

Withdrawn/Redacted Material

The George W. Bush Library

DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
001	Email	Please Pass to Mr. Rove - To: Susan Ralston - From: George Argyros	1	04/08/2003	P5;
002	Email	Re: Wash Post/NCLB Extra Credit - To: Karl Rove - From: Barry Jackson	2	04/09/2003	P5;
003	Fax Cover Sheet	[Fax Cover Sheet with attachments] - To: Susan Ralston - From: Scott Stewart	14	04/10/2003	PRM;
004	Draft	[Draft]	1	N.D.	P5;
005	Letter	[Wedding Logistics]	1	N.D.	PRM;
006	Draft	Speech Insert on President's Jobs and Growth Plan - To: Karl Rove - From: Dan/Suzy	1	N.D.	P5;

COLLECTION TITLE:

Records Management, White House Office of

SERIES:

Subject Files - FG006-27 (Office of Senior Advisor - Karl Rove)

FOLDER TITLE:

536005 [2]

FRC ID:

9710

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

Deed of Gift Restrictions

- A. Closed by Executive Order 13526 governing access to national security information.
- B. Closed by statute or by the agency which originated the document.
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Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Records Not Subject to FOIA

Court Sealed - The document is withheld under a court seal and is not subject to the Freedom of Information Act.

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DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
007	Memorandum	Tax Reduction and Short-Run Job Creation - To: Ari Fleischer - From: Greg Mankiw	1	04/13/2003	P5;
008	Email	Growth/Budget Res... - To: David Hobbs, et al. - From: Mitchell Daniels	1	04/03/2003	P5;

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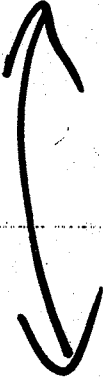
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536005

Office of Presidential Messages

4 Pages Total



To: Cabinet Affairs _____ Faxed to Carmen Ingwell @ 6-2525
 Chief of Staff _____
 Counsel's Office _____
 Domestic Policy _____
 Legislative Affairs _____
 NSC _____ Faxed to John Ficklin @ 6-9220
 Media Affairs _____
 Public Liaison _____ Faxed to Jenica Baldwin @ 6-2130
 Other _____ Faxed to Susan Ralston @ 6-0191
 _____ Faxed to Ed Moy @6-7519

From: Misty Marshall
 Office of Presidential Messages
 6-5503 phone / 6-2806 fax

Subject: Clearance Request for
 Asian/Pacific American Federal Career Advancement Summit

Date: April 14, 2003

Please find attached a draft Presidential Message for the Asian/Pacific American Federal Career Advancement Summit.

Please provide your approval/comments/recommendations to me by COB Wednesday, April 16, 2003.

Please call or fax your response to our office.

Thank you.

one minor edit

April 11, 2003

I send greetings to those gathered for the Asian/Pacific American Federal Career Advancement Summit hosted by the Department of Labor (DOL) and Office of Personnel Management (OPM).

Our Nation is deeply indebted to the men and women who devote themselves to Federal service. Every day government employees carry out countless responsibilities that help protect our homeland, maintain critical services, ~~ensure~~ *encourage* economic growth, and strengthen our national security. Today, a growing number of our country's public servants are of Asian or Pacific Island heritage. I appreciate the efforts of these dedicated individuals who are helping to make our government more efficient and effective for all Americans.

This summit provides an opportunity to identify and prepare qualified Asian/Pacific Americans for leadership management positions within the Federal government. I commend the DOL and OPM for encouraging the advancement of Asian Pacific Americans in the Federal workforce, and I applaud participants for your service on behalf of all Americans. Your efforts strengthen our Nation and reflect the true spirit of America.

Laura joins me in sending our best wishes for a successful conference.

GWB/(>>)/mp (Corres. #2742991)

((>>))

cc: Misty Marshall, Pres. Msgs., 9th Floor, 1800 G Street

cc: Heidi Marquez, Pres. Corr., 9th Floor, 1800 G Street

cc: Melissa Price, Pres. Corr., 9th Floor, 1800 G Street

SENT TO:

(>>)

U.S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON, D.C.
20210

W-288614
(4110 PD BP)
APR 14 / APR 20 / MAY 13
Assign to: _____
Good attached

April 4, 2003

Received in

Office of Presidential Greetings
The White House
Washington, D.C. 20500
Attention: Shane Chambers

APR 04 2003

Presidential Messages

Dear Shane:

On behalf of Secretary Elaine L. Chao, I am requesting a Presidential greeting for the attendees of the Department of Labor and Office of Personnel Management's Asian Pacific American (APA) Federal Career Advancement Summit. The APA Federal Career Advancement Summit will be held on May 13, 2003 as a part of the nation's May APA Heritage Month celebration. Secretary Chao, Director Kay Coles James, and the Honorable Ed Moy from the White House Office of Presidential Personnel are expected to address the audience.

The U.S. Department of Labor and the U.S. Office of Personnel Management is partnering again this year to host the second annual Summit. This Summit is the first of its kind designed to provide training and resources to help prepare qualified Asian Pacific Americans for leadership management positions in the federal government. APA representation in the federal workforce (4.5%) has increased slightly from 4.3% the previous year; however, APAs are only 2.3% of federal workers serving in the senior executive levels. Last year, the Department of Labor received tremendous feedback from participants asking for a second conference.

In order to meet the printer's deadlines for the program, it would be helpful to receive the Presidential Greeting on Tuesday, April 22. We have attached a draft of last year's Presidential Message for this event for your review and consideration. Similar to last year's letter, it is important for this particular constituent group to have the names of Secretary Chao and Director James recognized. If you need any further information, please feel free to contact me directly at 202-693-6158. Thank you for all your help.

Sincerely,



Mina T. Nguyen
Director of the Office of Public Liaison



Carmen Group
INCORPORATED

~~Decline~~
~~He's out of town~~
Declined
4/11/03

April 10, 2003

Mr. Karl Rove
Senior Advisor to the President
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Karl:

You will recall that the President of Dillard University, Dr. Michael Lomax, hosted a visit in New Orleans by President Bush just after the Republican Convention in 2000. Dr. Lomax will be in town on Thursday, April 17, 2003 and would like to come by to see you. If possible, perhaps Dr. Lomax could have lunch with one of your deputies.

ask Lezler but not a push

As you know, Dillard is a private, historically black, liberal arts institution located in New Orleans, Louisiana with more than 2,200 students from across the United States. Eighty percent of Dillard's students are the first-generation in their families to attend college.

Karl, I appreciate your consideration of this request. I can be reached at 202-218-4137.

Sincerely yours,

David M. Carmen

Karl-

*A courtesy visit only for a good guy -
Davis*

Proven Process. Proven Results™



Carmen Group
INCORPORATED

Fax Cover Sheet

To: Karl Rove
From: David Carmen
Date: 4/10/03
Subject:

Fax Number:

No of pages (including cover):
2



Dean V. Kruse Foundation

Kruse Car Museum
World War II Victory Museum
P.O. Box One • Auburn, Indiana 46706
219-927-8042 • Fax: 219-927-8043

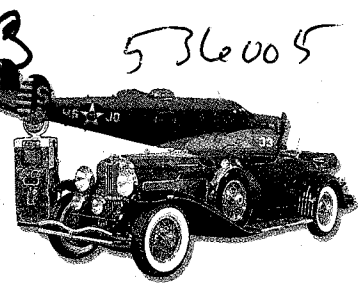
260

~~Decline~~
declined 4/10/03

536005

EXEC. OFC. PRESIDENT
WH STRATEGIC INITIATIVES

2003 MAR 27 AM 11:04



Carl Rove
Senior Advisor to the President
The White House
Washington, DC 20500

10 March 2003

Dear Mr. Rove,

Northeast Indiana would be honored if you would be our guest for the dedication of the World War Two Victory Museum in Auburn, Indiana. The date is Saturday, May 3rd, 2003 at 5:00pm.

It has been my lifelong dream to create an everlasting tribute to the men and women who fought for this nation's freedom. We have accomplished that in Auburn.

The World War Two Victory Museum is a 200,000 square foot facility and features the largest collection of WWII equipment and memorabilia in the world. It includes over 150 vehicles, substantial research materials and numerous uniforms, weapons and documents. Another 84,000 square foot facility will be built this spring to house a 4 1/2 million dollar donation of military vehicles, equipment and memorabilia from the Korean, Vietnam and Desert Storm wars.

When complete, the museum will also house an extensive research library, preserving those wartime accomplishments. The library will be available to all for research and educational purposes. The museum is operated by the Dean V. Kruse Foundation, Inc. on a strictly non-profit basis.

We hope that you will have time in your busy schedule to attend this event. Thank you in advance for support.

Sincerely,

Dean V. Kruse, President
Dean V. Kruse Foundation, Inc.

536005

Date: 4/10/03

To: ~~Bunny Jackson~~

From: Strategic Initiatives *Susan*

FYI

Appropriate Action

Direct Response

Prepare Response For My Signature

Per Our Conversation

Let's Discuss

Per Your Request

Please Return

Deadline

Other

Comments: _____



NATIONAL TRUST
for HISTORIC PRESERVATION

FAX TRANSMISSION
1785 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 588-6105
Fax: (202) 588-6082

To: Mr. Karl Rove
Senior Advisor and
Assistant to the President
The White House
c/o Susan

Date: April 2, 2003

Fax #: (202) 456-0191

Pages: 7 Pages (including cover sheet)

From: Richard Moe
President
National Trust for Historic Preservation

Subject: Section 4(f) of the Department of Transportation Act of 1966

COMMENTS:

*Please see the following letter
regarding Section 4(f).*

Thank you.

*Please contact Bob Benn, in the President's office, at (202) 588-6105,
if there are any problems with the transmission of this document.*

Protecting the Irreplaceable





NATIONAL TRUST
for HISTORIC PRESERVATION

RICHARD MOE
PRESIDENT

April 2, 2003

Mr. Mitchell E. Daniels, Jr.
Director
Office of Management and Budget
Eisenhower Executive Office Building
725 17th Street NW
Washington, DC 20503

Dear Mitch:

I greatly appreciated your call on Monday afternoon. As promised, I am enclosing information which I hope will be helpful to you in responding to the Department of Transportation's proposal to amend Section 4(f) of the Department of Transportation Act.

Attached is a conceptual outline for an alternative legislative approach that we believe would substantially streamline the review process, without compromising the strong substantive protections of Section 4(f). As you will see, we are proposing a Transportation Stewardship Initiative for Historic Places, to be incorporated into the anticipated new streamlining section of the reauthorization bill. We are very much opposed to amending Section 4(f) itself.

The proposed concept would create strong incentives to develop state-based streamlining plans in partnership between the Federal Highway Administration (FHWA), the Advisory Council on Historic Preservation (ACHP), and state agencies. This approach is also an opportunity to implement the principles of the President's federal stewardship initiative as reflected in the recent Preserve America executive order.

According to the Department of Transportation's own 2002 Report to Congress entitled "Highway and Transit Environmental Streamlining Progress Summary" (found at www.fhwa.dot.gov/environment/strmlng/ssprtrcr.htm), many states around the country have already developed and adopted streamlining initiatives. These state programs are working effectively to reduce the time required for environmental review of transportation projects.

Protecting the Irreplaceable



1725 MASSACHUSETTS AVENUE, NW • WASHINGTON, DC 20036
202.588.6105 • FAX: 202.588.6082 • WWW.NATIONALTRUST.ORG

Mr. Mitchell E. Daniels, Jr.
April 2, 2003
Page Two

The enclosed outline incorporates features from these existing state programs. In general, we believe the stewardship approach to streamlining could be accomplished through a legislative directive to the FHWA to develop administrative guidance that will in turn encourage state transportation agencies to adopt streamlined approaches to the review process. Those state-based streamlining programs will cut red tape, while preserving the strong and still-much-needed protections afforded to parks, recreation areas, historic sites, and wildlife and waterfowl refuges under Section 4(f).

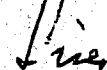
In implementing the stewardship policies administratively, FHWA will be guided by the specific directives in the new streamlining section of the reauthorization bill, while building on the enormous amount of information the agency has acquired through its streamlining effort to date, including information about streamlining initiatives in the states. We strongly believe that, under this legislative framework, FHWA can craft a series of principles or elements of good streamlining, and then work with the states to develop stewardship programs that suit each state's special circumstances. The most powerful incentive inherent in this approach, based on the states' experiences to date, is the very real prospect of saving time and money in highway project development by carrying out the necessary reviews in ways that make them both more effective and less time-consuming.

We understand that the Department of Transportation is pressing hard for statutory revisions to Section 4(f), such as rewriting the definition of "prudent" and eliminating privately owned historic properties from the protection of the statute. We firmly oppose any amendments to Section 4(f), and we believe that the concerns these proposals are intended to address can be better resolved administratively, as well as through the Stewardship Initiative discussed above.

I hope you'll find this outline helpful, and of course I would be happy to provide you with any further information you may need.

With warmest regards.

Sincerely,



Richard Moe

RM:dc
Enclosures
cc: Karl Rove

Transportation Stewardship Initiative for Historic Places

A Legislative Concept to Promote Effective State Streamlining of Environmental Reviews Under Section 4(f)

Concept:

Legislation should be enacted to promote the development of state-based Transportation Stewardship Programs which, when approved by FHWA, the applicable state transportation agency, the State Historic Preservation Office (SHPO), and the Advisory Council on Historic Preservation (ACHP) under a Programmatic Agreement, may be used to streamline environmental reviews under 4(f).

Rationale:

Under current law, every potential "use" of a historic property for a transportation project under Section 4(f) also requires compliance with Section 106 of the National Historic Preservation Act. Because the Section 106 review process emphasizes consultation and consensus-building, it presents opportunities to streamline project review by improving project quality and decision making. The development of planning initiatives by state agencies to promote the early identification of historic resources and the implementation of design excellence standards can serve as a framework for streamlining environmental reviews by state and federal agencies, particularly for transportation projects that will not result in significant adverse effects on historic properties. Such streamlining would not diminish the applicability or effectiveness of Section 4(f) in cases where transportation projects have significant impacts on historic properties.

A legislative approach to encourage the development of this type of forward-planning at the state level should be based on the creation of incentives for states to establish Transportation Stewardship Programs. Such programs, when approved under Programmatic Agreements, would in turn authorize and define the standards and safeguards for allowing the outcome of the Section 106 process to satisfy the requirements of Section 4(f).

Legislative framework:

FHWA would be directed to implement the following approach to using Section 106 of the National Historic Preservation Act to streamline compliance with Section 4(f) of the Department of Transportation Act:

- A. The proposed legislation should include specific measures to encourage the development and implementation of **State Transportation Stewardship Programs for Historic Places** as a means to ensure effective and streamlined environmental reviews of transportation projects. Stewardship Programs would meet the following criteria:

1. State agencies must have an effective process for surveying and identifying historic resources potentially affected by transportation projects.
 2. State transportation agencies would agree to conduct 106 and 4(f) reviews concurrently and early enough in project development so that impacts to historic resources can be anticipated, avoided, or mitigated, and that options for resource protection can be fully evaluated.
 3. State agencies must adopt design excellence standards such as the "Eight Characteristics of Process to Yield Excellence" and the "Seven Qualities of Excellence in Transportation Design" represented in the consensus of participants in the 1998 National Workshop on Integrating Highway Development with Communities and the Environment while Maintaining Safety and Performance. (See attached.)
 4. Environmental and historic preservation reviews must be acknowledged as essential to project development and recognized as legitimate project costs, eligible for reimbursement.
- B. In addition, FHWA would be specifically authorized and directed to carry out the following actions:
1. Expand its communications and education tools to promote stewardship as the principal national streamlining program and to encourage all states to adopt the approach.
 2. Create an advisory committee composed of major stakeholder organizations to meet regularly to help the agency carry out a multi-disciplinary exchange of views and consensus building on stewardship, streamlining and project development.
- C. For those states that adopt and implement qualifying Transportation Stewardship Programs, the FHWA would be encouraged to enter into Programmatic Agreements with the applicable state transportation agencies, the ACHP, and the SHPO. Each Programmatic Agreement would be developed consistent with ACHP regulations, 36 C.F.R. Part 800.
- D. Each state that has adopted a qualifying Transportation Stewardship Program and Programmatic Agreement would be authorized to use the Section 106 review process to satisfy the requirements of Section 4(f) for individual projects that satisfy the following criteria:
1. The ACHP and SHPO concur that the 4(f) impact is minor;
 2. Avoiding 4(f)-protected properties would cause substantially disproportionate impacts to non-4(f) resources, or substantially disproportionate costs;
 3. Mitigation will eliminate or minimize the net adverse effect; and

4. Consulting parties concur that Section 4(f) should be considered satisfied.
- E. Each Programmatic Agreement would also contain safeguards to ensure that the requirements of Section 4(f) remain applicable for transportation projects with major impacts on historic properties, such as highways on new alignment; historic bridge replacements; or major highway widening projects that will have substantial adverse effects on historic properties.
- F. In states without qualifying Transportation Stewardship Programs, the current review process under Section 4(f) and Section 106 would continue to apply to all projects within those states.

Principles of Context Sensitive Design

Thinking Beyond the Pavement "Qualities and Characteristics"

The following principles were presented at the 1998 workshop, Thinking Beyond the Pavement: A National Workshop on Integrating Highway Development With Communities and the Environment, held in Maryland.

Qualities of Excellence In Transportation Design

- The project satisfies the purpose and needs as agreed to by a full range of stakeholders. This agreement is forged in the earliest phase of the project and amended as warranted as the project develops.
- The project is a safe facility for both the user and the community.
- The project is in harmony with the community, and it preserves environmental, scenic, aesthetic, historic, and natural resource values of the area, i.e., exhibits context sensitive design.
- The project exceeds the expectations of both designers and stakeholders and achieves a level of excellence in people's minds.
- The project involves efficient and effective use of the resources (time, budget, community) of all involved parties.
- The project is designed and built with minimal disruption to the community.
- The project is seen as having added lasting value to the community.

Characteristics of the Process Contributing to Excellence

- Communication with all stakeholders is open, honest, early, and continuous.
- A multidisciplinary team is established early, with disciplines based on the needs of the specific project, and with the inclusion of the public.
- A full range of stakeholders is involved with transportation officials in the scoping phase. The purposes of the project are clearly defined, and consensus on the scope is forged before proceeding.
- The highway development process is tailored to meet the circumstances. This process should examine multiple alternatives that will result in a consensus of approach methods.
- A commitment to the process from top agency officials and local leaders is secured.
- The public involvement process, which includes informal meetings, is tailored to the project.
- The landscape, the community, and valued resources are understood before engineering design is started.
- A full range of tools for communication about project alternatives is used (e.g., visualization).

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Ralston, Susan B.

53605

From: Willson, Lauren L.
Sent: Wednesday, April 09, 2003 9:50 AM
To: Rove, Karl C.; kr@georgewbush.com
Cc: Ralston, Susan B.
Subject: Pew Survey

Pew reported results March 20 to April 1, so the results span a wide range of war developments.

Over this time, Pew had:

- 248 African American respondents (+/- 6.35%)
- 114 African American Men respondents (+/- 9.37%)
- 134 African American Women respondents (+/- 8.64%)

In its report, Pew lists the sample sizes, but not the margins of error.

Do you think the U.S. made the right decision or the wrong decision in using military force against Iraq?

	Right	Wrong
White Americans	77	18
African Americans	44	44
African American Men	57	36
African American Wmn	33	51

The NPR transcript has not been posted.

Susan-
disms.
lml

Ralston, Susan B.

5/3/05

From: Willson, Lauren L.
Sent: Wednesday, April 09, 2003 1:57 PM
To: Card, Andrew H.; Rice, Condoleezza; Hadley, Stephen J.; Hobbs, David W.; Martin, Catherine J.; Libby, Lewis; Bartlett, Daniel J.; Fleischer, Lawrence A.; Perez, Anna M.; Eskew, Tucker A.; Rove, Karl C.; Gerson, Michael J.
Cc: kr@georgewbush.com; jebeck@flfw.com; Jackson, Barry S.; Wehner, Peter H.; Bennett, Melissa S.; Cooper, Colby J.; Koch, Jennie M.; Ingols, Adam B.; Emond, Jessica L.; Mayfield, Jennifer H.; Ritacco, Krista L.; McQuade, Vickie A.; Wozniak, Natalie S.; Nipper, Wendy L.; Ralston, Susan B.; Campbell, Anne E.
Subject: FYI on Pew Hispanic Center Survey Results

The Pew Hispanic Center released a survey of 500 Latino adults in America conducted April 3-6. Pew begins its summary, "The Hispanic population is divided over the war with Iraq." Today's *Washington Post* repeats Pew's line with a headline, "Hispanics Split Over War in Iraq".

However, Pew's results show Hispanics support the war 61% to 27%. Pew and the *Washington Post* seem to be referring, somewhat misleadingly, to a wider margin of support among American-born Hispanics (75% to 19%) than among foreign-born Hispanics (52% to 33%) - hardly a split since both groups support the war.

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NO CHILD LEFT BEHIND EXTRA CREDIT



April 9, 2003

Fact Checking the Washington Post's "Fact Check"

Yesterday, the Washington Post claimed that a previous edition of *Extra Credit* was incorrect when stating: "If President Bush's 2004 proposed education budget is enacted, Title I funding will have increased 41 percent since No Child Left Behind was signed into law."

In fact, the original Extra Credit was, and is, entirely correct.

The FY 2001 appropriations, authorized by the 1994 reauthorization of the Elementary and Secondary Education Act and signed into law by President Clinton, provided \$8.8 billion for Title I. Those appropriations were in effect via a continuing resolution on January 8, 2002, when No Child Left Behind was signed into law.

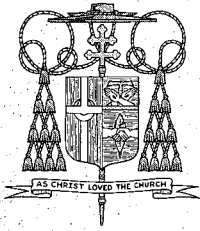
The FY 2002 appropriations bill explicitly tied increases in Title I funding to the passage of the No Child Left Behind reforms.

President Bush's FY 2004 budget proposes \$12.4 billion for Title I.

Thus, when No Child Left Behind was enacted, Title I was funded at the FY 01 level of \$8.8 billion. President Bush has requested \$12.4 billion for next year. That's an increase of 40.90909090909090909090909091 percent ... or 41 percent. And that's a fact.

NCLB Extra Credit is a regular look at the No Child Left Behind Act, President Bush's landmark education reform initiative passed with bipartisan support in Congress. For more information, contact the U.S. Department of Education at 202-401-1576.

536005



Office of the Archbishop

EXEC. OFC. PRESIDENT
WH STRATEGIC INITIATIVES

2003 APR 11 PM 4:13

ARCHDIOCESE OF DENVER



1300 South Steele Street
Denver, CO 80210-2599
Phone: 303.715.3129
Fax: 303.715.2043

March 14, 2003

Karl C. Rove
Senior Advisor to the President
The White House
Washington, D.C. 20500

Dear Mr. Rove,

Thank you for your March 7 letter. I know the demands on your time. I appreciate your considering my thoughts on the immigration issue.

Be assured of my esteem for both you and the President. These are difficult days, and you are both in my daily prayers.

Sincerely yours in Christ,

Most Reverend Charles J. Chaput, O.F.M. Cap.
Archbishop of Denver

536005

Date: 4/10/03

To: ~~Kent Meltzer~~
From: Strategic Initiatives *SJS*

- FYI
 - Appropriate Action
 - Direct Response
 - Prepare Response For My Signature
 - Per Our Conversation
 - Let's Discuss
 - Per Your Request
 - Please Return
 - Deadline
 - Other
- Comments: _____
- _____
- _____

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The George W. Bush Library

FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Fax Cover Sheet	[Fax Cover Sheet with attachments] - To: Susan Ralston - From: Scott Stewart	14	04/10/2003	PRM;

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COLLECTION:

Records Management, White House Office of

SERIES:

Subject Files - FG006-27 (Office of Senior Advisor - Karl Rove)

FOLDER TITLE:

536005 [2]

FRC ID:

9710

OA Num.:

10734

NARA Num.:

10792

FOIA ID and Segment:

2015-0037-F

RESTRICTION CODES

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Draft	[Draft]	1	N.D.	P5;

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Letter	[Wedding Logistics]	1	N.D.	PRM;

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Draft	Speech Insert on President's Jobs and Growth Plan - To: Karl Rove - From: Dan/Suzy	1	N.D.	P5;

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AMERICAN SOCIETY OF NEWSPAPER EDITORS REMARKS
FRIDAY, APRIL 11, 2003

SPEECH TO THE AMERICAN SOCIETY OF NEWSPAPER EDITORS

DATE: Friday, April 11, 2003
TIME: 12:30-2:30 p.m.
LOCATION: The Fairmount Hotel
New Orleans, Louisiana
FROM: Nicolle Devenish

I. PURPOSE

To deliver remarks to the American Society of Newspaper Editors (ASNE) for the closing luncheon of the 2003 annual convention.

II. BACKGROUND

Founded in 1922 by Casper S. Yost, then-editorial director of the St. Louis Globe Democrat, the original mission of the ASNE remains much the same today. ASNE is dedicated to the leadership of American journalism. It is committed to fostering the public discourse essential to democracy; helping editors maintain the highest standards of quality, improve their craft and better serve their communities; and preserving and promoting core journalistic values, while embracing and exploring change. A volunteer-run organization, ASNE is primarily comprised of about 800 editors at daily newspapers in the United States and Canada.

ASNE is dedicated to defending the First Amendment and freedom speech throughout the world, promoting diversity in the newsroom and promoting overall excellence in journalism in the U.S. and Canada. ASNE is currently conducting research on growing readership and developing reader credibility, as well as overseeing ongoing projects to promote journalism opportunities for students, foreign editors, and minorities.

The theme of this year's convention is the "Passion of Journalism" and nation's editors will be discussing "war in Iraq, creativity and the link between quality journalism and the bottom line."

III. PARTICIPANTS

The keynote speakers for this year include Vice President Dick Cheney, Secretary of Commerce Donald Evans, Undersecretary of Homeland Security Asa Hutchison, Filmmaker Ken Burns, and Presidential Historian Douglas Brinkley.

VIPs

Ms. Rena Pederson, Convention Chair, Editor-at-Large, *The Dallas Morning News*
Ms. Diane McFarlin, ASNE President, Publisher, *Sarasota Herald Tribune*
Mr. Peter Bhatia, ASNE Vice President, Executive Editor, *The Oregonian* (Portland)
Ms. Karla Garret Harshaw, ASNE Secretary, Editor, *Springfield News Sun* (Ohio)
Mr. Rick Rodriguez, ASNE Treasurer, Executive Editor, *The Sacramento Bee*
Mr. Rich Oppel, Editor, *Austin American-Statesman*

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

You are the main speaker for the closing luncheon for an audience of approximately 400-500 daily newspaper editors and their distinguished staff. You will be introduced by Rich Oppel, editor of the *Austin American-Statesman* and former President of ASNE. You will be followed by a second speaker, Gregory Favre of The Poynter Institute, who will speak briefly on the "Passion for Journalism."

12:30-1:20 Lunch

1:20-1:25 Introduction by Rich Oppel

1:25-2:05 Your Remarks

2:05-2:20 Q&A Session

1:20-2:30 Second Speaker

VI. YOUR REMARKS

ASNE would like for you to speak on your political expertise and share your view of the political landscape leading up to the next Presidential election. This gives you a chance to speak on the strengths of this President and give some historical perspective on the Presidency and politics during wartime.

VII. MEDIA COVERAGE

While ASNE does not anticipate media coverage will be as extensive this year as it has been in the past, current events certainly leave open the possibility that there will be a great deal of media interest. The Associated Press (8 reporters including a political reporter), Newsday, The Times-Picayune (New Orleans), The Advocate (Baton Rouge, LA) will be sending print reporters. This may be televised by C-SPAN and local TV affiliates may cover.

You should expect questions from the audience that will focus primarily on your remarks and expertise. Questions may range from national issues, such as Iraq and the War on Terrorism, to local issues like Yucca Mountain and Homeland Security funding for local communities.

Past Media Coverage

In the past, AP, Cox News, Orlando Sentinel, Philadelphia Inquirer and Capital Times (Madison, WI) have covered the President and other Senior Administration officials, who were keynote speakers at the event.

VIII. 2002 CONVENTION

Past Speakers

Last year, former Senator George Mitchell was the featured speaker for the closing luncheon. Homeland Security Secretary Tom Ridge and Senate Minority Leader Tom Daschle were keynote speakers for luncheon addresses, and Secretary of Defense Donald Rumsfeld participated in a live interview.

In 2001, President Bush headlined a luncheon address and Senator Hillary Clinton was a featured speaker. In 2000, former President Clinton, Columbian President Andres Pastrana and AOL CEO Stephen case were the keynote luncheon speakers, and former Vice-President Al Gore also gave remarks.

IX. ATTACHMENTS

- 1) Biographies of Keynote Speakers
- 2) ASNE Conference Agenda
- 3) Transcripts from 2002 Keynote Speakers (Speech and Q&A)
- 4) Past Print Media Coverage from 2002
- 5) Attending Reporters To Date
- 6) Homeland Security Funding

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Memorandum	Tax Reduction and Short-Run Job Creation - To: Ari Fleischer - From: Greg Mankiw	1	04/13/2003	P5;

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536005

ma
NRN

RAMAJAL LLC
800 WEST SIXTH STREET, SUITE 728
LOS ANGELES, CALIFORNIA 90017-2713
TELEPHONE (213) 488-0100
FACSIMILE (213) 488-4902

JOHN F. HOTCHKIS
CHAIRMAN

April 14, 2003

Via Fax: (202) 456-0191

Mr. Karl Rove
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Karl:

Someone ought to take Charlie Grassley out back to the woodshed!

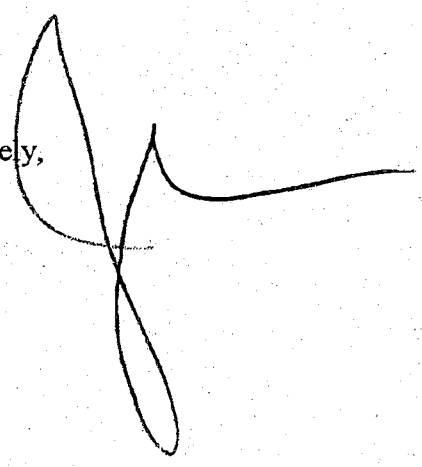
Clearly, major tax reduction is the only way to re-ignite the economy and get the President re-elected.

Here is my read on this. No acknowledgement is necessary.

Hope all is well.

Warmest regards.

Sincerely,

A handwritten signature in black ink, consisting of a large loop on the left and a horizontal line extending to the right.

JFH:mma

Attachment

RAMAJAL LLC

800 WEST SIXTH STREET, SUITE 728
LOS ANGELES, CALIFORNIA 90017-2713
TELEPHONE (213) 488-0100
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ECONOMIC NOTES

April 2003

Big Bucks In Iraq

Back in the 50's when I was in college (yes, that long ago!), by far the smallest classes in the Liberal Arts arena were all about the Middle East. We're talking UC Berkeley, an enormous institution (even then), with its huge curriculum and mouth-watering lineup of Nobel Prize recipients. These Middle East classes had eight students at the most. They were all taught by one man, George Lenczowski, who wrote the only serious textbook. At the time, no one gave a hoot about the Middle East; many, as I recall, didn't even have a clue where it was.

It's doubtful anyone outside the oil industry knew that the old Standard Oil of California discovered the oil in Saudi Arabia in the 30's. It was a mind-boggling find and became the largest deposit of oil in the world. Incredibly, at that time, the U.S. had no official representation anywhere in the Middle East. Those Standard Oil employees wandering the desert could have been eaten by the nomads and we would never have known. When the Atlantic Richfield Company hit big oil out in the boonies of Alaska, one of the freezing individuals on the scene exclaimed, "With much apologies to my wife, this is the biggest thrill of my life!" Of course, oil people are like that.

Needless to say, the Middle East did get our attention in the early 70's, when all of a sudden the then famous Texas Railroad Commission no longer priced oil. The Saudis did. As we well remember, oil prices gushed up dramatically. We spent a lot of time fretting in those long gas lines. Incredulously, there was such a high level of panic and astonishment that even I was asked to talk about the Middle East. I was delighted to share my "vast" knowledge acquired from taking a couple of classes on the subject 20 years earlier!

After that scary oil crisis, our awareness of the Middle East seemed to grow at an ever-accelerating pace. There was the hostage business in Iran. Next, we had to remove Saddam's army from Kuwait. This was followed a decade or so later by the horrors of 9/11. Now, terrorism, Osama Bin Laden, Afghanistan, and the current war in Iraq have brought the Middle East into our everyday lives in an enormous way. One "embedded" journalist or another (less the unbedded Arnett and Rivera) is reporting from Iraq every five minutes. The Arab satellite TV Channel Al Jazeera (recently booted off the floor of the NYSE . . . they wanted stock quotes in Arabic) is providing minute-by-minute

coverage from a slightly different approach. Iraqi TV is still operating in spite of our demolition efforts. The level of coverage is almost suffocating. Cities we had never heard of such as Basra, Nasiriyah, Najaf and Umm al Qasr are continually popping up in our conversations. Sunni and Shiite have become as familiar as peanut butter and jelly, and Baath is not misspelled.

Incidentally, reminiscent of Willie Sutton ("I rob banks because that's where the money is") those of us who manage money have been shuttling off to the more wealthy parts of the Middle East ever since they invented royal families and monetary authorities. But until recently, the mysterious and often violent worlds of Afghanistan, Iraq and Iran have not been on too many itineraries and may not be for some time to come.

You have to assume Iraq will eventually cough up its weapons of mass destruction, along with the mad man who assembled them. Then, we will have to rebuild the place and find someone to run it. As we are learning in Afghanistan, this is not easy . . . and not cheap. No doubt it will take much too long. We are a very impatient people. We would like nothing better than to leave these difficult financial and thorny governance tasks to others and return home to our own self-indulgence. Fat chance.

As we read daily in every single commentary, the question is, how are we going to pay for this war and the following peace? What will it eventually cost us to be the world's sheriff? No one knows. The President has asked Congress for a ton of money to cover perhaps the most immediate payables. He has also proposed a very significant tax reduction package. Can we afford all of this? It goes without saying, much depends on the incredible U.S. economy, the only one of the three "locomotives" (U.S., Japan and Europe) still showing signs of life. No doubt, there is some logic to the argument that this just isn't a particularly great time to lower taxes. In fact, it's clear we need every nickel we can get our hands on. Yet such a fiscal quagmire, aches for an extremely creative solution. The fact is, our economy is just not robust enough to pay the bills. Raising taxes, no matter whether it's mostly on the rich, never seems to ignite anything . . . except perhaps tax-shelter businesses. We all know Congress is always trying to limit tax shelters, but for every one they do, it seems 10 more are born. According to Bloomberg, 8 of the 30 companies making up the Dow Jones industrials, among them General Electric and Microsoft, paid taxes of less than 20% of their operating income in 2001. These companies are never going to pay a bigger percentage, so the trick, I would argue, will be to encourage the growth of operating income. It may not sound particularly sensible in the current economic climate to lower taxes, but it just might turn out to be a brilliant idea. We need a lot more economic horsepower. In short, although unorthodox and perhaps even radical, the President's tax reduction package may just be the best answer to our looming fiscal shortfall. Certainly there are some very impressive folks who argue against tax reduction, including Alan Greenspan, Senator McCain and Warren Buffet. Heavens, even Charlie Grassley, the Republican Chairman of the powerful Senate Finance Committee, is not buying the whole proposal. However, you just have to wonder. Most economists still employed are saying once this war is over, it can no longer mask an economy which was weakening before the war started. If

they are right, whatever we do better be bold. Slashing taxes would certainly be very bold.

As a Ben Graham disciple, I particularly like the idea of removing taxes on corporate dividends. As usual, we will hear again and again about the rich-get-richer thing. For example, if Oracle starts paying dividends at the rate of just 1 cent per share each quarter, Larry Ellison, who owns a little over 25% of Oracle's 5.2 billion shares, will receive over \$50 million a year in dividends, perhaps all of it tax-free. But try looking at it another way. Of the 91 tech companies in the S&P 500, only 23 pay a dividend. The yield for this sector is a puny 0.28%. As you can see there is very little tax revenue to start with. So those tech companies with free cash flow that have been reluctant up to now to pay dividends (quite naturally preferring stock options) would be encouraged by their shareholders to pay tax-free or mostly tax-free dividends. Interestingly, perhaps in anticipation of favorable tax treatment, the number of American companies announcing dividend increases rose 7.5% in 2002, the first annual increase since 1996.

Remember (how can we forget?), consumer spending is around 2/3 of our GDP . . . you get the picture. The amazing U.S. consumer is the key, as usual, to putting some zip back in this economy. Recently, they have steadfastly defended our economy with their wallets, softening the effects of our great bubble burst. Just as in fund-raising campaigns, you always want to tap the same people who gave before. Zero percent financing was very effective. The \$1 trillion spent annually on cars and related services account for 10% of all U.S. consumer spending. Apparently, everybody now has a new car, for February was the worst sales month for vehicles in nearly five years. Tax reduction may just get our consumption juices going again. We would be giving money back to our consumers who you can bet the farm will spend it. This in turn should re-ignite capital spending, which dropped 5.7% in 2002 after a 5.2% drop in 2001, the worst two-year decline since WWII.

Clearly, I am not an economist (oh, you already noticed), but it is certainly no secret U.S. companies are currently operating about as lean as possible. For all of 2002, productivity rose 4.8%, the fastest rate since 1950 (when I went to college!). On top of that, we have attacked accounting gimmicks, cleaned up balance sheets, and fired inept CEOs. Thus, although a portion of any increase in revenues will go to shoring up defined benefit pension plans, much should go right to the bottom line. One thing is for sure, whether you are a bull or bear, there is such hunger for returns that any sign of earnings increases may well be greeted with a stampede of buying enthusiasm. Now that Barton Biggs has uncharacteristically turned cautious, the odds of this occurring are even more attractive. Remember, performance comes in spurts. You've got to be there. Of course you want to buy well managed, efficiently run companies that are reasonably priced. Make sure the dividend yield is above the market average and lean hard towards those companies that are likely to raise their dividend. It's time to put that cash to work.

John F. Hotchkis

536005

April 14, 2003

MEMORANDUM FOR

LEZLEE WESTINE
CINDI WILLIAMS
ADAM GOLDMAN
JULIE THOMAS

FROM:

SUSAN RALSTON

SUBJECT:

KEVIN WASHINGTON
SBA OFFICE OF ADVOCACY

I talked with Kevin Washington who asked me to pass along this information:

1. April 2003 edition of The Small Business Advocate; and
2. Job description for Regional Advocate position at SBA. If you know anyone who would be qualified and interested, please contact Kevin directly.

Contact information:

Kevin Washington
SBA Office of Advocacy
202-205-6948
s.kevin.washington@sba.gov



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

DATE: April 14, 2003

TO: Susan B. Ralston, Executive Assistant to the
Senior Advisor

FROM: S. Kevin Washington, Senior Advisor

A handwritten signature in black ink, appearing to be "S. Kevin Washington", written over the "FROM:" line.

SUBJECT: re: Per our discussion Regional Advocates

KEVIN WASHINGTON
SBA OFFICE OF ADVOCACY
202.205.6948
s.kevin.washington@sba.gov

Regional Advocate Position Description

Introduction

Position provides a Regional Advocate whose primary role is to work under the direction of the Regional Advocate Coordinator: — *SENIOR ADVISOR?*

- To increase the effectiveness of regional small business organizations, spokespersonship and influence at Federal, state and local levels.
- To cause greater awareness before the general public and its opinion leaders (elected, administrative and private sector) of their responsibility and stake in small business growth within the regions and the nation as a whole.
- To help determine, at the regional level, the extent to which small business has acquired the ability to make effective use of government programs designed for its benefit and to bear efficiently and proportionately the unavoidable burdens imposed by government.

Duties

Serves to direct the planning, development and implementation of the Regional Advocacy program to be supported by Regional Administrators and District Directors. Promotes, counsels and champions both the position of the agency and the cause of small business. The Regional Advocate interfaces with the small business communities as well as with other Federal, state and local government agencies within the region for the purpose of gathering support for the programs aimed at improving small business concerns. The incumbent conveys direction and guidance to District Directors, public information officers, and other SBA employees on matters pertaining to the effective advocacy of small business interests. Directs collection and organization of information needed by the Office of Advocacy and SBA staff to identify small business interests within specific communities or states. Systematically reviews, collects and analyzes information relating to existing and pending legislation which is particularly important for small business state laws. The incumbent is expected to establish and maintain contacts with governors, state officers of commerce or industrial development (or their equivalents) and with state legislators. As a result of these contacts, the incumbent will collect policy information on laws or regulations affecting small business.

The Regional Advocate shall establish and maintain an extensive series of contacts with community leaders, educational studies and research programs, certified public accountants, executive directors of state bar associations, bankers knowledgeable of small business financing problems, and state, regional and local small business organizations for the purpose of securing their help in special studies or research

projects undertaken by the Office of Advocacy. He/she maintains contact with small business organizations within states and regions as they develop as spokesperson for small business viewpoints and relays these viewpoints to the Office of Advocacy and acts as a representative of the Office of Advocacy and the Regional Administrator in dealing with these local organizations.

The Regional Advocate conducts an extensive program of public appearances before small business groups, civic associations, and other organizations, representing the interests of small business, and increasing public awareness of the problems facing small business and the effects of government activity on these problems.

Incumbent encourages and assists Regional Administrators, District Directors and other SBA spokespersons to develop a similar outreach program, prepares and distributes briefing papers, Advocacy research, special studies of business problems specific to the region, speeches, and other outputs useful to the outreach effort.

Based on his/her extensive knowledge of the business communities within the region, the Regional Advocate may advise Regional Administrators and District Directors on the timing, content and presentation of speeches, lectures, etc.

Typical activities to be developed by the Regional Advocate:

- Encouraging local officials, county executives and state officials to develop within their organizations, staffs or cabinets small business ombudsmen or advocates.
- Developing "small business opinion leaders," comprised of interested small business owners and operators to serve as a source for regulatory review; to advise on pending Federal, state and local regulations and policies as to their effect upon the small business community.
- Acts as liaison to SBA's ombudsman for small business in region, helping facilitate meaningful intervention on behalf of small businesses when/if they encounter problems with Federal/state agencies.
- When called upon, represent SBA on regional and interagency task forces.
- Maintain a close working relationship with the Regional Administrator and his program chiefs, as well as the District Directors and their program chiefs, not only to remain current on the programs as they affect small business but to assure each understands his role in the advocacy program and is aware of how best to utilize advocacy procedures and programs to accomplish their respective missions as effectively as possible. Solicits ideas from same on advocacy programs in order to assure programs are developed in the best interests of both the agency and the needs of the small business communities throughout the region.
- Actively organizes small business advocacy groups from the private sector and other small business promotion efforts, when required.
- Incumbent embarks, on an extensive public speaking program, not only on SBA programs but on the small business private enterprise's behalf as well. Incumbent shall create and maintain an open-door policy that would permit free and simple entry for the hearing of small business suggestions, grievances, and

promotion of any proposals.

- Developing contacts and relationships with leaders of small business and/or entrepreneurship programs within academic institutions, foundations, and think tanks. These relationships should include active dissemination of Advocacy research products.

Whenever there is a White House Conference on Small Business (WHCSB) or similar event, the Regional Advocate, under the direction of the Chief Counsel and the Regional Advocate Coordinator, may be responsible for a variety of additional duties, some of which are:

- Pre-conference news media relations.
- Pre-conference small business participation.
- Liaison with small business associations, individuals, Federal, state and local agencies and officials.
- Advance work on behalf of the Chief Counsel prior to state WHCSB or similar event.
- On-site conference support.
- Assist in identifying potential conference moderators/issue volunteers.
- Post-conference follow-up/communication with delegates and participants in state conferences.

Withdrawal Marker

The George W. Bush Library

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THE SMALL BUSINESS ADVOCATE

SBA
Office of Advocacy

April 2003
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Women Changing the Marketplace

"The proof of women's importance as entrepreneurs is clear when you pick up the *Wall Street Journal* and see full-page advertisements that highlight women business leaders," said Chief Counsel for Advocacy Thomas M. Sullivan at the Women's Small Business Research Roundtable held in the U.S. Capitol on March 20. With that, he pointed to two poster-sized enlargements of ads from the previous day's *WSJ*. Each featured women entrepreneurs.

Sponsored by the Office of Advocacy in conjunction with the National Women's Business Council and the SBA Office of Women's Business Ownership, the roundtable highlighted recent research on women-owned businesses, as well as possible new directions of future research. Three panels of experts explored data sources, recent research, and policy issues and needs. Dr. Ying Lowrey,

Advocacy's senior economist on women- and minority-owned businesses, presented a new study based on data from the Internal Revenue Service's Statistics of Income Division. According to her study, *Dynamics of Women-Owned Sole Proprietorships*, women are a significant and growing part of all sole proprietorships. Most U.S. firms (72.6 percent) operate as sole proprietorships. And 84.8 percent of all businesses owned by women are sole proprietorships. These are the smallest of businesses; the average dollar value of sole proprietorship receipts in 1997 was \$58,000; for women, it was \$31,000.

The women-operated share is growing. Sole proprietorships operated by women in the United States underwent dramatic increases from 1990 to 1998 in terms of numbers, gross receipts, and net income. The

Continued on page 6



The participants in the Women's Roundtable panel on recent research were (from left) David Winston, President of the Winston Group; Susan Phillips Bari, President, Women's Business Enterprise National Council; Office of Advocacy Senior Economist Ying Lowrey; and Wilma Goldstein, Director of the SBA's Office of Women's Business Ownership.

News Updates

FY 2003 Budget Sets Advocacy's Course

After many months operating under continuing resolutions, SBA has a signed budget for FY 2003. The Office of Advocacy has again received \$1.1 million to fund our research into the contributions and economic dynamics of small business. With these funds, we will continue our efforts to apprise policymakers at the local, state, and federal levels about how small businesses contribute to their communities and economies.

As in the past, Congress has directed the SBA to fully fund Advocacy's programs. This funding will allow us to maintain our outreach to small businesses with a full complement of regional advocates, and it will allow us to continue our regulatory work on behalf of small business.

The SBA, along with all federal agencies not connected to homeland security or the war effort, has budget challenges that it must face in 2003. Advocacy also faces these challenges, and our entire team is dedicated to advancing the small business agenda in a cost-effective manner.

The total 2003 budget approved by Congress for the SBA amounts

to \$736.5 million. Through the SBA's financial programs and in conjunction with its lending partners, the FY 2003 appropriation will enable SBA to provide up to \$21 billion in credit and venture capital to small businesses. With the help of such SBA resource partners as the Small Business Development Centers (SBDCs) and the Service Corps of Retired Executives (SCORE), SBA will be able to provide entrepreneurs with technical assistance so that they can start out on the right foot, grow, and prosper.

SBA's disaster loan program received \$523.2 million. With carryover, the disaster loan funding will be close to the five-year average of roughly \$800 million. SBA's technical assistance programs received \$115.5 million. Among these are SCORE, the SBDCs, and the Women's Business Centers. The budget also contains funding for the National Ombudsman, Veterans Outreach, the National Women's Business Council, and other programs.

The Small Business Advocate

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Homeland Security Websites Offer Information and Advice

The new Department of Homeland Security has its websites up and running. They offer valuable information to small businesses about potential business opportunities and keeping oneself and one's employees safe in the event of a terror attack. The department's website, www.dhs.gov, contains information on doing business with the new cabinet agency, as well as:

- Rules for unsolicited proposals,
- Importing and exporting, and
- Disaster relief for businesses.

The department has launched a site specifically about preparedness, appropriately named www.ready.gov. Please consult this site for information on making your disaster preparedness plans for work, school, and home.



Message from the Chief Counsel

Women Business Owners Increasing

by Thomas M. Sullivan, Chief Counsel for Advocacy

Last month, the Office of Advocacy cohosted a women's small business research roundtable in the U.S. Capitol. The Mansfield room where we met, with its dark wood walls and portraits of Senator Mike Mansfield and President George Washington, accurately reflected its origins. In marked contrast, our topic for the day was a trend that is changing not only the look, but also the demographics of boardrooms around the country—the continuing and phenomenal increase in the number and profitability of businesses owned by women.

I'm proud to say that over the years since the Office of Advocacy's founding in 1976, we have contributed to a growing body of research on women's entrepreneurship. Our latest report, *Dynamics of Women-Operated Sole Proprietorships* (which was released at the roundtable) documents almost a decade's growth in the number and profitability of the smallest women-owned businesses, the sole proprietorships. The report shows marked gains. Women's share of sole proprietorships increased from 33.5 percent to 36.8 percent of the total over the 1990-1998 period. The largest women-owned sole proprietorships, with receipts of at least \$200,000, are increasing and generating a larger and larger share of income.

From the tiniest of microenterprises to some of the world's largest companies, women-owned businesses are changing economies around the world. I met last month with a delegation from southern Africa, where women are beginning to come into their own as entrepreneurs. You really can't talk about microenterprises globally without

talking about women, whose outstanding repayment record is able to sustain microfinance institutions in many areas just emerging from desperate poverty.

At the other end of the spectrum, several speakers at the conference, including Advocacy's own Ying Lowrey, documented women's growth among sole proprietorships with revenues of more than \$200,000. And Valerie Strang of the Census Bureau is hoping that the next round of Census data will teach us much more about the 100,000 women-owned firms making more than \$1 million.

It's clear that women's business ownership is not only the doorway to the economic mainstream—it's also the stairway leading women toward sharing economic power on an equal basis with men. Partici-

pants in the conference noted that the advocacy community has some work to do in certain areas—government procurement, for example. But more and more, the evidence all indicates that given the right opportunities and tools, women are already reshaping our surroundings in phenomenal ways.

In closing, let me just note that we wouldn't have made all the progress we've made in our knowledge about women-owned business without the excellent work of our partners, including the sponsors of the conference, the National Women's Business Council and the SBA's Office of Women's Business Ownership. We look forward to continuing our partnership with them and many others in studying and advocating for women's entrepreneurship.

New Website for Women-Owned Businesses

In March, the SBA and the Department of Labor launched a new website dedicated to women's entrepreneurship in the 21st century. The new site, www.women-21.gov, is a one-stop-shop of federal government resources for women in business. It is a joint effort of SBA and the U.S. Department of Labor. The site is intended to help women navigate in an ever-changing business climate, as well as to access information and links to all government agencies and programs specific to women-owned business and business in general.



SBA Deputy Administrator Melanie Sabelhaus helped launch the new federal government portal, www.women-21.gov.

Regulatory News

Task Force on Small Business Paperwork Reduction Goes to Work

On March 4, Advocacy held a roundtable to gather public comment on implementation of the Small Business Paperwork Relief Act of 2002. The law created a task force of federal agencies charged with considering the federal paperwork burdens imposed on small business and evaluating potential solutions. The task force is chaired by Mitch Daniels, the director of the Office of Management and Budget (OMB). The Office of Advocacy is a task force member.

Approximately 25 members of the public participated in the meeting, with an additional 20 representatives of various federal agencies in attendance. Participants commented on the existing paperwork burdens on small business and suggested ways of relieving them. Chief Counsel for Advocacy Tom Sullivan encouraged those in attendance to send additional comments via email to the task force.

Representatives of small businesses had many comments to make.

- Small businesses are frustrated by the number of unsuccessful efforts over the years to resolve the paperwork problems,

- The Paperwork Reduction Act (PRA) isn't working. The task force should look for ways to make the PRA work, for instance to actually reduce the number, duplication, and complexity of collections; to shorten retention timeframes whenever possible; to ensure no data is collected that isn't really needed; to create incentives that encourage and reward agencies for reducing paperwork; and to hold agencies accountable for reducing paperwork. (Government accountability was a recurring theme of the meeting.)

- While Internet-based paperwork applications are helpful, they are only part of the solution. At least 15 percent of small businesses don't use them, and probably won't in the future.

- Agencies should focus more resources on compliance assistance and fewer on enforcement efforts.

- Agencies should have small business paperwork hotlines and be held accountable for the accuracy of information they provide.

- Collections should remain spread out over the year, so that fewer employees are needed to prepare responses.

- Agencies are out of touch with small business and should always get input from them when planning anything with potential impact on small businesses.

OMB is in the process of combining the March 4 comments with others received by Advocacy into a rough first draft of a consolidated report. Please contact Assistant Advocate Keith Holman if you would like to comment: call (202) 205-6936 or email keith.holman@sba.gov. The final report will be published for comment in the *Federal Register*.

EPA National Summit on Small Business and the Environment

On March 13, Chief Counsel Thomas M. Sullivan addressed small business leaders, trade association officials, and environmental policymakers at the Environmental Protection Agency's National Summit on Small Business and the Environment in Washington, D.C. The event was EPA's first national conference on environmental regu-

lation and small business. The chief counsel spoke about the ways that the Office of Advocacy supports small business needs, and Advocacy's working relationship with EPA under the Regulatory Flexibility Act. Sullivan gave examples of situations where Advocacy was able to bring small businesses and regulators into the same room

so that EPA could understand the needs of small business when they design regulations. By ensuring that the needs of small businesses are incorporated early into the process of designing rules, Advocacy helps EPA to produce better rules.

Voluntary Nursing Home Ergonomics Guidelines

In a departure from previous drafts of the ergonomic guidelines for nursing homes, OSHA's new voluntary nursing home ergonomic guidelines reflect the concerns of small business owners. In a letter sent in October 2002, the Office of

Advocacy urged Assistant Secretary of Labor John Henshaw to consider small business concerns in OSHA's new guidelines. The guidelines avoid a one-size-fits-all approach and suggest several strategies that nursing homes have used

to address ergonomic issues. The guidelines also acknowledge that small businesses are unlikely to need to implement every strategy suggested by the guidelines. The new guidelines are located at www.osha.gov/ergonomics.



On February 13, Chief Counsel Sullivan attended a House Small Business Committee breakfast and presented Chairman Donald Manzullo (R-Ill.) with the Annual Report of the Chief Counsel for Advocacy on Implementation of the Regulatory Flexibility Act, Fiscal Year 2002. The report details the regulatory cost savings achieved by the Office of Advocacy.

Proposed Visitor Rules Withdrawn

The Immigration and Naturalization Service (INS) of the U.S. Department of Justice withdrew a proposed rule that would have shortened the time period for certain foreign visitor visas. The plan threatened to wreak havoc on the American travel and tourism industry. The rule would have changed the automatic default period for tourist visas from most countries

from six months to 30 days. It would have required those wishing to stay longer than 30 days to justify their intentions to a U.S. immigration inspector, including bringing along any supporting documents. Travel and tourism businesses were concerned that foreign visitors would not travel to the United States if there was doubt as to whether they could stay the amount

Report Solicitors Who Imply Links with SBA

The SBA cautions small businesses to be wary of telephone callers who imply that they are connected with the agency and ask for financial or personal data or for fees for products or membership. If you are contacted by anyone claiming to represent a private entity identified as "SBA," or an entity with a name suggestive of the Small Business Administration, please contact the SBA's Office of Inspector General, and provide that office with the details of any such contact.

Contact SBA, Office of Inspector General, 409 Third Street, S.W., 7th Floor, Washington, D.C. 20416; (202) 205-6586 (phone); (202) 205-7382 (fax); oig@sba.gov.

of time needed to complete the trip. They estimated the potential revenue losses in billions of dollars. Since the majority of travel and tourism businesses are small, INS's action is an encouraging sign that the concerns of small businesses were heard. Continued vigilance is necessary, nevertheless, as similar rules may be introduced in the future.

Action on Mobile Machinery Exemption Postponed

The U.S. Treasury Department has postponed final action on a new rule that would eliminate the excise tax exemption for "mobile machinery." This exemption is very important to small businesses in construction, mining, and other industries that use heavy off-road equipment. Treasury extended the comment period on the proposal in

September, at the request of Advocacy and other small business groups. Comments from many affected businesses underscored the importance of the exemption to small businesses and made clear that its elimination would significantly affect a substantial number of small entities. The comment letters also show that Congress has

taken a strong interest in the issue. Assistant Treasury Secretary Pamela Olson decided to postpone implementation pending Congress's consideration of the Highway Trust Fund reauthorization. Her actions ensure the voice of small business will be heard and provide a well supported record for Congress to consider.

Regional Roundup

Region 7 Advocate Comes on Board

Wendell Bailey, a longtime small business owner and former U.S. congressman and state office holder, is the Office of Advocacy's regional advocate for the federal government's Region 7, covering Iowa, Kansas, Missouri, and Nebraska. He is the direct link between small business owners, state and local government agencies, state legislators, small business associations, and the Office of Advocacy of the U.S. Small Business Administration.

Bailey has spent almost two decades in public service. From 1984 to 1992, he served as

Missouri state treasurer. He served one term as a U.S. Congressman in the 97th Congress, 1980-1982. And from 1972 to 1980, he served four terms as a member of the Missouri House of Representatives.

Bailey has operated successful small businesses, including an auto auction and a newspaper. He has served as an international consultant and worked with small business trade associations.



Wendell Bailey, the new region 7 advocate, was sworn into office by Nebraska District Director Glenn Davis in Kansas City, Mo., on March 17, 2003. Region 7 Administrator Sam Jones looks on.

Region 7 Contact Info

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wendell.bailey@sba.gov

Women, from page 1

number increased from 5.6 million in 1990 (33.5 percent of the total) to 7.1 million (36.8 percent) eight years later. Women's sole proprietorship receipts increased over the period from 15.2 percent of the total to 18.0 percent. And their net income increased from 16.9 percent to 21.5 percent.

Most women's sole proprietorships—87 percent—are quite small, with annual receipts of less than \$50,000. But a significant share—13 percent—were in the larger-than-\$50,000 receipts size category; this group accounted for two-thirds of women-operated sole proprietorships' receipts and about 55

percent of the net income. The largest women-operated sole proprietorships—the 2.7 percent with gross receipts of at least \$200,000—generated one-third of women-operated business receipts, and their number is growing.

Sole proprietorships owned by married women (filing joint returns) declined from 66.6 percent in 1990 to 61.0 percent in 1998. On the other hand, the share of women sole proprietors who filed as unmarried heads of households with dependents increased from 8.4 percent to 14.2 percent between 1990 and 1998. The other filing status categories remained about the same over the period: 23.1 percent on average were single and 1.6

percent were married filing separate returns.

About 53 percent of women-operated sole proprietorships were concentrated in 10 major business activities. The top two were sales door-to-door and child day care. Between 1990 and 1998, women sole proprietors earned nearly 70 percent of their total net income in the services industries; 18 percent in finance, insurance, and real estate; and a small fraction in other industries.

Among the 10 most populous states, the number of women-operated sole proprietorships grew most in North Carolina, Florida, and Ohio. Women-operated sole propri-

Continued on page 7

State Reg Flex Provisions Advance in Missouri and Elsewhere

Missouri's House of Representatives gave final approval to a bill creating a small business regulatory fairness board. The board would give small business owners a greater voice in the state's rulemaking process. House bill 322, sponsored by Rep. Brian Baker (Belton), passed overwhelmingly by a vote of 117 to 18.

This House bill creates a regulatory fairness board that would pro-

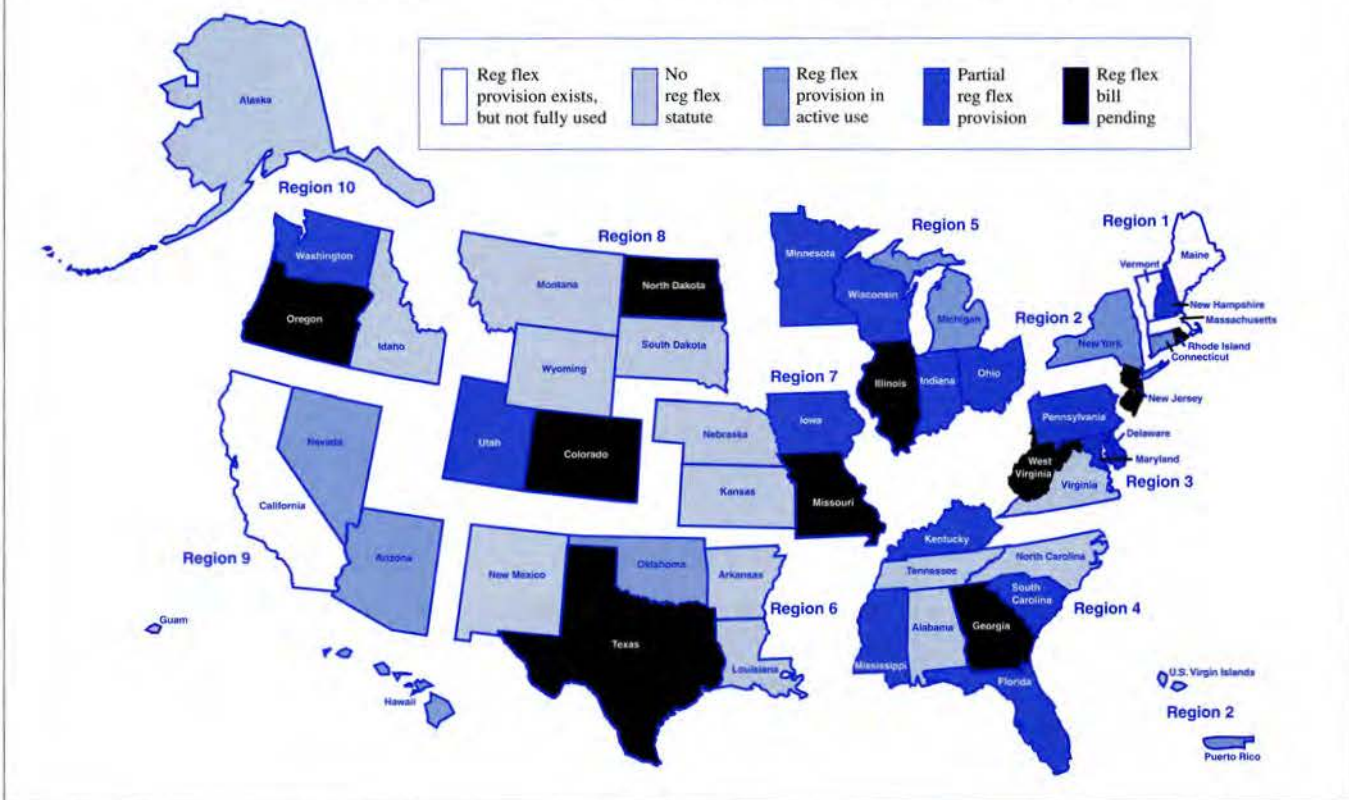
vide state agencies with input regarding proposed rules, consider requests from small business owners for review of agency rules, review agency rules and make recommendations to the agency and General Assembly regarding the need for a rule or legislation. The regulatory fairness board would also conduct hearings and solicit input from regulated small businesses and prepare an annual

evaluation report for the General Assembly and the governor.

For more information on the Missouri proposal, contact Region 7 Advocate Wendell Bailey.

A recent survey by the Office of Advocacy found renewed interest in passing legislation to cushion the imbalanced impact of state regulation on small business. The map below shows progress by state as of March 2003.

Status of State Reg Flex Provisions, March 2003



Women, from page 6

etorships in California earned the most per proprietorship, on average, in net income and gross receipts. In 1998, New York had the highest net income as a percentage of gross receipts.

"President Bush recognized the growing importance of women in the small business community when he announced his Small Business

Plan at the Women's Entrepreneurship Summit in March 2002," said Sullivan. "The Office of Advocacy is pleased to make available more information about this segment of the small business community and we continue to explore new avenues of research on sole proprietorships operated by women."

For More Information

Advocacy's senior economist, Dr. Ying Lowrey, can be reached at (202) 205-6947, or by e-mail at ying.lowrey@sba.gov. Her report, *Dynamics of Women-Owned Sole Proprietorships*, is available at www.sba.gov/advo. Paper and microfiche copies can be purchased from NTIS at (800) 553-6847 or at www.ntis.gov.

Questions Raised About Effects of Federal Purchase Cards

A new study published by the Office of Advocacy raises troubling questions about the effects of federal credit card purchases on small businesses. Although use of credit cards has been touted as streamlining federal procurement, the study finds that the value of federal credit card purchases from small business actually may be decreasing.

"Use of credit cards has helped to streamline federal procurement," said Thomas M. Sullivan, Chief Counsel for Advocacy. "But they seem to have the unintended consequence of diverting procurement dollars from small businesses. One of President Bush's small business priorities is full and open access for small businesses to government contracts. Agencies need to do a better job of monitoring their credit card purchases to make sure that

small businesses have access to these purchases." The report, *Impact of Purchase Card Activity on Small Business*, written by Eagle Eye Publishers, acknowledges NASA as the only federal agency that provided information to evaluate credit card usage.

Using the NASA data as a case study, the report found that NASA's small business share of federal purchase card procurement dropped 6 percent between FY 2000 and FY 2001. Moreover, the data found that NASA is short of meeting existing rules for setting aside government purchases between \$2,500 and \$100,000 for small businesses.

A recent GAO study noted that "well-defined criteria and consistent use of available data sources" are needed for a better understanding of credit card purchases from

small business. Although the General Services Administration's contract with five major banks calls for the collection of socioeconomic data with each credit card purchase, this requirement has not produced usable data. As a result, most agency officials are unaware of purchase card spending patterns within their own agencies.

Federal credit card purchases have risen dramatically in recent years. In FY 2001, 3.2 million government credit cards were used to spend \$19.7 billion on goods and services. Of this amount, \$13.8 billion was spent on non-travel, non-automotive-related items.

The complete study is available on Advocacy's website: www.sba.gov/advo/research/rs226tot.pdf.

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