector General. The Office of the Global AIDS Coordinator conducted an initial assessment of the Global Fund's compliance with these provisions in July and has said that it expects to make a final judgment later this month.
- GSEs (Warsh/NEC; Katz) – The panel approved Banking Chairman Shelby's legislation on an 11-9 party-line vote after rejecting, along party lines, a Democratic-sponsored substitute that had portfolio provisions closer to those in the House bill.
- Guns (Ho/DPC; Hook) -- On 6/8 the Attorney General approved the roll-out of ATF's decision to stop granting permits for imported replacement gun barrels and receivers, based on an OLC opinion that ATF does not have the statutory authority to issue such permits. The Department began briefing the industry and Congress today on the decision and our willingness to support a legislative fix. The Industry was not surprised. In fact, the NRA began drafting a legislative fix about a month ago.
- *Guns (Ho/DPC; Hook)* – On Friday, the *Protection of Lawful Commerce in Arms* bill passed the Senate by 65-31.
- Head Start (DPC; Hook) – The bill was marked up by Enzi's committee on 5/25. DPC and OLA have serious concerns that the policy does not contain enough reform, and the authorization levels are far above what was in our budget. The committee does plan to continue working and will offer another manager's amendment on the floor, but OLA doesn't hold much hope that we will get what we want.
- Health IT (Leggitt/DPC; Katz) – The nomination period for the AHIC closes on August 5th. Secretary Leavitt will then brief the WH on their recommendations on August 9th.
- Helping America's Youth Initiative (Medina/DPC; Hook)
- Identity Theft (Warsh/NEC; Katz)
- Impotence Drugs (Ramthun/NEC; Katz) - NEC convened an initial meeting with HHS, OMB, CMS, WHL and Communications to discuss our position regarding Medicare and Medicaid coverage of impotence drugs. Congress is taking steps to prohibit Medicare/Medicaid funds from paying for such drugs through the appropriations process. We continue to take the position that we should not revisit the Medicare bill, but Congress will likely pass some form of prohibition.
- Indian Trust/Cobell (Ho/DPC; Hook) – OMB recently met with the Interior Department to discuss their testimony at the hearing next Tuesday on Senator McCain's bill. Both OMB and Interior's preliminary assessment of the bill is that it is a great improvement over past legislative efforts, a good starting point, and something that the Administration can work with to achieve final resolution of the Cobell litigation problems. Interior's testimony will not break new ground but will express appreciation for the bill sponsor's efforts and convey the need for a reasonable legislative solution to the litigation.

- Job Training Reform (Sharp/DPC; Katz) – The Senate is hoping to schedule floor time on WIA in July. The bill does not include our reforms and has bad religious hiring language.
- Judicial Security (Ho/DPC; Hook) – DPC hosted a meeting on 6/20 on judicial security. DOJ gave a briefing on the efforts of its own working group, whose report DOJ will circulate informally to EOP shortly. DOJ was asked to prepare forward-leaning options on how to improve the quality of marshals, and the level of security offered to federal judges in general.
- MCC (Shirzad/NSC; Silverberg) – NSC circulated a draft memo with proposed steps to accelerate the program.
- Medicaid Clawback (Ramthun/NEC; Katz) - Secretary Leavitt, Josh, and Mark McClellan have called Governors from TX, NY, OH, IN, CA, AR, AZ and GA to ask them to identify a high level contact to work with CMS and HHS to get all the facts and determine whether or not there is, in fact, a problem. *All the Govs have agreed to provide a contact except for Gov Perry.*
- Medicaid Commission (Ramthun/NEC; Katz) – The Medicaid Commission held its first meeting yesterday. [REDACTED] b(6)

[REDACTED] b(6)

Presentations addressed the mechanics of Medicaid financing, and longer-term budget projections and financial instability. The second meeting is tentatively scheduled for Aug. 16-18 and will have a presentation from NGA, among others. *NEC has repeatedly communicated to the Secretary's senior staff that Leavitt needs to call Karl to discuss the two remaining openings on the commission reserved for current Governors. HHS informs NEC that Leavitt plans to call Karl this week.*

- Medical Liability (Ho/DPC; Hook) -- The House on 7/28 passed by 230-194 medical malpractice legislation that would cap pain and suffering awards at \$250,000.
- Mercury (Stolpe/CEQ; Hook) – OMB has circulated a draft SAP strongly opposing SJ Res 20, which would disapprove the EPA rule delisting Coal and Oil-directed Units from the CAA Source Category List. The resolution is now on the Senate calendar and can be brought up at any time. The resolution must also be enacted by the House and the President must sign it. The resolution was introduced in the House this week and sponsors are now circulating a discharge petition. House rules require signature by a majority of members on the petition.
- *Methamphetamine (Leggitt/DPC; Katz) DPC convened a meeting today with relevant agencies. A Cabinet level event is scheduled for August 18th with the AG, Director Walters and Secretary Leavitt. Instead of announcing regional summits, the Cabinet Secretaries will unveil a number of new meth-related announcements including a new ONDCP website on meth, numerous HHS grant awards relating to meth activities as well as announcing a limited set of principles for legislation that includes: blister pack exemption, better regulatory controls over spot market sales and a 3.6 gram per purchase limit of pseudoephedrine products.*
- *NASA (Russell/OSTP; Katz) - NASA reports that today's scheduled space walk and other mission activities for Discovery went smoothly. With regard to the two ceramic cloth "gap fillers" that are protruding from the belly of Discovery, NASA has decided that a Discovery astronaut will remove the protrusions during the third scheduled space walk on Wednesday. This action will address the risk that the two protruding gap fillers could disturb the airflow around the orbiter during descent and potentially lead to excessive heating. Although completing this task will involve some new space walk maneuvers,*

NASA has advised that the astronauts have been trained on the tools and techniques necessary to remedy the problem.

- *Native Hawaiians (Ho/DPC; Silverberg) – Cloture was filed on Friday, which will ripen when the Senate returns in September. DOJ is making progress with the Hawaii delegation on finding acceptable language to address the Administration's policy concerns with the bill, especially the liability issue.*
- NCLB (Medina/DPC; Hook)
- “Open Loop” Technology (Hannegan/CEQ; Katz)
- Patriot Act (Mitnick/HSC; Hook)
- Pensions (Hennessey/NEC; Katz) – On Wednesday, the Senate Finance Committee passed the bill by voice vote and it was sent to the Senate floor. Chairman Grassley said the bill is not likely to be taken up until late September and might be rolled into a budget reconciliation package to account in part for probable premium increases charged to companies sponsoring pension plans.
- Personal Stockpiles (Rapuano; HSC; Silverberg)
- Postal Reform (Sharp/DPC; Hook) – On 7/27 the House passed the Postal Accountability and Enhancement Act 410-20.
- Project Safe Neighborhoods (Ho/DPC; Hook) -- DPC was briefed on 7/7 by DOJ on internal discussions about retooling Project Safe Neighborhoods (PSN) to focus more on gang prosecution efforts. The change is being considered as a result of both funding problems in Congress, which appears more interested in addressing the gang problem, and (2) internal concern about the continuing viability of the program's metrics, which are now gun-possession prosecutions. Although PSN has posted high increases in such prosecutions every year, DOJ is concerned that the number will naturally begin to fall before too long (as a result of the program's success) and subject PSN to criticism. DPC will convene a larger meeting next week to begin a policy process on the issue.
- Protection of Lawful Commerce in Arms Act (Ho/DPC; Hook) – It is still unclear when cloture will be invoked before recess, but the Senate may stay into the weekend to finish the bill.
- Real Estate Settlement Procedures Act (DPC; Katz) – Following Hill outreach, Secretary Jackson on 6/27 outlined HUD's plan to have listening sessions and town halls with the industry and the public. Following extensive outreach, HUD will propose a new rule.
- Ryan White (Thompson/DPC; Katz) – Yesterday, Secretary Leavitt hosted a meeting with AIDS stakeholder groups to announce the Administration's Ryan White Reauthorization Principles. The Secretary's announcement was followed by a question and answer session with HHS officials. After the meeting, HHS issued a press release and hosted a conference call with the press corps. Several groups have issued positive/supportive statements about the principles and the announcement. On the legislative front, DPC has learned that while not certain, it's likely that Senator Coburn will be introducing a reauthorization bill tomorrow. The bill is likely to track closely with the Administration's priorities for Ryan White reauthorization.
- Secure Flight (Sharp/DPC; Hook) – DHS is planning on issuing an interim final rule this September. DHS will proceed with enrolling initial carriers over the summer and developing the pilot system. The air carriers asked DHS to delay the issuance of the IFR until after the Labor Day weekend since it is such a heavy travel period.
- Stem Cells (Levin/DPC; Silverberg) – It is reported that Senate Republicans remain unable to reach agreement to bring a package of bills to the floor. OLA expects the Senate to vote on four bills: 1) The Senate version of the Castle bill; 2) A bill to promote cord blood

research; 3) Brownback legislation on cloning; and 4) a compromise approach sponsored by Frist to promote alternative forms of research.

- Steroids (Ho/DPC; Hook) – House Leadership will not move a bill before the recess. The Senate Commerce Committee has indicated they would like to do a steroids hearing in the Fall.
- *Tax Reform (NEC; Katz) – Al has reached out to Senator Grassley and has a call into Thomas to discuss the timing on tax reform. Al and Keith will be prepared to report to the President on the strategy for tax reform at the August 9th meeting in Crawford. Barry hosted a meeting last Friday with Chris Smith, Chief of Staff at Treasury and Jeff Kupfer, Exec Director of the Tax Reform Panel to discuss timing issues. We asked that the panel only do one meeting as opposed to two in September. Jeff promised to raise this with the panel.*
- Telecom (Russell/NEC; Katz)
- TRIA (Warsh/NEC; Katz) – OLA is arguing that our top litigation priority should be the protection against federal payment of punitive damages. Leslie, Kristen, and Brett think this provision is not very valuable because most punitive damages are uninsurable and wouldn't be paid by the federal government backstop in any event.
- Tricare Rx (Leggitt/DPC; Katz) – The petitioner has not filed a brief that was due on July 8th and instead has filed a request for an extension. The court has not ruled on the request for the extension, but DOJ believes that the Court will grant an additional 40 day extension.
- Union Financial Transparency (Sharp/DPC; Hook) -- DOL will formally submit its revised LM-30 form for OMB clearance.
- Veterans (Leggitt/DPC; Katz) – We are working to collect examples of programs for vets and military families.
- *Voting Rights Act (Ho/DPC; Hook) – Tomorrow, the Attorney General will give a speech at the LBJ Library on the upcoming anniversary of the VRA. He will speak generally about the importance of the Act and specifically about its provisions that assist minority-language voters. The AG will also reference the Administration's support for reauthorizing the provisions of the Act that are set to expire in August 2007.*
- Vouchers (Pardue/CEA; Hook) -- DPC, OFBCI, OMB and General Counsel met on 7/15 to discuss the expansion and implementation of vouchers in programs across agencies. OFBCI worked with OMB to develop an initial analysis, and DPC will follow up with a secondary analysis and recommendations for specific programs.