

# FOIA MARKER

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<b>Collection:</b>	Cheney Vice Presidential records			
<b>Office of Origin:</b>	Staff Secretary			
<b>Series:</b>				
<b>Subseries:</b>	Misc. Outbox, 2006			
<b>OA/ID Number:</b>	00552			
<b>Folder Title:</b>	February 11, 2006			
<b>Stack:</b>	<b>Row:</b>	<b>Section:</b>	<b>Shelf:</b>	<b>Position:</b>
20W4	4	3	5	1

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**NICHOLS\_C**

**607528**

FG038

**Barcode Scanning Sheet**



Collection Code: **VTRACK**

Staff Name:

Document Date: **2/11/2006**

Correspondent:

Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS  
(UNCLASSIFIED) -- KHATAMI SPEECH IN "ISLAM AND  
THE WEST" -- ARTICLE FROM YAHOO NEWS, "TIMELINE  
FOLLOWING CHENEY'S HUNTING MISHAP" BY THE  
ASSOCIATED PRESS**

ED

601528



[ Printer ] [ News view ]

## **[Khatami Speech in "Islam and the West" Conference, Malaysia**

Service: Politic  
1384/11/22  
02-11-2006  
11:42:34  
News Code :8411-11716

ISNA - Tehran  
Service: Politic



**Former Iranian president Mohammad Khatami participated in an international conference on "Islam and the West" in Kuala Lumpur, Malaysia.**

**According to ISNA, the full text of Khatami speech in this conference is as below:**

In the Name of God

Who can speak on behalf of Islam and as the representative of the Muslim world? There is no easy answer, if this question is to be replied to with "Insight" and "Cognition". But it appears, I may have foreshadowed my desired response, which is "insight" and "cognition". Only those with insight and cognition of Islam and the Islamic world can speak on behalf of Muslims. Before further elaboration we require some reflection.

With the emergence of "Secularism" after the 18th century, long-standing concepts also gradually become secularized, and inline with secularism "insight", which is in essence a spiritual, religious, philosophical and or moral concept, was transformed into "Intellectual", and those with cognition came to be known as Academicians or Scholars. Albeit Academy is the garden of Plato and Intellectus is collective wisdom, which is more moral than material, words are not obliged adhere to their historical roots as they evolve.

Turning to our brief answer: Only those with insight and cognition, or put differently, only academicians and scholars can represent the world of Islam. But that is not to say that any academician and scholar is qualified to do so. To further explain, we must construct a more precise typology of the academicians and scholars of the Islamic world.

If we divide the scholars of the Islamic world into two groups of Muslim and non-Muslim scholars, and further divide each group based on the method of education and research, and sources of study and thought, into traditional and modern, we will be faced with four groups:

1. Traditional Muslim scholars (including jurists, experts of hadith, and commentators, both Shia and Sunni)

2. Modern Muslim scholars (also known as Muslim intellectuals)
3. Traditional non-Muslim scholars (such as the orientalists and Islamologists of the nineteenth century up to about the third decade of the second half of the twentieth century, who were mostly philologues, historians, geography experts, archeologists and specialists in heresiography)
4. Modern non-Muslim scholars (usually comprised of journalists, sociologists, economists and experts in political science and international law)

To understand the thoughts and language of the first group, their main source of knowledge and thought must be examined.

The speed at which sciences grew in the first centuries of Islam will amaze any researcher. Surely this speedy growth was inspired by the teachings of the Holy Quran and the many religious sayings on the subject knowledge and scholarship.

Today we are more or less familiar with the internal and external sources of Islamic scholarship as well as many figures of the Islamic civilization, including jurists, experts of hadith, theologians, philosophers, commentators, mystics, astrologists, mathematicians, physicians, and literary experts. What has been neglected, is not the way Islamic scholars perceived Greek philosophy and the other sciences and teachings that were transferred to the Islamic world, rather it is the way they perceived Islamic sources.

Islamic sciences—including the history of jurisprudence, theology and interpretation of the Quran—were faced with unique constrictions, restrictions and facilities; and without recognizing their circumstances and obstacles, a more precise answer cannot be provided on the extent that these scholars participated in speaking on behalf of the Islamic world.

In this midst what has greater clarity and can be spoken about in more definite terms is the fact that the first condition of answering and speaking on behalf of the Islamic world is understanding the elements of thought and culture in today's world. Without sufficient understanding of today's world, with all its complexities and difficulties, no matter how well-versed a scholar is their field, they cannot speak on behalf of Islam in such a world.

The second group, which also consists of Islamic intellectuals, have in recent history come to be know as the resurrectors and reformers. However, many prominent figures can be cited which have been classified in both the first and second group.

Surely intellectuals are better acquainted with the contemporary world, but how many of them are well-acquainted with the main sources of Islamic scholarship, foremost of which is the Holy Quran? How accustomed are they with the work of their predecessors? Moreover, to what extent are they fond of or even infatuated with Western civilization? Have they been able to impartially assess Western civilization in the same critical and detached manner as they have evaluated their own history and traditions?

The third group, namely the orientalists and Islamologists of the nineteenth and twentieth

centuries have conducted remarkable research and study into the details of the Islamic world and civilization. But it is commonly known that for most of these researchers Islamic civilization and scholarship belongs to the past and at most it was alive and well until the sixteenth century and with the emergence of the new all-encompassing world civilization, not only its exteriorities and symbols, but also its very base and foundation belongs to the past and in a museum. Even though these scholars have significant research and study in many areas, one cannot and should not rely upon their work to speak on behalf of Islam and the Islamic civilization in the modern world.

But the fourth group, the modern Western non-Muslim intellectuals and Islamologists, in addition to having the same shortcoming as the third group, they have an additional problem which results from being exposed to new issues that are critically important and often political, which were almost unheard of by their predecessors. When dealing with present-day political occurrences these intellectuals see themselves obliged to create theories in political sociology to justify and explain them. These theories cannot outlive the political phenomena which have been their real subject, and as a result, they are distanced from offering consistent and comprehensive views.

I must emphasize that this categorization has only been for the purpose of easing the discussion and cannot be free from shortcomings.

With a brief glance at this typology it becomes clear that none of these groups can serve as a complete representative of the Islamic belief and the Islamic world. The ideal type of representative of Islam should possess the most significant advantages of each of the mentioned groups while lacking their significant shortcomings. Recounting the distinctive features of this group also requires adequate discussion in the various, but significant, aspects of Islamic teachings, which must be addressed elsewhere.

But beyond this academic discussion, Islam and the Islamic world are realities which cannot be denied. All this discussion and argument and even commotion and plans regarding the Islamic world serve as the greatest testimony to the existence of this important reality in our time.

Thus, I ask to be permitted to speak about Muslim people and the condition Muslim societies have today.

In the eyes of a believing Muslim, Islam is a religion that has been revealed to the Holy Prophet of Islam and in accordance with the teachings of Quran, a Muslim is—as is the Prophet himself—a believer of this religion.

The Messenger believes in what has been sent down to him from his Lord, and (so do) the believers. Each one believes in Allah, His Angels, His books, and His Messengers. (They say,) "We make no distinction between one another of His Messengers"—and they say, "We hear, and we obey. (We seek) Your Forgiveness, our Lord, and to You is the return (of all)." Allah burdens not a person beyond his scope. He gets a reward for that (good) which he has earned, and he is punished for that (evil) which he has earned. "Our Lord! Punish us not if we forget or fall into error, our Lord! Lay not on us a burden like that which You did lay on those

before us (Jews and Christians); our Lord! Put not on us a burden greater than we have strength to bear. Pardon us and grant us Forgiveness. Have mercy on us. You are our Patron (Supporter and Protector) and give us victory over the disbelieving people”.

Holy Quran 2:285-6

In accordance with the explicit expression of this holy verse we can see that firstly, a Muslim is someone that believes in all the prophets and places no difference between them, and secondly, that humans are plagued with faults and forgetfulness and suffer from a host of sensual, social and historical limitations. Islam is nothing but heeding and obeying and submitting before the Almighty God who is absolute and unlimited wisdom, knowledge, kindness, beauty and love. But what must be considered alongside the essence and truth of religion, which is consistent between all revealed religions and supersedes the limitations of history, time and place, is that Islam has—similar to other revealed religions—emerged in a historical context which is associated with the internal and external situation and conditions of humans. Thus a religion that has emerged in a historical context will naturally face limitations in other periods of history. A calamity that has occurred in regards to all religions is that humans who have established a relationship with the essence of religion in conditions and circumstances particular to specific a time, place and history, equate this view with the entire religion, and when we downgrade true religion in its entirety to an aspect of it, which is confined to human understanding and time and place, we prohibit the opportunity of different readings of religion in other times and places, which are more suitable for those conditions.

Today, history shows us governments which consider themselves related to religion and we see traces of Islamic civilization, scholarship, sciences and culture developed in the Islamic world. In the branches of Islam established throughout history, we witness various opinions, styles and experiences, all of which consider themselves Islamic and are so firm in their conviction that it sometimes leads to disputes and bloody conflicts. Notwithstanding the wars between various religions in the history of Islam and Christianity and other religions, we have also witnessed bloody and catastrophic wars between different faiths within a single religion.

Religion which has a supernatural source, must in any case be sent down and revealed to a human who is a creature confined in many internal and external limitations, and it is with these very limitations and possibly even prejudices that humans approach religion. As mystics, philosophers, theologians, jurists, exoterics and esoterics each have approached religion from their own viewpoint and offered their own unique interpretation, which brings about a valuable variety and volume of thought into the sphere of religious life, which is appreciated in its own right. These are all indicative of the fact that Islam, similar to other great revealed religions, possesses such a delicacy that it can address the needs of different people. The tragedy is when a human interpretation of religion is considered to be the actual religion without regard for the transformations that occur in human life. Instead of renovating thoughts and suggesting new notions of the world, humans and religion, some try to force insufficient readings of religion unto the minds of lives of humans despite the transformations they have undergone, and they face the scorn of God where he considers dogmatist bigots as deviators from the true path and disapproves of those who answer “we have found our fathers of this belief and we follow in their footsteps.”

In such conditions, which have often occurred throughout history, what is considered to be religion is placed in opposition to thought, which is naturally inclined towards freedom and grows in a free environment, and history testifies whenever religion and thought were placed opposite each other, both have suffered.

At this point, with these considerations in mind, we can discuss several key points regarding our current situation:

1. In our time we too can hear many voices that associate themselves with Islam, including voices reflecting progress, rationality and democracy as well as voices that are reactionary, authoritative and violent. Such a difference in voices can also be heard amongst other religions and beliefs as well.

2. The Islamic world is undergoing an important transformation which must be guided. This transformation must not be conducted through imitation, which is undesirable and scientifically unsuccessful, rather it should be conducted through reflection and deliberation on the pleasant aspect of life from within and with loyalty and faithfulness towards our own sources of thought and culture in a way that is responsive to a people who are living in this time, and looking towards the future.

3. In our times, in addition to the internal difficulties of transformation, the world of Islam is also faced with an external problem. In other words, this inescapable experience of renovation is taking place at a time that the world is dominated by a non-Islamic and even non-religious and secular civilization and experiencing a new religious system and society is difficult in a secular world. Especially since the secular civilization, has placed the world under its influence, and moreover the language of the powers that consider themselves the representatives of this civilization hint visions of global hegemony.

Today the effects of the new civilization, namely new sciences and technologies and communications and even many common concepts such as nation-state, human rights (as opposed to its responsibilities), liberty and freedom, democracy and so on, have all been shaped according to the modern world's values and standards of thought and have influenced the non-Western world as well. In other words, the entire world, both the West and East, have been greatly impacted by Western civilization and its effects, presumptions and aspirations, while the culture predominant in non-Western societies differs from that of the modern world, and the difference between the physical and metaphysical has confronted the non-Western world with difficulties. However, the West gained this new experience, which lead to this new civilization, at a time when it was not suffering from external pressures; as the Islamic civilization, which has taught the West many things, was subsiding. But we must consider our renovation at a time that we are placed in a network of political, economic, information, cultural and technological systems which have been forged by the West and are still controlled by Western powers. These Western powers are completely influenced by eighteenth and nineteenth century beliefs that considered the West to be the center of the universe and considered Western life as the model for an ideal life for the entire world. Moreover, in political arenas they define everything based on interests that are mostly inconsistent with the interests of non-Western nations. In such an environment—which is not lacking in colorful conspiracies—the unhindered experience of the non-Western world,

including the world of Islam, of establishing a world and spiritual order consistent with circumstances of the time as well as consistent with the cultural and historic identities of these nations is no easy task.

4. The negative mentality which exists between the West and the world of Islam which is due to the Crusades, followed by exhausting colonialism, and moreover the self-centeredness of the West, which wants the entire world Westernized and using confrontation of Islam and Islamophobia as strategic tools for the expansionist policies of some arrogant Western powers on one hand, and the extreme and violent reaction of some parts of the Islamic world, which stems from the humiliation and backwardness of the Islamic world—despite its rich resources and proud history—on the other, has brought about an environment so inappropriate that it can only see ever-escalating violence, whether in the form of war and occupation and repression, or in the form of terror and destruction, with reduced opportunity of compromise and understanding.

5. The disappointment of the Islamic world of the various un-indigenous schools and approaches as well as the calamity of colonialism and dependant governments on the one hand and their increasing concern for violence and extremism in the name of Islam on the other, after about two centuries of dispute between tradition and modernity in the world of Islam, has brought about a high level of mental preparation for the acceptance of a major transformation in the mind and lives of Muslims, which can bring together a great many influential people, especially intellectual geniuses, in the Islamic world and create a new world through paving the way for the establishment of democratic governments who pursue national interests and create the grounds for achieving greater science and technology. A new world that wants to fill the void in the current order, which is the lack of God, spirituality and morality, by submitting before the Ultimate Beauty. A new world that wants to understand and utilize religion in a way that it is not incompatible with freedom and progress, rather it sets us on a clearer path towards the future.

6. Not only in the world of Islam, but in the entire global arena, we must condemn self-centeredness, discrimination, avarice, arrogance and violence anywhere and in any form, so we can have a calm and secure world for all. This is a task that can be pursued by the unprejudiced and informed section of the Islamic world and other non-Western worlds with the understanding of and alongside the unprejudiced section of the Western world. I hope that the welcomed and fortunate trend of dialogue amongst cultures and civilizations, which have been active as national and international non-governmental institutions, can bring about this promising occasion.

Let us strive to amplify the sound of dialogue in each direction.

News Code: 8411-11716

[ Printer ] [ News view ]



THE WHITE HOUSE

Assistant to the President and  
Deputy National Security Advisor

Mr. President -

- The Kristiani speech was Malaysia, not Indonesia.
- I have highlighted the sections toward the end that caught my attention.

J.D

cc: The Vice President  
Chief of Staff  
National Security Advisor  
Dir, National Intelligence

607628



NEEDS SVH  
THE VICE PRESIDENT

Back to Story - Help



## Timeline Following Cheney's Hunting Mishap

By The Associated Press

2 hours, 15 minutes ago

A timeline of events following Vice President Dick Cheney's hunting accident, all times EST:

### SATURDAY, FEB. 11

4 p.m.: Cheney begins an afternoon quail hunt with four other hunters on the private Armstrong Ranch in south Texas. They had been hunting earlier in the day, but took a break for lunch.

6:30 p.m.: Cheney accidentally shoots fellow hunter Harry Whittington while aiming for a bird. Secret Service agents and medical personnel with Cheney tend to wounds on Whittington's face, neck and chest.

7:20 p.m.: An ambulance takes Whittington to a Christus Spohn Hospital Kleburg.

7:30 p.m.: White House chief of staff Andy Card tells President Bush there was an accident, but Card is unaware Cheney was involved.

7:50 p.m.: The head of the Secret Service office in McAllen, Texas, calls the Kenedy County sheriff to report the accident. The sheriff asks to speak to Cheney, and they schedule an interview for 9 a.m. Sunday. At the White House, presidential aide Karl Rove tells Bush that Cheney was the shooter, after talking to ranch owner Katharine Armstrong.

Saturday evening: Cheney and the rest of the hunting party sit down for dinner at the ranch. At some point, sheriff's deputies who heard reports of the ambulance responding to an accident at the ranch stop at the front gate to see if anyone needs help, but are told no one needs assistance. The Secret Service earlier had said the deputies were seeking to interview Cheney, but on Tuesday they said that was not the case. Armstrong says no one at the dinner discussed announcing the accident to the public because they were all focused on Whittington's well being.

9:15 p.m.: Whittington is flown to Christus Spohn Hospital Corpus Christi-Memorial and is treated in the intensive care unit.

### SUNDAY, FEB. 12

6 a.m.: White House press secretary Scott McClellan is awakened by a phone call from the White House situation room, informing him Cheney was the shooter. McClellan contacts the vice president's office and urges that the information be made public quickly.

9 a.m.: Kenedy County sheriff's deputies interview Cheney. Armstrong begins calling a reporter at the Corpus Christi Caller-Times and leaving messages. Armstrong says she told Cheney she wanted to tell the local paper what happened, and he agreed.

12 noon: The reporter returns Armstrong's call.

2:48 p.m.: The Corpus Christi Caller-Times posts a short report about the accident on its Web site after confirming

the account with the vice president's office.

3:34 p.m.: The Associated Press, following up on the local story, moves a news alert about the shooting.

Early Sunday evening: Cheney visits Whittington in the hospital before flying back to Washington.

#### MONDAY, FEB. 13

1:15 p.m.: Cheney takes part in an Oval Office meeting with Bush and the United Nations secretary-general, but leaves before reporters are brought in.

3 p.m.: Whittington is moved from intensive care to a "step-down" unit.

5 p.m.: The chief deputy sheriff for Kenedy County says the shooting is being handled as a hunting accident.

6:20 p.m.: The Texas Parks and Wildlife Department issues its hunting accident report, which says the main contributing factor was a "hunter's judgment factor" when Cheney sprayed his fellow hunter while aiming at flying birds. The report says both Cheney and Whittington were violating state game law because they did not have required \$7 upland game bird stamps. Both are issued warning citations.

7:20 p.m.: The vice president's office issues a statement saying it was not aware that Cheney needed the \$7 stamp and that he has sent a check for that amount to the state.

#### TUESDAY, FEB. 14

7:30 a.m.: Hospital officials estimate this is when Whittington suffered a "silent heart attack" without realizing it. It was caused by a shotgun pellet that moved in or near his heart. Cheney is told shortly afterward that doctors have decided to perform a cardiac catheterization.

10 a.m.: Doctors perform the procedure. Whittington is back in the intensive care unit and told he will probably need to stay at the hospital another week for observation.

12:30 p.m.: Cheney's chief of staff passes him a note that Whittington's doctors will be holding a news conference in 30 minutes.

1 p.m.: Hospital officials announce the heart problem. Cheney watches on television.

1:30 p.m.: Cheney calls Whittington to wish him well and offer assistance.

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<b>Stack:</b>	<b>Row:</b>	<b>Section:</b>	<b>Shelf:</b>	<b>Position:</b>
20W4	4	3	5	1

**FOIAed Under:**

# Withdrawal/Redaction Sheet

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. letter	Sam Marler to Vice President Cheney (5 pages)	02/13/2006	PRM
001b. letter	Sam Marler to Vice President Cheney (photocopy) (2 pages)	02/13/2006	PRM
002a. letter	Kay McMillan to Vice President Cheney (1 page)	02/13/2006	PRM
002b. letter	Kay McMillan to Vice President Cheney (photocopy) (1 page)	02/13/2006	PRM
003a. letter	Harry A. Inman to Vice President Cheney (1 page)	02/13/2006	PRM
003b. letter	Harry A. Inman to Vice President Cheney (photocopy) (1 page)	02/13/2006	PRM
004a. letter	Dudley H. Bowen, Jr. to Vice President Cheney (1 page)	02/13/2006	PRM
004b. letter	Dudley H. Bowen, Jr. to Vice President Cheney (photocopy) (1 page)	02/13/2006	PRM
005. email	Lucy Tutwiler to Charles Durkin [redaction of cell phone number] (1 page)	02/13/2006	P6/(b)(6)
006. letter	Nelson L. Levy to Vice President Cheney (1 page)	02/15/2006	PRM

**COLLECTION:**

Cheney Vice Presidential Records  
 Office of the Staff Secretary  
 Miscellaneous Outbox, 2006  
 OA/Box Number: 00552

**FOLDER TITLE:**

February 13, 2006

2014-0011-F  
 AYM10

### 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]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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- (b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

**NICHOLS\_C**

**607529**

FG038

**Barcode Scanning Sheet**



Collection Code: **VTRACK**

Staff Name:

Document Date: **2/13/2006**

Correspondent:

Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS (UNCLASSIFIED) -- LETTER OF SUPPORT AND ENCOURAGEMENT AFTER HUNTING ACCIDENT FROM SAM MARLER -- HANDWRITTEN NOTE OF SUPPORT AND ENCOURAGEMENT AFTER HUNTING ACCIDENT FROM KAY MCMILLAN -- LETTER OF SUPPORT AND ENCOURAGEMENT AFTER HUNTING ACCIDENT FROM HARRY ...**

FINED

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. letter	Sam Marler to Vice President Cheney (5 pages)	02/13/2006	PRM

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# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. letter	Sam Marler to Vice President Cheney (photocopy) (2 pages)	02/13/2006	PRM

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Cheney Vice Presidential Records  
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OA/Box Number: 00552

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February 13, 2006

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**RESTRICTION CODES**

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

Freedom of Information Act - [5 U.S.C. 552(b)]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002b. letter	Kay McMillan to Vice President Cheney (photocopy) (1 page)	02/13/2006	PRM

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February 13, 2006

2014-0011-F  
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Freedom of Information Act - [5 U.S.C. 552(b)]

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003a. letter	Harry A. Inman to Vice President Cheney (1 page)	02/13/2006	PRM

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THE VICE PRESIDENT  
HAS SEEN

# Why The Economy Is a Lot Stronger Than You Think

In a knowledge-based world, the  
traditional measures don't tell the story

BY MICHAEL MANDEL

**YOU READ THIS MAGAZINE RELIGIOUSLY, WATCH CNBC WHILE DRESSING FOR WORK,** scan the Web for economic reports. You've heard, over and over, about the underlying problems with the U.S. economy—the paltry investment rate, the yawning current account deficit, the pathetic amount Americans salt away. And you know what the experts are saying: that the U.S. faces a perilous economic future unless we cut back on spending and change our profligate ways.

But what if we told you that the doomsayers, while not definitively wrong, aren't seeing the whole picture? What if we told you that businesses are investing about \$1 trillion a year more than the official numbers show? Or that the savings rate, far from being negative, is actually positive? Or, for that matter, that our deficit with the rest of the world is much smaller than advertised, and that gross domestic product may be growing faster than the latest gloomy numbers show? You'd be pretty surprised, wouldn't you?

Well, don't be. Because the economy you thought you knew—the one all those government statistics purport to measure and make rational and understandable—actually may be on a stronger footing than you think. Then again, it could be much more volatile than before, with bigger booms and deeper busts. If true, that has major implications for policymakers—not least Ben Bernanke, who on Feb. 1 succeeded Alan Greenspan as chairman of the Federal Reserve.

Everyone knows the U.S. is well down the road to becoming a knowledge economy, one driven by ideas and innovation. What you may not realize is that the government's decades-old system of number collection and crunching captures investments in equipment, buildings, and software, but for the most part misses the growing portion of GDP that is generating the cool, game-changing ideas. "As we've become a more knowledge-

DAN PAGE

February 13, 2006 | BusinessWeek | 63

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based economy," says University of Maryland economist Charles R. Hulten, "our statistics have not shifted to capture the effects."

The statistical wizards at the Bureau of Economic Analysis in Washington can whip up a spreadsheet showing how much the railroads spend on furniture (\$39 million in 2004, to be exact). But they have no way of tracking the billions of dollars companies spend each year on innovation and product design, brand-building, employee training, or any of the other intangible investments required to compete in today's global economy. That means that the resources put into creating such world-beating innovations as the anticancer drug Avastin, inhaled insulin, Starbucks, exchange-traded funds, and yes, even the iPod, don't show up in the official numbers.

Now, a generation of economists who came of professional age watching the dot-com boom and bust are trying to get a grip on this shadow economy: People like Carol A. Corrado and Daniel E. Sichel of the Federal Reserve Board, who, along with Hulten, figured out that businesses are spending much more on future-oriented investments than widely believed. In a way, these economists are disciples of Greenspan, who understood earlier than most that the conventional numbers don't capture the emerging knowledge economy.

Greenspan was continually digging into arcane factoids he hoped would give him a better insight into what was going on under the hood of the U.S. economy. And Bernanke seems to understand the importance of doing the same. In a speech last year, he said that intangible investments "appear to be quantitatively important." As a result, Bernanke noted, "aggregate saving and investment may be significantly understated in the U.S. official statistics."

## BEYOND WIDGETS

AS GREENSPAN WOULD BE the first to tell you, it's a lot easier counting how many widgets the nation produces in a year than quantifying the creation and marketing of knowledge. After all, we're talking about intangibles: brand equity, the development of talent, the export of best practices.

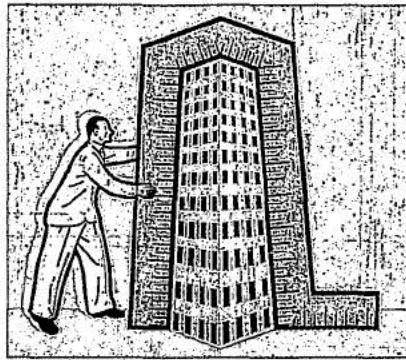
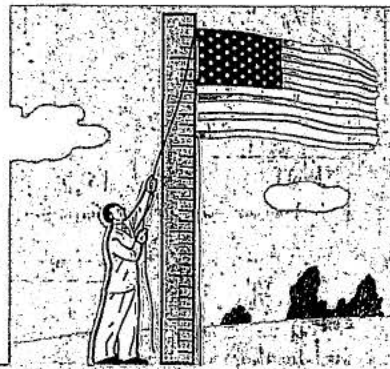
This stuff is hard to measure, but to ignore it is to miss what the economy is telling us. And to miss that is to increase the likelihood of committing policy blunders. Including these intangible investments could provide a better picture of the economy, one that offers more advance warning of recessions, slippage in our ability to innovate, and other nasty surprises.

To understand why the government measures the economy the way it does, it helps to go back in time to the 1930s. The Great Depression had the nation in a death grip, and government planners and politicians lacked the tools to answer the big question of the day: Was the economy getting better or worse? To find out, the Commerce Dept. brought in economist Simon Kuznets, then at the National Bureau of Economic Research, to calculate for the first time the nation's income and output—the purchasing power and production of the U.S. economy. Setting such a benchmark would allow the government to figure out if the economy was growing or shrinking.

Working with handwritten data, Kuznets and a small group of

## FEDERAL GOVERNMENT

Data: Office of Management and Budget, Congressional Budget Office



## BUSINESS

Business investment in intangibles such as product development and training is critical for long-term profitability, but it doesn't get counted in GDP.

Unmeasured intangibles **\$978**

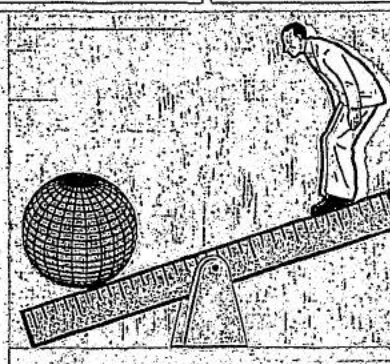
Physical capital and software **1139**

Billions of dollars, Average for 2000-2003  
Data: Corrado, Hulten, Sichel

## The Shadow Economy

Intangibles such as R&D, training, education, and exports of knowledge are poorly tracked by today's statistics. Here's how better counting of intangibles would change our picture of the economy.

## THE REST OF THE WORLD





Government outlays for education and R&D are incorrectly labeled as current consumption, rather than future-oriented investment.

Education/research and development	\$215
Physical capital	181
Surplus of rest of federal budget	78

\*Billions of dollars; estimates for fiscal year 2005

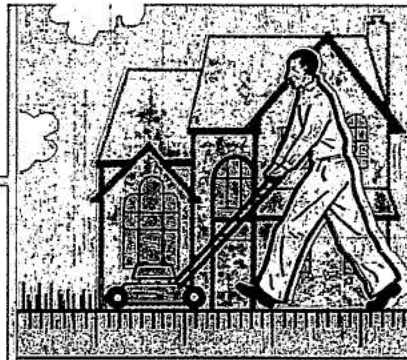
Investment is rising as a share of the economy, rather than falling.

The current account deficit is considerably smaller.

The personal savings rate in 2005 was positive, not negative.

The part of the federal budget devoted to current spending is in balance.

The 2001 recession was deeper than we thought. Current growth, however, may be stronger.



## FAMILY

Household outlays for education, the most important investment in the future of the next generation, are improperly counted as consumption in the published data.

Education \$224

Personal savings, as officially measured -42

Billions of dollars, 2005  
Data: Bureau of Economic Analysis

The foreign trade statistics do not reflect the human capital being brought into the country by skilled immigrants. The official numbers also do not show the flows of knowhow that enable U.S. multinationals to reap high returns on their overseas operations.

Unmeasured inflows of human capital \$50-\$200\*

Unmeasured exports of knowhow \$25-\$100\*

\*Billions of dollars; Annual average for 2000-2004

Data: BusinessWeek

fellow economists began counting tangible things like machines and buildings as long-term investments. It made sense, since this was still the Industrial Age. And such calculations came in handy during World War II, when the Roosevelt Administration needed a fix on the nation's capacity to grind out tanks, ships, and planes.

## A BREAK WITH THE PAST

KUZNETS' WORK SET THE TONE for the rest of the century, not to mention helping win him the Nobel prize in Economics in 1971. Machines and buildings were counted as future-oriented investment, but spending on education, training, and R&D was not. No attempt was made to judge the social utility of expenditures. For example, the \$6 million cost of building the Flamingo

Hotel, the Las Vegas casino opened by Bugsy Siegel in 1946, was tallied as an investment. But AT&T's funding of Bell Labs, where the transistor was invented around the same time, wasn't even included in GDP. Kuznets himself acknowledged the limitations of his system, yet it stayed basically the same for most of the postwar period.

By the early '90s, Greenspan was becoming increasingly frustrated by the official numbers' inability to explain a rapidly evolving economy. In 1996 and 1997 he refused to accept conventional data telling him that productivity growth was falling in much of the service sector, noting—correctly, as it turns out—that “this pattern is highly unlikely.” He also pointed out that the official numbers for consumer inflation were too high.

At the Washington offices of the BEA, J. Steven Landefeld, who became director in 1995, felt pressure to include numbers that better reflected the knowledge economy. Landefeld isn't a rash fellow, and the pace of change at the BEA, while quick for a statistical agency, would be called deliberate by most. But in 1999—six decades after Kuznets laid the groundwork for calculating GDP—Landefeld and the BEA decided to break with the past.

The BEA started treating business spending on software as a long-lived investment. The decision was overdue. Companies were spending more than \$150 billion annually on software, far more than the \$100 billion for computer hardware. And the software often stayed in use longer than the hardware. The fact that economists could go into stores and see software in brightly colored boxes reassured them that it was real. “Prepackaged software is a lot easier” to count, recalls Landefeld.

Silly as it may seem now, it was a revolutionary change at the time. But over the past seven years the economy has continued to evolve while the numbers we use to capture it have remained the same. Globalization, outsourcing, and the emphasis on innovation and creativity are forcing businesses to shift at a dramatic rate from tangible to intangible investments.

According to *BusinessWeek's* calculations, the top 10 biggest U.S. corporations that report their R&D outlays—a list that includes ExxonMobil, Procter & Gamble, General Electric, Microsoft, and Intel—have boosted R&D spending by 42%, or almost \$11 billion, since 2000. Yet over the same period, they have only increased capital spending by a meager 2%, or less

## Unmasking the Economy

**The Knowledge Economy and You:** Advice for investors and workers

**A GDP Primer:** How the numbers are calculated

**The Story Behind the Story:** For a podcast interview with Chief Economist Michael Mandel by Executive Editor John A. Byrne, go to [businessweek.com/search/podcasting.htm](http://businessweek.com/search/podcasting.htm)

**The Blog:** To discuss intangibles with Mandel, go to [businessweek.com/the\\_thread/economicsunbound/](http://businessweek.com/the_thread/economicsunbound/)



**BusinessWeek** online

[www.businessweek.com/extras](http://www.businessweek.com/extras)

than \$1 billion. So all together, these giants have actually increased their future-oriented investment by roughly \$12 billion—most of which doesn't show up in the BEA numbers.

This shift to intangibles looks all the more remarkable when we look a bit further back. P&G, for example, has boosted its spending on R&D, which doesn't count as investment in the GDP statistics, by 39% since 1996. By contrast, the company's capital budget, which does factor into GDP, is no bigger today than it was back then. The same is true at spicemaker McCormick & Co., where capital spending is basically flat compared to 1996 but R&D outlays to create new products have tripled over the same period.

Want to see how this works? Grab your iPod, flip it over, and read the script at the bottom. It says: "Designed by Apple in California. Assembled in China." Where the gizmo is made is immaterial to its popularity. It is great design, technical innovation, and savvy marketing that have helped Apple Computer sell more than 40 million iPods. Yet the folks at the BEA don't count what Apple spends on R&D and brand development, which totaled at least \$800 million in 2005. Rather, they count each iPod twice: when it arrives from China, and when it sells. That, in effect, reduces Apple—one of the world's greatest innovators—to a reseller of imported goods.

That's why the new research from Corrado, Sichel, and Hulten is so important, and why building and improving upon it could become a key goal of economists in the coming years. Ultimately, we might end up with a "knowledge-adjusted" GDP, which would track the spending so crucial for global competitiveness.

Right now, though, rough calculations of these intangibles are all we have. To help come up with their \$1 trillion number for un-

measured business investment, for example, Corrado, Sichel, and Hulten counted the portion of advertising designed to have long-lived effects on perception (that would include the sort of corporate image advertising seen in this magazine). They also estimated the value of new product development in the financial-services industry, which current R&D numbers miss. "We had to hunt around for bits and pieces of data," says Hulten.

Assessing how much bang for the buck companies get from their spending on intangibles is even harder, especially in the fast-changing knowledge economy. Take employee training. In the old days, that required flying people to a teaching facility, which cost companies a lot of time on top of the cost of the instructors and real estate. Now online learning and other innovations are driving down the cost of training. At IBM, the training budget fell by \$10 million from 2003 to 2004, a 1.4% decline, while the number of classroom and e-learning hours rose by 29%. Are other companies seeing an equally dramatic decline in the cost of training? No one knows.

## CHANGING PERCEPTIONS

THAT'S WHY THE BEA doesn't want to move too fast. It plans to publish supplementary accounts for R&D in the next few years, which will track R&D spending without adding it into the official GDP numbers. Other intangibles, though, remain below the radar. "No one disagrees with this conceptually," says BEA chief Landefeld. "The problem is in the empirical measurement."

But look at how our perception of the economy changes once you add in things like R&D and brand-building. The published data show that total investment—business, residential, and government—has been falling over the past three decades as a share of national spending, while consumption has been rising.

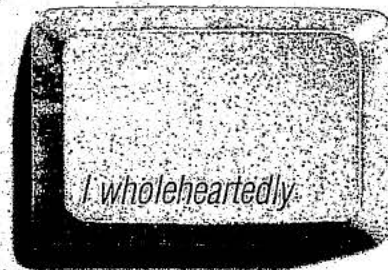
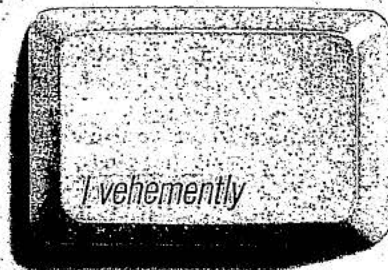
## The numbers say growth slowed,

Add in the intangible investments provided by our three economists, and the picture changes completely.

Total investment rises, going from 23.8% of national spending in the 1970s to 25.1% in the early 2000s—much higher than the 18.3% the conventional numbers show. That helps explain why the economy has sustained strong productivity growth, and why foreign investors continue to pour money into the U.S.

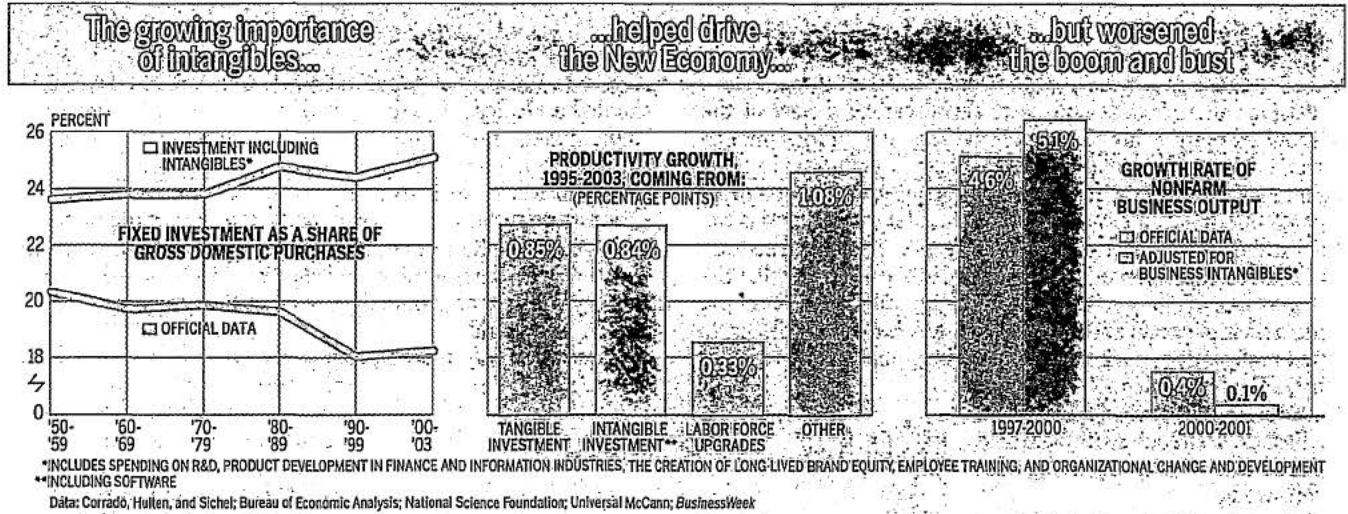
Factoring in the knowledge economy also helps us understand why the recession of 2001 seemed worse than the official

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# Factoring in the Missing Pieces

Including R&D, training, and other intangibles in the numbers helps explain a decade of economic reality



statistics showed—and why the recovery was so slow. According to the published numbers, the six-month recession of 2001 was so mild the business sector actually grew at a modest 0.4% pace that year. By 2003, however, more than 3 million private sector jobs had disappeared.

One reason for this disconnect is simple: Corporations hacked back their budgets for R&D, advertising, training, and so forth. Yes, that canceled out a ton of high-paying jobs, but had

business intangibles would have changed the growth numbers. For our purposes, let's assume that overall intangible business investment followed the same path as industrial R&D and advertising, for which annual data are available. Crunch the numbers and it looks like the business sector really grew by only 0.1% in 2001, less than a quarter of the size of the official increase. Growth in 2002 now also looks slower than the published data.

By contrast, the conventional numbers may be understating the strength of the economy today. The BEA announced on Jan. 27 that growth in the fourth quarter of 2005 was only 1.1%. In part that was because of a smaller-than-expected increase in business capital spending. However, employment at design and management-consulting firms is up sharply in the quarter, suggesting that businesses may be spending on intangibles instead. Indeed, the consumer confidence number for January zoomed to the highest level since 2002, as Americans became more optimistic about finding jobs.

Then again, the economy may hit bigger bumps in the years ahead. When companies significantly trim their spending on R&D, design, training, and other knowledge-enhancing activities, as they did in 2001, the resulting pain in terms of job loss-

statistics showed—and why the recovery was so slow. According to the published numbers, the six-month recession of 2001 was so mild the business sector actually grew at a modest 0.4% pace that year. By 2003, however, more than 3 million private sector jobs had disappeared.

## but jobs for designers jumped

no direct effect on GDP. Remember that R&D and other intangible business investments are not currently counted as national output. Therefore, when a company laid off an engineer doing long-term product development but kept selling the same number of its old products, GDP stayed the same. Productivity even went up, because fewer workers were producing the same amount of output. And if that laid-off engineer went to work, say, building houses? National output might even have risen.

There's enough data available through 2003 to estimate how

ERIC HOFFMANN/BEA

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# Trade stats miss a big chunk of the value-creating flow of knowledge

es and reduced innovation could deepen the next downturn.

Perhaps the trickiest and most controversial aspect of the shadow economy is how it alters our assessment of international trade. The same intangible investments not counted in GDP, such as business knowhow and brand equity, are for the most part left out of foreign trade stats, too. Also largely ignored is the mass influx of trained workers into the U.S. They represent an immense contribution of human capital to the economy that the U.S. gets free of charge, which can substantially balance out the trade deficit of goods and services. "I don't know that the trade deficit really tells you where you are in the global economy," says Gary L. Ellis, chief financial officer of Medtronic Inc., a world leader in medical devices such as implantable defibrillators. "We're exporting a lot of knowledge."

Time for another real-world example. In December, Intel Corp. announced plans to build a new wafer-fabrication plant in Israel. To the statisticians, the value of that foreign investment is the book value of the plant—that is, the cost of erecting the building and installing the chipmaking machinery.

Not counted is the systematic export of knowhow to Israel that enables that factory to operate profitably. At the core is a program called Copy Exactly!, which requires that a new fab duplicate an existing one that is working well, down to how often the plant's pumps are serviced. All of this critical information is documented and transferred from the U.S. to the new plant, but it is not picked up by the trade statistics.

The numbers don't catch Intel's exhaustive training program either. To get its new plants running quickly, the chipmaker brings 800 or 900 employees from the new fab to spend a minimum of six months in Hillsboro, Ore., where Intel develops new production processes. By the time they return home, these people will have picked up not just the details of the process but also tribal knowledge—the unwritten lore of how Intel works. With that info in their heads, they're equipped to get the new factory up and running at high volume within a quarter, rather than taking a year or more. In economics speak, this is a classic transfer of human capital. So why isn't it called an export?

Ricardo Hausmann, director of

Harvard's Center for International Development, believes it should be. He describes these cross-border flows of knowhow as "dark matter." Hausmann notes that U.S. multinationals consistently earn higher rates of return than their foreign counterparts—an average of 6% on foreign operations since 2000, vs. the 1.2% foreign multinationals earn in the U.S., according to the latest BEA figures. From that, he infers that the multinationals are benefiting, in part, from knowledge exported from the U.S., a country with faster productivity growth than the rest of the industrialized world.

Using these arguments, Hausmann finds that the U.S. current account deficit actually disappears, averaged over time. "With globalization, you develop a blueprint and sell it in all countries," he says. "Countries that are good at creating blueprints get more exports of dark matter."

Admittedly, most trade experts are hostile to Hausmann's conclusions. A recent report from Goldman, Sachs & Co. likened Hausmann's dark matter to cold fusion. And the economists at the BEA worry that adding knowledge exports to the trade stats would make published data less useful. "I have a problem putting fabricated flows into exports," says Ralph H. Kozlow, who oversees international accounts at the BEA. "You get into an impossible statistical maze when you try to value all of this at anything that anyone would believe."

But even if Hausmann is overstating his case, he's on the right track. There's no doubt that the statistical problems are formidable, but it's also certain that the conventional trade statistics are missing a big portion of the knowledge flows that create value these days. Suppose we assume that U.S. multinationals can earn an extra percentage point of return on their foreign investments by being able to use business intangibles exported from the U.S. Then a rough estimate of the value of the unmeasured exports of knowledge is anywhere from \$25 billion to \$100 billion per year, depending on what assumptions are used.

And let's not forget about immigrants. The workers who move to the U.S. each year bring with them a mother lode of education and skills—human capital—for free.

## Big Companies Go Intangible

Companies are putting more emphasis on R&D and less on capital investment. Since 2000, the "intangibility index"—the ratio of R&D to capital spending, multiplied by 100—has risen for 9 of the 10 biggest U.S. companies that report R&D

COMPANY	INTANGIBILITY INDEX* 2000	LATEST**
EXXONMOBIL	5.1	4.4
GE***	73.6	100.7
MICROSOFT	429.1	761.6
PROCTER & GAMBLE	62.9	89.0
PFIZER	211.0	295.4
JOHNSON & JOHNSON	183.8	239.2
ALTRIA	32.0	42.3
CHEVRONTXACO	2.2	2.9
INTEL	58.4	88.4
IBM	95.6	129.9
ALL 10	56.8	79.1

OVERALL	PERCENTAGE CHANGE 2000-LATEST**
R&D SPENDING	+42.1%
CAPITAL SPENDING	+2.1

\*Capital spending for oil companies includes expenditures for exploration as well.

\*\*Latest year for which R&D and capital spending are both available.

\*\*\*Excluding GE Capital Services.

Data: Company reports, BusinessWeek

One celebrated example is Jonathan Ive, the man who designed the iPod and iMac. Ive was born in England and educated at Newcastle Polytechnic University of Northumbria before joining Apple Computer Inc. in California in 1992.

Ive is not unique. Most of the workers who immigrate to the U.S. each year have at least a high school diploma, while about a third have a college education or better. Since it costs, on average, roughly \$100,000 to provide 12 years of elementary and secondary education, and another \$100,000 to pay for a college degree, immigrants are providing a subsidy of at least \$50 billion annually to the U.S. economy in free human capital. Alter-

natively, valuing their contribution to the economy by the total wages they expect to earn during their lifetime would put the value of the human capital of new immigrants closer to \$200 billion per year. Either the low or high estimate would make the current account deficit look smaller.

These numbers may also seem squishy. Still, if Fed chief Bernanke, corporate executives, and ordinary investors want to know where we've been, and where we're headed, tracking the creation and flow of knowledge is the only way to go. ■

—With Steve Hamm in New York and Christopher J. Farrell in St. Paul, Minn.

## Tuition: It's Not Like An Ice Cream Cone

**F**orty-two grand a year. That's the going rate for tuition, room, and board at Vermont's pricey Middlebury College, where Donna Kelly's son and daughter go to school. "It's what we spend all our discretionary income on: education," says Kelly, who lives in St. Paul, Minn. "We look on it as an investment in their lives."

Government number crunchers don't see it that way, though. By their reckoning, the money households lay out for college and other levels of education—an eye-popping \$224 billion in 2005—is consumption, no different than buying an ice cream cone or a new pair of sneakers. Ditto for money plowed into federal job programs, the National Science Foundation (NSF), and even the salary of the local public school teacher who helped your child learn to read.

Imagine if all the money you devote to education, plus the government's outlays for education, training, and R&D, went into the investment column instead. Suddenly, Americans would look a lot less profligate. The U.S. devotes more to education and R&D than most other industrialized countries. For example, America spends well over 7% of gross domestic product on education, compared with 4.6% for Japan. And if the money socked away by households and spent on education was counted as savings, then the U.S. personal savings rate for 2005 would be 2.0%, not the -0.5% the official numbers show.

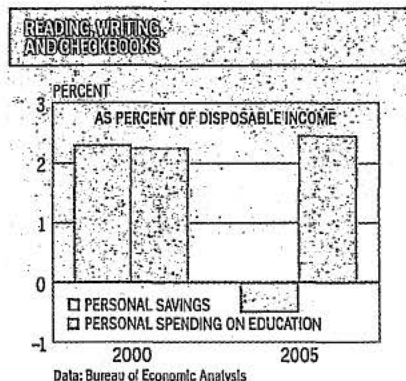
So why aren't these outlays being categorized as investment? Supplementary accounts for government and business R&D are coming (page 62). But treating education as investment is much farther off, despite the obvious long-lasting nature of the "human capital" asset created by

education. After all, the skills learned in school last a lot longer than the typical computer, which is counted as investment by the statisticians.

The reason is simple: There is no consensus, among economists, educators, or, for that matter, broader society on how to measure the value of a dollar spent on education. Should it be valued higher if it raises test scores or results in a higher wage down the road? Should it be valued lower if the kids are taught in a crowded classroom or if the college economics course is taught by a research assistant who speaks broken English? Are high school courses in art appreciation an essential part of the curriculum or a mere frill? These questions

### Investing in The Kids

Households are spending more on education even as the savings rate falls



are not merely technical but matters of intense public and political debate, both at the national and local level.

Similar concerns complicate a more rational assessment of the federal budget. The government spends an enormous amount, \$396 billion in fiscal 2005, on long-lived, intangible investment such as R&D and education, as well as such physical assets as computers and jet fighters. So why not take a page from the business world: Separate out investment spending from the day-to-day costs of running the government.

Calculating the budget that way would put the federal government's current operations into surplus, since the investment outlays exceed the total deficit of \$318 billion. What's more, it would become clear that government borrowing was funding investments with a future payoff. In an ideal world, Congress would weigh whether boosting basic research, as President George W. Bush proposed in his State of the Union speech, was worth taking on more debt. Today, by comparison, the NSF is funded in the same appropriations bill as the Justice Dept., so that more money for long-term research may be competing against more dollars for the Federal Bureau of Investigation. That sort of choice encourages short-run thinking.

In the real world, even proposing a shift to operating and investment budgets would scare up a lot of opposition. One fear is that politicians would try to game the system. Says Joseph J. Minarik, research director for the Committee for Economic Development, a research organization in Washington: "One man's investment is another man's pork—pork being defined as spending that doesn't generate a broad return."

Still, calling things by their right names has clear advantages. Persisting in the fiction that government and household spending on R&D, training, and education is only consumption is to misunderstand the knowledge economy.

—By Michael Mandel in New York, with Christopher J. Farrell in St. Paul, Minn., and Howard Gleckman in Washington

THE VICE PRESIDENT  
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# Why The Economy Is a Lot Stronger Than You Think

In a knowledge-based world, the  
traditional measures don't tell the story

BY MICHAEL MANDEL

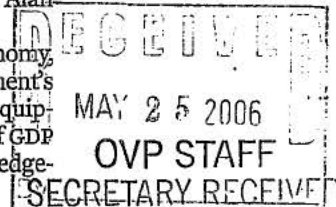
**YOU READ THIS MAGAZINE RELIGIOUSLY, WATCH CNBC WHILE DRESSING FOR WORK,** scan the Web for economic reports. You've heard, over and over, about the underlying problems with the U.S. economy—the paltry investment rate, the yawning current account deficit, the pathetic amount Americans salt away. And you know what the experts are saying: that the U.S. faces a perilous economic future unless we cut back on spending and change our profligate ways.

But what if we told you that the doomsayers, while not definitively wrong, aren't seeing the whole picture? What if we told you that businesses are investing about \$1 trillion a year more than the official numbers show? Or that the savings rate, far from being negative, is actually positive? Or, for that matter, that our deficit with the rest of the world is much smaller than advertised, and that gross domestic product may be growing faster than the latest gloomy numbers show? You'd be pretty surprised, wouldn't you?

Well, don't be. Because the economy you thought you knew—the one all those government statistics purport to measure and make rational and understandable—actually may be on a stronger footing than you think. Then again, it could be much more volatile than before, with bigger booms and deeper busts. If true, that has major implications for policymakers—not least Ben Bernanke, who on Feb. 1 succeeded Alan Greenspan as chairman of the Federal Reserve.

Everyone knows the U.S. is well down the road to becoming a knowledge economy, one driven by ideas and innovation. What you may not realize is that the government's decades-old system of number collection and crunching captures investments in equipment, buildings, and software, but for the most part misses the growing portion of GDP that is generating the cool, game-changing ideas. "As we've become a more knowledge-

DAN PAGE



based economy," says University of Maryland economist Charles R. Hulten, "our statistics have not shifted to capture the effects."

The statistical wizards at the Bureau of Economic Analysis in Washington can whip up a spreadsheet showing how much the railroads spend on furniture (\$39 million in 2004, to be exact). But they have no way of tracking the billions of dollars companies spend each year on innovation and product design, brand-building, employee training, or any of the other intangible investments required to compete in today's global economy. That means that the resources put into creating such world-beating innovations as the anticancer drug Avastin, inhaled insulin, Starbucks, exchange-traded funds, and yes, even the iPod, don't show up in the official numbers.

Now, a generation of economists who came of professional age watching the dot-com boom and bust are trying to get a grip on this shadow economy: People like Carol A. Corrado and Daniel E. Sichel of the Federal Reserve Board, who, along with Hulten, figured out that businesses are spending much more on future-oriented investments than widely believed. In a way, these economists are disciples of Greenspan, who understood earlier than most that the conventional numbers don't capture the emerging knowledge economy.

Greenspan was continually digging into arcane factoids he hoped would give him a better insight into what was going on under the hood of the U.S. economy. And Bernanke seems to understand the importance of doing the same. In a speech last year, he said that intangible investments "appear to be quantitatively important." As a result, Bernanke noted, "aggregate saving and investment may be significantly understated in the U.S. official statistics."

## BEYOND WIDGETS

AS GREENSPAN WOULD BE the first to tell you, it's a lot easier counting how many widgets the nation produces in a year than quantifying the creation and marketing of knowledge. After all, we're talking about intangibles: brand equity, the development of talent, the export of best practices.

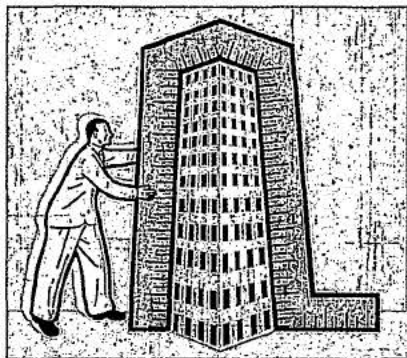
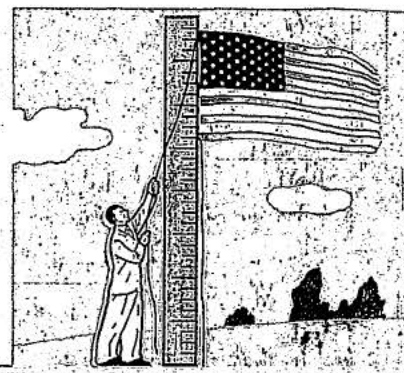
This stuff is hard to measure, but to ignore it is to miss what the economy is telling us. And to miss that is to increase the likelihood of committing policy blunders. Including these intangible investments could provide a better picture of the economy, one that offers more advance warning of recessions, slippage in our ability to innovate, and other nasty surprises.

To understand why the government measures the economy the way it does, it helps to go back in time to the 1930s. The Great Depression had the nation in a death grip, and government planners and politicians lacked the tools to answer the big question of the day: Was the economy getting better or worse? To find out, the Commerce Dept. brought in economist Simon Kuznets, then at the National Bureau of Economic Research, to calculate for the first time the nation's income and output—the purchasing power and production of the U.S. economy. Setting such a benchmark would allow the government to figure out if the economy was growing or shrinking.

Working with handwritten data, Kuznets and a small group of

## FEDERAL GOVERNMENT

Data: Office of Management and Budget, Congressional Budget Office



## BUSINESS

Business investment in intangibles such as product development and training is critical for long-term profitability, but it doesn't get counted in GDP.

Unmeasured intangibles **\$978**

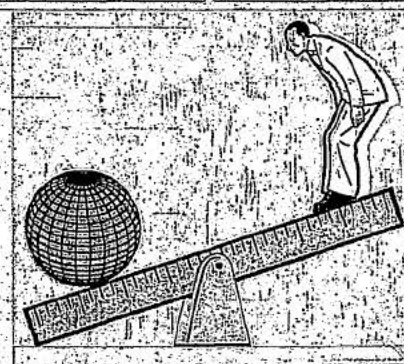
Physical capital and software **1139**

Billions of dollars; Average for 2000-2003  
Data: Corrado, Hulten, Sichel

## The Shadow Economy

Intangibles such as R&D, training, education, and exports of knowledge are poorly tracked by today's statistics. Here's how better counting of intangibles would change our picture of the economy:

## THE REST OF THE WORLD

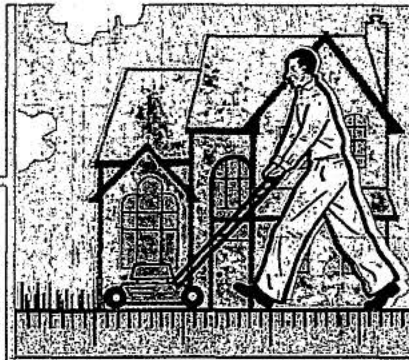


Government outlays for education and R&D are incorrectly labeled as current consumption, rather than future-oriented investment.

Education/research and development	\$215
Physical capital	181
Surplus of rest of federal budget	78

\*Billions of dollars; estimates for fiscal year 2005

- ☑ Investment is rising as a share of the economy, rather than falling.
- ☑ The current account deficit is considerably smaller.
- ☑ The personal savings rate in 2005 was positive, not negative.
- ☑ The part of the federal budget devoted to current spending is in balance.
- ☑ The 2001 recession was deeper than we thought. Current growth, however, may be stronger.



## FAMILY

Household outlays for education, the most important investment in the future of the next generation, are improperly counted as consumption in the published data.

Education	\$224
Personal savings, as officially measured	-42

Billions of dollars, 2005  
Data: Bureau of Economic Analysis

The foreign trade statistics do not reflect the human capital being brought into the country by skilled immigrants. The official numbers also do not show the flows of knowhow that enable U.S. multinationals to reap high returns on their overseas operations.

Unmeasured inflows of human capital	\$50-\$200*
Unmeasured exports of knowhow	\$25-\$100*

\*Billions of dollars; Annual average for 2000-2004

Data: BusinessWeek

fellow economists began counting tangible things like machines and buildings as long-term investments. It made sense, since this was still the Industrial Age. And such calculations came in handy during World War II, when the Roosevelt Administration needed a fix on the nation's capacity to grind out tanks, ships, and planes.

## A BREAK WITH THE PAST

KUZNETS' WORK SET THE TONE for the rest of the century, not to mention helping win him the Nobel prize in Economics in 1971. Machines and buildings were counted as future-oriented investment, but spending on education, training, and R&D was not. No attempt was made to judge the social utility of expenditures. For example, the \$6 million cost of building the Flamingo

Hotel, the Las Vegas casino opened by Bugsy Siegel in 1946, was tallied as an investment. But AT&T's funding of Bell Labs, where the transistor was invented around the same time, wasn't even included in GDP. Kuznets himself acknowledged the limitations of his system, yet it stayed basically the same for most of the postwar period.

By the early '90s, Greenspan was becoming increasingly frustrated by the official numbers' inability to explain a rapidly evolving economy. In 1996 and 1997 he refused to accept conventional data telling him that productivity growth was falling in much of the service sector, noting—correctly, as it turns out—that “this pattern is highly unlikely.” He also pointed out that the official numbers for consumer inflation were too high.

At the Washington offices of the BEA, J. Steven Landefeld, who became director in 1995, felt pressure to include numbers that better reflected the knowledge economy. Landefeld isn't a rash fellow, and the pace of change at the BEA, while quick for a statistical agency, would be called deliberate by most. But in 1999—six decades after Kuznets laid the groundwork for calculating GDP—Landefeld and the BEA decided to break with the past.

The BEA started treating business spending on software as a long-lived investment. The decision was overdue. Companies were spending more than \$150 billion annually on software, far more than the \$100 billion for computer hardware. And the software often stayed in use longer than the hardware. The fact that econo-

mists could go into stores and see software in brightly colored boxes reassured them that it was real. “Prepackaged software is a lot easier” to count, recalls Landefeld.

Silly as it may seem now, it was a revolutionary change at the time. But over the past seven years the economy has continued to evolve while the numbers we use to capture it have remained the same. Globalization, outsourcing, and the emphasis on innovation and creativity are forcing businesses to shift at a dramatic rate from tangible to intangible investments.

According to *BusinessWeek's* calculations, the top 10 biggest U.S. corporations that report their R&D outlays—a list that includes ExxonMobil, Procter & Gamble, General Electric, Microsoft, and Intel—have boosted R&D spending by 42%, or almost \$11 billion, since 2000. Yet over the same period, they have only increased capital spending by a meager 2%, or less



## Unmasking the Economy

The Knowledge Economy and You: Advice for investors and workers

A GDP Primer: How the numbers are calculated

**The Story Behind the Story:** For a podcast interview with Chief Economist Michael Mandel by Executive Editor John A. Byrne, go to [businessweek.com/search/podcasting.htm](http://businessweek.com/search/podcasting.htm)

**The Blog:** To discuss intangibles with Mandel, go to [businessweek.com/the\\_thread/economicsunbound/](http://businessweek.com/the_thread/economicsunbound/)



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than \$1 billion. So all together, these giants have actually increased their future-oriented investment by roughly \$12 billion—most of which doesn't show up in the BEA numbers.

This shift to intangibles looks all the more remarkable when we look a bit further back. P&G, for example, has boosted its spending on R&D, which doesn't count as investment in the GDP statistics, by 39% since 1996. By contrast, the company's capital budget, which does factor into GDP, is no bigger today than it was back then. The same is true at spicemaker McCormick & Co., where capital spending is basically flat compared to 1996 but R&D outlays to create new products have tripled over the same period.

Want to see how this works? Grab your iPod, flip it over, and read the script at the bottom. It says: "Designed by Apple in California. Assembled in China." Where the gizmo is made is immaterial to its popularity. It is great design, technical innovation, and savvy marketing that have helped Apple Computer sell more than 40 million iPods. Yet the folks at the BEA don't count what Apple spends on R&D and brand development, which totaled at least \$800 million in 2005. Rather, they count each iPod twice: when it arrives from China, and when it sells. That, in effect, reduces Apple—one of the world's greatest innovators—to a reseller of imported goods.

That's why the new research from Corrado, Sichel, and Hulten is so important, and why building and improving upon it could become a key goal of economists in the coming years. Ultimately, we might end up with a "knowledge-adjusted" GDP, which would track the spending so crucial for global competitiveness.

Right now, though, rough calculations of these intangibles are all we have. To help come up with their \$1 trillion number for un-

measured business investment, for example, Corrado, Sichel, and Hulten counted the portion of advertising designed to have long-lived effects on perception (that would include the sort of corporate image advertising seen in this magazine). They also estimated the value of new product development in the financial-services industry, which current R&D numbers miss. "We had to hunt around for bits and pieces of data," says Hulten.

Assessing how much bang for the buck companies get from their spending on intangibles is even harder, especially in the fast-changing knowledge economy. Take employee training. In the old days, that required flying people to a teaching facility, which cost companies a lot of time on top of the cost of the instructors and real estate. Now online learning and other innovations are driving down the cost of training. At IBM, the training budget fell by \$10 million from 2003 to 2004, a 1.4% decline, while the number of classroom and e-learning hours rose by 29%. Are other companies seeing an equally dramatic decline in the cost of training? No one knows.

## CHANGING PERCEPTIONS

THAT'S WHY THE BEA doesn't want to move too fast. It plans to publish supplementary accounts for R&D in the next few years, which will track R&D spending without adding it into the official GDP numbers. Other intangibles, though, remain below the radar. "No one disagrees with this conceptually," says BEA chief Landefeld. "The problem is in the empirical measurement."

But look at how our perception of the economy changes once you add in things like R&D and brand-building. The published data show that total investment—business, residential, and government—has been falling over the past three decades as a share of national spending, while consumption has been rising.

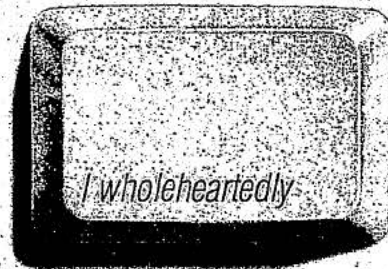
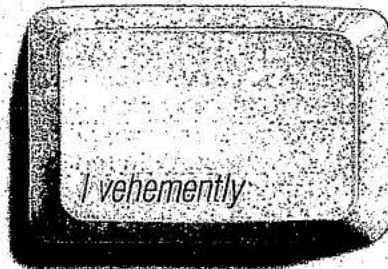
## The numbers say growth slowed,

Add in the intangible investments provided by our three economists, and the picture changes completely.

Total investment rises, going from 23.8% of national spending in the 1970s to 25.1% in the early 2000s—much higher than the 18.3% the conventional numbers show. That helps explain why the economy has sustained strong productivity growth, and why foreign investors continue to pour money into the U.S.

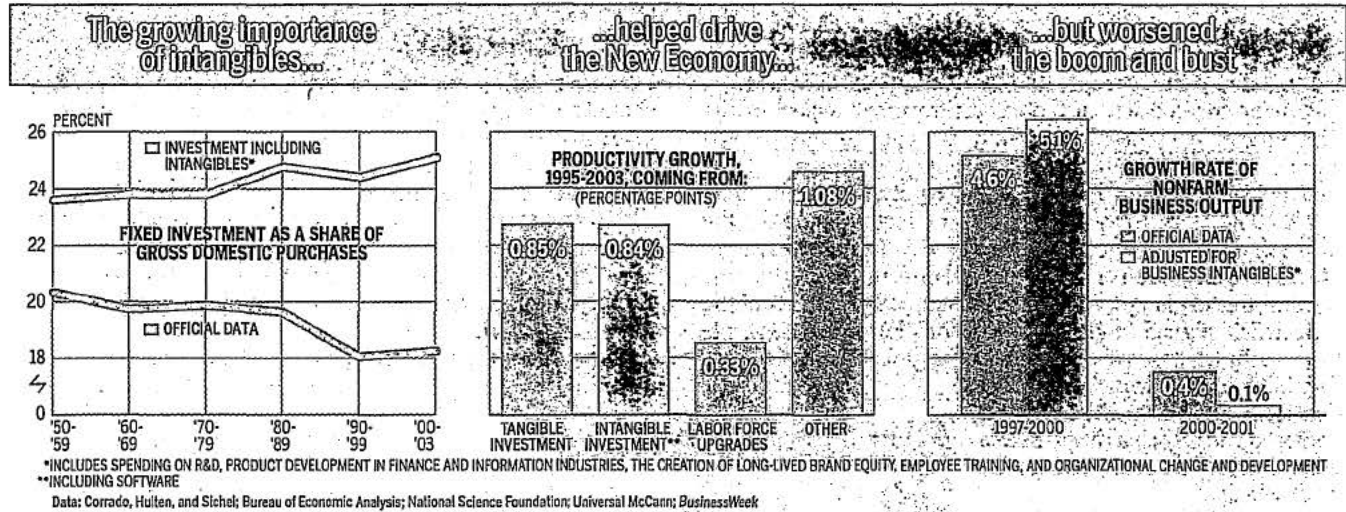
Factoring in the knowledge economy also helps us understand why the recession of 2001 seemed worse than the official

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# Factoring in the Missing Pieces

Including R&D, training, and other intangibles in the numbers helps explain a decade of economic reality



statistics showed—and why the recovery was so slow. According to the published numbers, the six-month recession of 2001 was so mild the business sector actually grew at a modest 0.4% pace that year. By 2003, however, more than 3 million private sector jobs had disappeared.

One reason for this disconnect is simple: Corporations hacked back their budgets for R&D, advertising, training, and so forth. Yes, that canceled out a ton of high-paying jobs, but had

business intangibles would have changed the growth numbers. For our purposes, let's assume that overall intangible business investment followed the same path as industrial R&D and advertising, for which annual data are available. Crunch the numbers and it looks like the business sector really grew by only 0.1% in 2001, less than a quarter of the size of the official increase. Growth in 2002 now also looks slower than the published data.

By contrast, the conventional numbers may be understating the strength of the economy today. The BEA announced on Jan. 27 that growth in the fourth quarter of 2005 was only 1.1%. In part that was because of a smaller-than-expected increase in business capital spending. However, employment at design and management-consulting firms is up sharply in the quarter, suggesting that businesses may be spending on intangibles instead. Indeed, the consumer confidence number for January zoomed to the highest level since 2002, as Americans became more optimistic about finding jobs.

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There's enough data available through 2003 to estimate how

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es and reduced innovation could deepen the next downturn.

Perhaps the trickiest and most controversial aspect of the shadow economy is how it alters our assessment of international trade. The same intangible investments not counted in GDP, such as business knowhow and brand equity, are for the most part left out of foreign trade stats, too. Also largely ignored is the mass influx of trained workers into the U.S. They represent an immense contribution of human capital to the economy that the U.S. gets free of charge, which can substantially balance out the trade deficit of goods and services. "I don't know that the trade deficit really tells you where you are in the global economy," says Gary L. Ellis, chief financial officer of Medtronic Inc., a world leader in medical devices such as implantable defibrillators. "We're exporting a lot of knowledge."

Time for another real-world example. In December, Intel Corp. announced plans to build a new wafer-fabrication plant in Israel. To the statisticians, the value of that foreign investment is the book value of the plant—that is, the cost of erecting the building and installing the chipmaking machinery.

Not counted is the systematic export of knowhow to Israel that enables that factory to operate profitably. At the core is a program called Copy Exactly!, which requires that a new fab duplicate an existing one that is working well, down to how often the plant's pumps are serviced. All of this critical information is documented and transferred from the U.S. to the new plant, but it is not picked up by the trade statistics.

The numbers don't catch Intel's exhaustive training program either. To get its new plants running quickly, the chipmaker brings 800 or 900 employees from the new fab to spend a minimum of six months in Hillsboro, Ore., where Intel develops new production processes. By the time they return home, these people will have picked up not just the details of the process but also tribal knowledge—the unwritten lore of how Intel works. With that info in their heads, they're equipped to get the new factory up and running at high volume within a quarter, rather than taking a year or more. In economics speak, this is a classic transfer of human capital. So why isn't it called an export?

Ricardo Hausmann, director of

Harvard's Center for International Development, believes it should be. He describes these cross-border flows of knowhow as "dark matter." Hausmann notes that U.S. multinationals consistently earn higher rates of return than their foreign counterparts—an average of 6% on foreign operations since 2000, vs. the 1.2% foreign multinationals earn in the U.S., according to the latest BEA figures. From that, he infers that the multinationals are benefiting, in part, from knowledge exported from the U.S., a country with faster productivity growth than the rest of the industrialized world.

Using these arguments, Hausmann finds that the U.S. current account deficit actually disappears, averaged over time. "With globalization, you develop a blueprint and sell it in all countries," he says. "Countries that are good at creating blueprints get more exports of dark matter."

Admittedly, most trade experts are hostile to Hausmann's conclusions. A recent report from Goldman, Sachs & Co. likened Hausmann's dark matter to cold fusion. And the economists at the BEA worry that adding knowledge exports to the trade stats would make published data less useful. "I have a problem putting fabricated flows into exports," says Ralph H. Kozlow, who oversees international accounts at the BEA. "You get into an impossible statistical maze when you try to value all of this at anything that anyone would believe."

But even if Hausmann is overstating his case, he's on the right track. There's no doubt that the statistical problems are formidable, but it's also certain that the conventional trade statistics are missing a big portion of the knowledge flows that create value these days. Suppose we assume that U.S. multinationals can earn an extra percentage point of return on their foreign investments by being able to use business intangibles exported from the U.S. Then a rough estimate of the value of the unmeasured exports of knowledge is anywhere from \$25 billion to \$100 billion per year, depending on what assumptions are used.

And let's not forget about immigrants. The workers who move to the U.S. each year bring with them a mother lode of education and skills—human capital—for free.

## Big Companies Go Intangible

Companies are putting more emphasis on R&D and less on capital investment. Since 2000, the "intangibility index"—the ratio of R&D to capital spending, multiplied by 100—has risen for 9 of the 10 biggest U.S. companies that report R&D

COMPANY	INTANGIBILITY INDEX* 2000	LATEST**
EXXONMOBIL	5.1	4.4
GE***	73.6	100.7
MICROSOFT	429.1	761.6
PROCTER & GAMBLE	62.9	89.0
PFIZER	211.0	295.4
JOHNSON & JOHNSON	183.8	239.2
ALTRIA	32.0	42.3
CHEVRONTEXACO	2.2	2.9
INTEL	58.4	88.4
IBM	95.6	129.9
ALL 10	56.8	79.1

OVERALL	PERCENTAGE CHANGE 2000-LATEST**
R&D SPENDING	+42.1%
CAPITAL SPENDING	+2.1

\*Capital spending for oil companies includes expenditures for exploration as well.

\*\*Latest year for which R&D and capital spending are both available.

\*\*\*Excluding GE Capital Services Data: Company reports, BusinessWeek

One celebrated example is Jonathan Ive, the man who designed the iPod and iMac. Ive was born in England and educated at Newcastle Polytechnic University of Northumbria before joining Apple Computer Inc. in California in 1992.

Ive is not unique. Most of the workers who immigrate to the U.S. each year have at least a high school diploma, while about a third have a college education or better. Since it costs, on average, roughly \$100,000 to provide 12 years of elementary and secondary education, and another \$100,000 to pay for a college degree, immigrants are providing a subsidy of at least \$50 billion annually to the U.S. economy in free human capital. Alter-

natively, valuing their contribution to the economy by the total wages they expect to earn during their lifetime would put the value of the human capital of new immigrants closer to \$200 billion per year. Either the low or high estimate would make the current account deficit look smaller.

These numbers may also seem squishy. Still, if Fed chief Bernanke, corporate executives, and ordinary investors want to know where we've been, and where we're headed, tracking the creation and flow of knowledge is the only way to go. ■

—With Steve Hamm in New York and Christopher J. Farrell in St. Paul, Minn.

## Tuition: It's Not Like An Ice Cream Cone

**F**orty-two grand a year. That's the going rate for tuition, room, and board at Vermont's pricey Middlebury College, where Donna Kelly's son and daughter go to school. "It's what we spend all our discretionary income on: education," says Kelly, who lives in St. Paul, Minn. "We look on it as an investment in their lives."

Government number crunchers don't see it that way, though. By their reckoning, the money households lay out for college and other levels of education—an eye-popping \$224 billion in 2005—is consumption, no different than buying an ice cream cone or a new pair of sneakers. Ditto for money plowed into federal job programs, the National Science Foundation (NSF), and even the salary of the local public school teacher who helped your child learn to read.

Imagine if all the money you devote to education, plus the government's outlays for education, training, and R&D, went into the investment column instead. Suddenly, Americans would look a lot less profligate. The U.S. devotes more to education and R&D than most other industrialized countries. For example, America spends well over 7% of gross domestic product on education, compared with 4.6% for Japan. And if the money socked away by households and spent on education was counted as savings, then the U.S. personal savings rate for 2005 would be 2.0%, not the -0.5% the official numbers show.

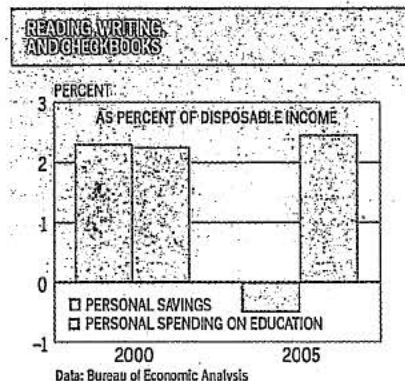
So why aren't these outlays being categorized as investment? Supplementary accounts for government and business R&D are coming (page 62). But treating education as investment is much farther off, despite the obvious long-lasting nature of the "human capital" asset created by

education. After all, the skills learned in school last a lot longer than the typical computer, which is counted as investment by the statisticians.

The reason is simple: There is no consensus, among economists, educators, or, for that matter, broader society on how to measure the value of a dollar spent on education. Should it be valued higher if it raises test scores or results in a higher wage down the road? Should it be valued lower if the kids are taught in a crowded classroom or if the college economics course is taught by a research assistant who speaks broken English? Are high school courses in art appreciation an essential part of the curriculum or a mere frill? These questions

### Investing in The Kids

Households are spending more on education even as the savings rate falls



are not merely technical but matters of intense public and political debate, both at the national and local level.

Similar concerns complicate a more rational assessment of the federal budget. The government spends an enormous amount, \$396 billion in fiscal 2005, on long-lived, intangible investment such as R&D and education, as well as such physical assets as computers and jet fighters. So why not take a page from the business world: Separate out investment spending from the day-to-day costs of running the government.

Calculating the budget that way would put the federal government's current operations into surplus, since the investment outlays exceed the total deficit of \$318 billion. What's more, it would become clear that government borrowing was funding investments with a future payoff. In an ideal world, Congress would weigh whether boosting basic research, as President George W. Bush proposed in his State of the Union speech, was worth taking on more debt. Today, by comparison, the NSF is funded in the same appropriations bill as the Justice Dept., so that more money for long-term research may be competing against more dollars for the Federal Bureau of Investigation. That sort of choice encourages short-run thinking.

In the real world, even proposing a shift to operating and investment budgets would scare up a lot of opposition. One fear is that politicians would try to game the system. Says Joseph J. Minarik, research director for the Committee for Economic Development, a research organization in Washington: "One man's investment is another man's pork—pork being defined as spending that doesn't generate a broad return."

Still, calling things by their right names has clear advantages. Persisting in the fiction that government and household spending on R&D, training, and education is only consumption is to misunderstand the knowledge economy.

—By Michael Mandel in New York, with Christopher J. Farrell in St. Paul, Minn., and Howard Gleckman in Washington

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EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON, D.C. 20502

February 13, 2006

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MEMORANDUM FOR THE PRESIDENT

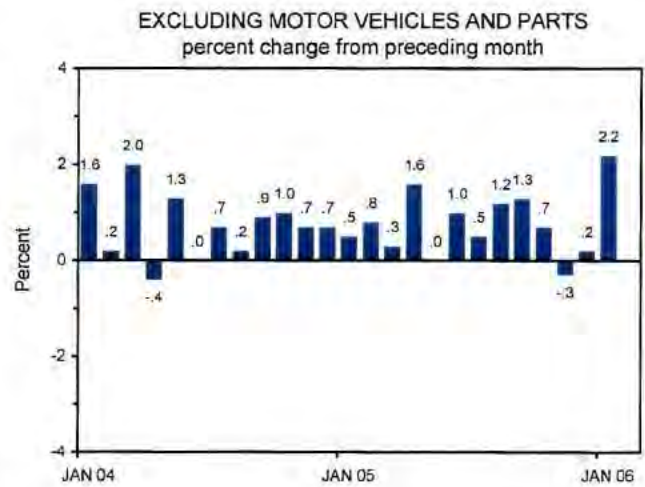
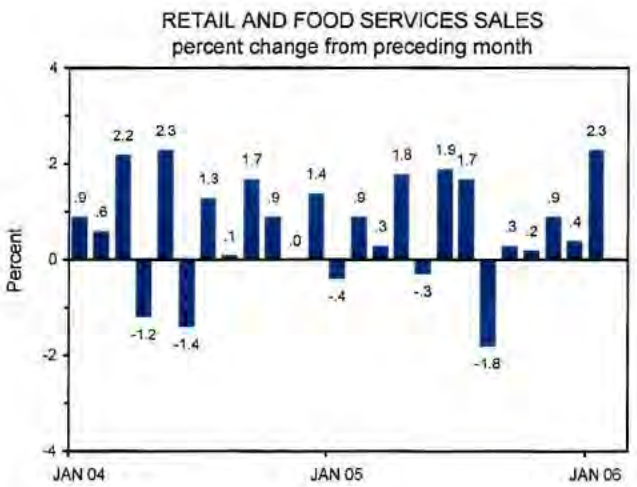
FROM: KEITH HALL *[Signature]*

SUBJECT: **Retail and Food Services Sales in January (\*\*\*\*)**  
Public Release: 8:30 am, Tuesday (Commerce Department)

**Explosive growth in January retail sales**

	Change in Retail Sales (nominal) from December to January	
	Actual	Expected
Total retail sales	2.3%	0.9%
Excluding motor vehicles	2.2%	0.8%

- **Nominal retail sales rose 2.3% in January**, well above market expectations of about 0.9%.
- **Sales of motor vehicles and parts increased 2.9% in January**, after a sizeable month-earlier gain. This increase had been foreshadowed by the automakers' report of an increase in unit sales from a 17.1 to a 17.6 million unit annual selling pace in January. Sales of light motor vehicles have been roughly flat at about 17 million units during the past 6 years.
- **Excluding motor vehicles, nominal retail sales rose 2.2%**, well above the roughly 0.8% increase expected by the market. A large rise in gasoline prices contributed to this increase. Even so, the real increase in January spending excluding motor vehicles is likely to be among the largest one-month increases on record (in a series that begins in 1990). The consumer price data needed to deflate retail spending arrives next week.
- **The January sales gain was distributed across a wide array of retail categories.**



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10-Day Forecast    Hourly    Details

Today	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed
Feb 13	Feb 14	Feb 15	Feb 16	Feb 17	Feb 18	Feb 19	Feb 20	Feb 21	Feb 22
Partly Cloudy	Snow Shower	Snow	Snow Shower	Snow Shower	Snow Shower	Snow Shower	Snow Shower	Partly Cloudy	Snow Shower
27°F 12°F	24°F 4°F	17°F -8°F	8°F -6°F	13°F -8°F	17°F -5°F	20°F -2°F	26°F 3°F	25°F 5°F	29°F 5°F

Golf Index 0-Poor 10-Excellent

Do the conditions favor a low round?

0 - Poor Conditions, 10 - Excellent Conditions

0    0    0    0    0    0    0    0    0    0



Jackson Hole Golf & Tennis Club (est. 1963)

5000 Spring Gulch Rd  
Jackson, WY  
83001

Phone: (307) 733-3111  
Toll-Free: --  
Other: --  
Fax: (307) 733-8473



GPS	Driving Range	Area Price
No	30 Tee Stations	\$\$\$

<b>Jackson Hole</b>					<b>Type:</b> Public Course		
					<b>Opened:</b> January 1963		
<b>Architect:</b> Robert Trent Jones, Jr., ASGCA					<b>Fees (with cart)</b>		
Holes	Yards*	Par	Slope	Rating	Weekday	Weekend	Twilight
18	7168	72	123	72.5	\$150	\$150	\$75

\*Yardage measured from the back tees

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Jackson Hole Mountain Resort, WY

**Base Depth:** 41-92"  
**New Snow:** 0  
**Primary Surface:** Packed Powder  
**Last Report:** 02/13/06 06:00 AM  
**Trails Open:** 96 of 111  
**Lifts Open:** 11 of 12  
**Acres Open:** 2500  
**Percent Open:** 100  
**Status:** Open



ResortCam@ provided by RSN



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**Hours:** Mon-Fri: 9a-4p; Sat/Sun: 9a-4p;

**Snow Comments:** Last snowfall: Feb 06/ 2 inches; Previous snowfall: Feb 04/ 4 inches;

**Other Comments:** Winds at base: calm; Visibility: excellent;

10-Day Forecast

Hourly

Details

Today	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed
Feb 13	Feb 14	Feb 15	Feb 16	Feb 17	Feb 18	Feb 19	Feb 20	Feb 21	Feb 22
Partly Cloudy	Snow Shower	Snow	Snow Shower	Snow Shower	Few Snow Showers	Snow Shower	Snow Shower	Partly Cloudy	Snow Shower
26°F 11°F	23°F 3°F	15°F -9°F	7°F -6°F	12°F -9°F	15°F -6°F	19°F -3°F	24°F 2°F	23°F 4°F	27°F 4°F

Chance of Precipitation

Today	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed
10%	60%	60%	50%	50%	30%	30%	40%	10%	60%

Wind Speed

Today	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed
10 mph	7 mph	7 mph	5 mph	6 mph	6 mph	4 mph	5 mph	6 mph	8 mph

UV Index

0 Low 10+ Extreme



Today 3 Tue 2 Wed 2 Thu 2 Fri 2 Sat 3 Sun 2 Mon 3 Tue 3 Wed 2

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# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. email	Lucy Tutwiler to Charles Durkin [redaction of cell phone number] (1 page)	02/13/2006	P6/(b)(6)

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**COLLECTION:**

Cheney Vice Presidential Records  
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Miscellaneous Outbox, 2006  
OA/Box Number: 00552

---

**FOLDER TITLE:**

February 13, 2006

2014-0011-F  
AYM10

---

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

- P1 National Security Classified Information [(a)(1) of the PRA]
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- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

**Freedom of Information Act - [5 U.S.C. 552(b)]**

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- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

607529

**Durkin, Charles P.**

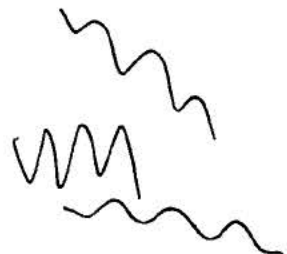
---

**From:** Tutwiler, Lucy A.  
**Sent:** Monday, February 13, 2006 8:42 AM  
**To:** Durkin, Charles P.  
**Subject:** Catherine Armstrong's numbers

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Office: (512) 478-1003

Cell: [REDACTED] (b)(6)

Handwritten scribbles consisting of several wavy, irregular lines.

# Withdrawal/Redaction Marker

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006. letter	Nelson L. Levy to Vice President Cheney (1 page)	02/15/2006	PRM

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financial institutions [(b)(8) of the FOIA]  
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**JON KYL**, United States Senator, ARIZONA  
 730 Hart Senate Office Building  
 Washington, DC  
 (202) 224-4521  
 FAX (202) 224-2207

FAX COVER SHEET

DATE: Feb. 13, 2004  
 PAGES(w/cover): \_\_\_\_\_

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 OFFICE: \_\_\_\_\_  
 FAX: \_\_\_\_\_

FROM:

Jon Kyl \_\_\_\_\_

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COMMENTS: For VP Cheney and Brenta Becker!  
Thanks so much ...

*The NSA Surveillance Program: An Indispensable Tool for Protecting America*  
Remarks by Senator Kyl at CSIS  
February 13, 2006

Opening Story:

A story which intelligence historians continue to debate today concerns the German bombing of Coventry in the Fall of 1940, during the height of Hitler's efforts to bring England to her knees. It is claimed that Churchill received top secret intelligence, derived from the Anglo-American breaking of the German Enigma code, which indicated that Coventry would be hit later that day. Churchill faced a choice, evacuate Coventry and risk revealing that the Enigma code had been broken, or sit on the information at the cost of potentially thousands of lives. He decided to put the city's emergency services on alert and take no further action. Coventry was sacrificed, but the Germans had no hint that their code was compromised.

This story, while possibly apocryphal, is nevertheless telling, because it demonstrates the preeminent value of operational intelligence in war. Churchill was not criticized for his decision, illustrating the mindset that we expect wartime leaders to have.

I. Set the stage:

- We are in a protracted struggle with an enemy whose ambition is simple: kill Americans by the millions and destroy our way of life.
  - A. *DNI Negroponte*: Attacking the United States homeland, United States interests overseas and United States allies -- in that order -- are Al Qaeda's top operational priorities. The group will attempt high-impact attacks for as long as its central command structure is functioning and affiliated groups are capable of furthering its interests, because even modest operational capabilities can yield a deadly and damaging attack.<sup>1</sup>
  - B. Enemy wears no uniform, and can hide among our population for years (as did the 9/11 hijackers); and coordinating and financing its mass casualty attacks like 9/11 requires contact with their sources of support abroad.
  - C. The need for terrorists to communicate provides us with intelligence opportunities.

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<sup>1</sup> Director of National Intelligence John Negroponte, testimony for SSCI "Hearing on the Worldwide Threat," February 2, 2006.

II. Our main weapon in fighting terrorism is good intelligence

- \* The NSA terrorist surveillance program is necessary, and Americans expect their government to protect them in this way.

A. *From AG Testimony*: It is hard to imagine a President who would not elect to use these tools in defense of the American people—in fact, it would be irresponsible to do otherwise. The terrorist surveillance program is both necessary and lawful.<sup>2</sup>

B. *FBI Director Mueller*: ...leads from that program have been valuable in identifying would-be terrorists in the United States, individuals who were providing material support to terrorists.<sup>3</sup>

C. *DDNI Hayden*: ...the 9/11 commission criticized our ability to link things happening in the United States with things that were happening elsewhere. In that light, there are no communications more important to the safety of this country than those affiliated with al Qaeda with one end in the United States.<sup>4</sup>

D. *DDNI Hayden*: Had this program been in effect prior to 9/11, it is my professional judgment that we would have detected some of the 9/11 al Qaeda operatives in the United States, and we would have identified them as such.

III. The program includes a number of key protections:

- A. Intercepts only those communications where one end of the line is located outside the United States and one of the participants is a known or suspected member of Al Qaeda or an affiliate organization.
- B. Closely targeted – it is not a driftnet to grab conversation and sort them by keyword searches. *From DDNI Hayden*
- C. US identities are removed when they are not essential to understand intelligence reports. *From DDNI Hayden*
- D. Presidential reauthorization is required every 45 days.
- E. Leaders of the House, Senate, and the two intelligence committees have been continually briefed, and IG review is extensive.

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<sup>2</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

<sup>3</sup> FBI Director Robert Mueller, testimony for SSCI "Hearing on the Worldwide Threat," February 2, 2006.

<sup>4</sup> DDNI Gen. Michael Hayden, Speech at the National Press Club, January 23, 2006.

IV. 3 basic arguments currently being advanced by opponents of the program:

A. Argument 1: The program is illegal under current law

Not true: the legal arguments on behalf of the program are strong:

i. CONSTITUTIONAL AUTHORITY

Article II, Sec. 2: "The President shall be Commander in Chief of the Army and Navy of the United States, and of the Militia of the several States, when called into the actual Service of the United States..."

a. *From DOJ Letter to Congress:* Under Article II of the Constitution, including in his capacity as Commander in Chief, the President has the responsibility to protect the Nation from further attacks, and the Constitution gives him all necessary authority to fulfill that duty. *See, e.g., Prize Cases*, 67 U.S. (2 Black) 635, 668 (1863) (stressing that if the Nation is invaded, "the President is not only authorized but bound to resist by force...without waiting for any special legislative authority"); *Campbell v. Clinton*, 203 F.3d 19, 27 (D.C. Cir. 2000) (Silberman, J., concurring) ("[T]he Prize Cases...stand for the proposition that the President has independent authority to repel aggressive acts by third parties even without specific congressional authorization, and courts may not review the level of force selected."<sup>5</sup>

b. The fact that Congress passed FISA in 1978 does not erase the President's Constitutional authority.

- *From AG Testimony:* The FISA Court of Review, the special court of appeals charged with hearing appeals of decisions by the FISA court, stated in 2002 that "[w]e take for granted that the President does have that [inherent] authority" and, "assuming that is so, FISA could not encroach on the President's constitutional power." *Sealed Case*, 310 F.3d at 742.<sup>6</sup>

c. It has long been recognized that the President's constitutional powers include the authority to conduct warrantless surveillance aimed at detecting and preventing armed attacks on the United States. Presidents have repeatedly relied on their inherent power to gather foreign intelligence for reasons both diplomatic and military, and the federal courts have consistently upheld this

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<sup>5</sup> William E. Moschella, Assistant Attorney General, Letter to Sen. Roberts, Sen. Rockefeller, Rep. Hoekstra, and Rep. Harman, December 22, 2005.

<sup>6</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.



longstanding practice. *See In re Sealed Case*, 310 F.3d 717, 742 (Foreign Intel. Surv. Ct. of Rev. 2002).<sup>7</sup>

- d. *From AG Testimony*: During the Clinton Administration, Deputy Attorney General Jamie Gorelick testified before Congress in 1994 that the President has inherent authority under the Constitution to conduct foreign intelligence searches of the private homes of U.S. citizens in the United States without a warrant, and that such warrantless searches are permissible under the Fourth Amendment. *See Amending the Foreign Intelligence Surveillance Act: Hearings Before the HPSCI*, 103d Cong. 2d Sess. 61, 64 (1994) (statement of Deputy Attorney General Jamie S. Gorelick). *See also In re Sealed Case*, 310 F.3d at 745-46.<sup>8</sup> (ames case)
- e. *From AG Testimony*: ...the NSA's terrorist surveillance program fully complies with the Fourth Amendment, which prohibits unreasonable searches and seizures. The Fourth Amendment has never been understood to require warrants in all circumstances. The Supreme Court has upheld warrantless searches at the border and has allowed warrantless sobriety checkpoints. *See, e.g., Michigan v. Dept. of State Police v. Sitz*, 496 U.S. 444 (1990); *see also Indianapolis v. Edmond*, 531 U.S. 32, 44 (2000)...Moreover, although the Fourth Amendment does not require application of a probable cause standard in this context, the "reasonable grounds to believe" standard employed in this program is the traditional Fourth Amendment probable cause standard.<sup>9</sup>

## ii. STATUTORY

The Congressional Authorization for Use of Military Force, Pub. L. No. 107-40, 115 Stat. 224 (Sept. 18, 2001) ("AUMF").

- a. *From AG Testimony*: First, it expressly recognized the President's "authority under the Constitution to take action to deter and prevent acts of international terrorism against the United States." Second, it supplemented that authority by authorizing the President to "use all necessary and appropriate force against those nations, organizations, or persons he determines planned, authorized, committed, or aided the terrorist attacks" in order to prevent further attacks on the United States. Accordingly, the President's authority to use military force against those terrorist

<sup>7</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

<sup>8</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

<sup>9</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

groups is at its maximum because he is acting with the express authorization of Congress.<sup>10</sup>

- b. *From AG Testimony:* ...the language of the AUMF itself, calls on the President to protect Americans both “at home and abroad,” to take action to prevent further terrorist attacks “against the United States,” and directs him to determine who was responsible for the attacks.<sup>11</sup>
- c. *From AG Testimony:* In 2004, the Supreme Court considered the scope of the AUMF in *Hamdi v. Rumsfeld*, 542 U.S. 507 (2004). There, the question was whether the President had the authority to detain an American citizen as an enemy combatant for the duration of the hostilities. The Supreme Court confirmed that the expansive language of the AUMF — “all necessary and appropriate force” — ensures that the congressional authorization extends to traditional incidents of waging war. And, just like the detention of enemy combatants approved in *Hamdi*, the use of communications intelligence to prevent enemy attacks is a fundamental and accepted incident of military force.<sup>12</sup>
- d. Surely, collecting intelligence about the plans and intentions of the enemy in a time of armed conflict is an incident of war. History is replete with examples of President’s using this authority.
  - *From AG Testimony:* the day after the attack on Pearl Harbor, President Roosevelt authorized the interception of all communications traffic into and out of the United States. The terrorist surveillance program, of course, is far more focused, since it involves the interception only of international communications that are linked to al Qaeda.<sup>13</sup>

B. Argument 2: FISA is the sole authority for surveillance and must be used or amended

[Note: This argument rejects the constitutional authority claim]

- i. FISA allows for changes “as authorized by statute”, and the AUMF provides that authorization.
  - a. *From AG Testimony:* FISA allows Congress to respond to new threats through separate legislation. FISA prohibits persons from

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<sup>10</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

<sup>11</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

<sup>12</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

<sup>13</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

intentionally “engag[ing] . . . in electronic surveillance under color of law except as authorized by statute.” For the reasons I have already discussed, the AUMF provides the relevant statutory authorization for the terrorist surveillance program. Hamdi makes clear that the broad language in the AUMF can satisfy a requirement for specific statutory authorization set forth in another law.<sup>14</sup>

ii. The enhanced Terrorist Surveillance Program is necessary given the agility and resourcefulness of our terrorist enemy, which FISA cannot match. Actionable intelligence has a short shelf life.

a. PDDNI Hayden has testified that FISA is poorly suited to the carrying out of this kind of program.

- PDDNI Hayden: ...I don't think that anyone can make the claim that the FISA statute is optimized to deal with or prevent a 9/11 or to deal with a lethal enemy who likely already had combatants inside the United States... The president's authorization allows us to track this kind of call more comprehensively and more efficiently. The trigger is quicker and a bit softer than it is for a FISA warrant, but the intrusion into privacy is also limited: only international calls and only those we have a reasonable basis to believe involve al Qaeda or one of its affiliates.<sup>15</sup>

b. IT has been suggested that FISA's 72 hour provision allows for greater flexibility, but this is hardly the case.

- From AG Testimony: Some have pointed to the provision in FISA that allows for so-called “emergency authorizations” of surveillance for 72 hours without a court order. There is a serious misconception about these emergency authorizations. We do not and cannot approve emergency surveillance under FISA without knowing that we meet FISA's normal requirements. In order to authorize emergency surveillance under FISA, the Attorney General must personally “determine[] that . . . the factual basis for issuance of an order under [FISA] to approve such surveillance exists.” . . . Thus, to initiate surveillance under a FISA emergency authorization, it is not enough to rely on the best judgment of our intelligence officers. Those intelligence officers would have to get the sign-off of lawyers at the NSA, and then lawyers in the Department

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<sup>14</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

<sup>15</sup> DDNI Gen. Michael Hayden, Speech at the National Press Club, January 23, 2006.

of Justice would have to be satisfied that the statutory requirements for emergency authorization are met, and finally as Attorney General, I would have to be satisfied that the proposed surveillance meets the requirements of FISA. Finally, the emergency application must be filed "as soon as practicable," but within 72 hours.<sup>16</sup>

- Put simply, this is not standard wiretap activity. It is much different and the problem is that the Attorney General may not know what he is going to get out of a particular electronic surveillance until he gets it. FISA's 72-hour rule demands that the AG certify that he will be able to meet the FISA standard before the activity even happens. Hence, FISA limits the intelligence community's flexibility in an unacceptable way.

### C. Argument 3: Oversight by Congress should be increased

- While there is some merit to this point, it is hard to guarantee the necessary operational secrecy in the current political atmosphere.
  - i. There is a clear tension between the desire for more oversight and the potential for more unauthorized and harmful disclosure.
  - ii. Those entrusted with knowledge of this program must be committed to its protection. Not all are. Opponents of the program openly celebrate the leaks while demanding that they be fully briefed on it.
    - a. *Senator Leahy*: Mr. Attorney General, can you see why I have every reason to believe we never would have found out about this if the press hadn't? Now, there has been talk about, well let's go prosecute the press. Heavens. Thank God we have a press that at least tells us what the heck you guys are doing, because you are obviously not telling us.<sup>17</sup>
  - iii. The leaders of our intelligence community believe that these leaks have been extremely damaging to our national security.
    - a. *CLA Director Goss*: ...I'm sorry to tell you that the damage has been very severe to our capabilities to carry out our mission.<sup>18</sup>
    - b. *DNI Negroponte*: ...any time sensitive sources and methods are revealed in the public domain, through press stories or otherwise,

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<sup>16</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

<sup>17</sup> Senator Patrick Leahy, Questioning of Attorney General Gonzales, Judiciary Committee, February 6, 2006.

<sup>18</sup> CLA Director Porter Goss, testimony for SSCI "Hearing on the Worldwide Threat," February 2, 2006.

that this carries with it the grave danger of prejudicing, adversely affecting our intelligence operations, and in many instances lives can be directly at stake. And I must say that in the nine months that I've been in this job, one of the greatest disappointments that I personally have had is experiencing the degree to which people are willing to talk about classified matters to the public media. And we've got to bring that kind of activity to a stop.<sup>19</sup>

V. So what kind of oversight would be both helpful and workable?

- A. Senator Specter FISA Court Proposal: Seeking an advisory opinion from the FISA Court would be both unprecedented and unwarranted. The U.S. Supreme Court would never review such a non-justiciable case. There is no case or controversy and quite probably a political question.
- B. Amend FISA: There is simply no need to amend FISA, as the Attorney General testified. The President already has the authority to conduct the program under the Constitution, and the AUMF also meets the FISA requirement for "authorization by statute." Moreover, drafting an effective amendment would be difficult; it would likely be either too general or too specific.
- C. Regular Briefing to SSCI and HPSCI: "after-action report" could cover enough relevant information to allow Congress to conduct meaningful oversight:
  - i. Is the program being executed as it was intended, i.e., in accordance with the guidelines (without discussing the operational details of the guidelines)?
  - ii. Have any U.S. persons been subject to surveillance who, under the guidelines, should not have been?
  - iii. In any cases where this might have happened:
    - a. Was there any damage from this occurrence?
    - b. Are adequate measures being taken to ensure that it does not happen again?
  - iv. The "gang of eight" should be provided with the guidelines governing the execution of this program as well as a general assessment of the results.

## VI. CONCLUSION

<sup>19</sup> Director of National Intelligence John Negroponte, testimony for SSCI "Hearing on the Worldwide Threat," February 2, 2005.

From Testimony of 9/11 Commission Co-Chairmen:

“The American people must be prepared for a long and difficult struggle. We face a determined enemy who sees this as a war of attrition – indeed, as an epochal struggle. We expect further attacks. Against such an enemy, there can be no complacency. This is the challenge of our generation. As Americans we must step forward to accept that challenge.”<sup>20</sup>

From the Attorney General’s Testimony:

“In confronting this new and deadly enemy, President Bush promised that “[w]e will direct every resource at our command—every means of diplomacy, every tool of intelligence, every tool of law enforcement, every financial influence, and every weapon of war—to the disruption of and to the defeat of the global terror network.” The terrorist surveillance program described by the President is one such tool and one indispensable aspect of this defense of our Nation.”<sup>21</sup>

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<sup>20</sup> The Hon. Thomas H. Kean and the Hon. Lee H. Hamilton, Public Statement upon release of the 9/11 Commission Report, Jun 22, 2005

<sup>21</sup> Attorney General Alberto Gonzales, Prepared testimony before Judiciary Committee, February 6, 2006.

THE WHITE HOUSE  
2/19/06

Assistant to the President for  
National Security Affairs

Mr. President -

Catching up on  
my reading. Two very  
interesting articles and  
well worth a read if  
you have not already  
seen them.

Steve Donahoe

cc: The Vice President  
The Chief of Staff

607529 VP

THE VICE PRESIDENT HAS SEEN

2/24

OVP STAFF  
SECRETARY RECEIVED

new art had treatment

to spread democracy turning into a fiasco? It doesn't have to. But it does need to change.

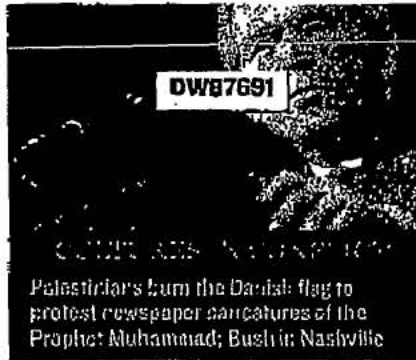
# Islam and Power

BY FAREED ZAKARIA

**George W. Bush is not a man for second thoughts, but even he might have had some recently.** Ever since 9/11, Bush has made the promotion of democracy in the Middle East the centerpiece of his foreign policy, and doggedly pushed the issue. Over the last few months, however, this approach has borne strange fruit, culminating in Hamas's victory in Gaza and the West Bank.

Before that, we have watched it strengthen Hizbullah in Lebanon, which (like Hamas) is often described in the West as a terrorist organization. In Iraq, the policy has brought into office conservative religious parties with their own private militias. In Egypt, it has bolstered the Muslim Brotherhood, one of the oldest fundamentalist organizations in the Arab world, from which Al Qaeda descends. "Democracies replace resentment with hope, respect the rights of their citizens and their neighbors, and join the fight against terror," Bush said last week in his State of the Union address. But is this true of the people coming to power in the Arab world today?

This is an issue that deserves serious thought, well beyond pointing to the awkwardness of Bush's position. Bush's prescription is, after all, one accepted by many governments: it is also European policy to push for democratic reform in the Middle East. And in fact, little has happened over the last few months that makes the case for continued support of Muslim dictatorships. But recent events do powerfully suggest that if we don't better understand the history, culture and politics of



Palastinians burn the Danish flag to protest newspaper caricatures of the Prophet Muhammad; Bush in Nashville

would have been published with no response?

The political Islamist movement has changed over the last 15 years. Through much of the 1980s and 1990s, Islamic fundamentalists had revolutionary aims. They sought the violent overthrow of Western-allied regimes to have them replaced with Islamic states. This desire for Islamic states and not Western-style democracies was at the core of their message. Often, transnational in their objectives, they spoke in global terms. But it turned out that the appeal of this ideology was limited. People in Algeria, Egypt, Saudi Arabia

the countries that we are "reforming," we will be in for an extremely rocky ride.

There is a tension in the Islamic world between the desire for democracy and a respect for liberty. (It is a tension that once raged in the West and still exists in pockets today.) This is most apparent in the ongoing tussle over the publication of cartoons of the Prophet Muhammad in a small Danish newspaper. The cartoons were offensive and needlessly provocative. Had the paper published racist caricatures of other peoples or religions, it would also have been roundly condemned and perhaps boycotted. But the cartoonist and editors would not have feared for their lives. It is the violence of the response in some parts of the Muslim world that suggests a rejection of the ideas of tolerance and freedom of expression that are at the heart of modern Western societies.

Why are all these strains rising now? Islamic fundamentalism was supposed to be on the wane. Five years ago the best scholars of the phenomenon were writing books with titles like "The Failure of Political Islam." Observers pointed to the exhaustion of the Iranian revolution, the ebbing of support for radical groups from Algeria to Egypt to Saudi Arabia. And yet one sees political Islam on the march across the Middle East today. Were we all wrong? Has Islamic fundamentalism gotten a second wind?

There are those who argue that the collapse of the Arab-Israeli peace process, the war on terror, and the bloodshed in Afghanistan and Iraq have all contributed to the idea that Islam is under siege—providing radicals with fresh ammunition. This is not, however, a wholly convincing case. For one thing, opposition to the Iraq war is not a radical phenomenon in the Middle East, but rather an utterly mainstream one. Almost every government opposed it. Moreover, the rise and fall of Islamic fundamentalism was a broad and deep phenomenon, born over decades. It could hardly reverse itself on the basis of a year's news. Does anyone believe that if there had been no Iraq war, Hamas would have lost? Or that the Danish cartoons

LEFT: PHOTOFEST; RIGHT: PHOTOFEST; PHOTOGRAPH BY AP/WIDEWORLD; THE NEW YORK TIMES

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and countless other places rejected it; in fact, they grudgingly accepted the dictatorships they lived under rather than support violent extremism. In this sense, political Islam did fail.

But over time, many of the Islamists recognized this reality and began changing their program. They came to realize that shorn of violent overthrow, revolution and social chaos, their ideas could actually gain considerable popular support. So they reinvented themselves, emphasizing not revolutionary overthrow but peaceful change, not transnational ideology but national reform. They were still protesting the dictators, but now they organized demonstrations in favor of democracy and honest politics.

There were extremist elements, of course, still holding true to the cause of the caliphate, and they broke off to create separate groups like Al Qaeda. (Some of this radicalism remains within the diaspora communities of Europe more strongly than in the Middle East itself.) But it is notable that well before 9/11, Egypt's Muslim Brotherhood condemned terrorism directed against the Mubarak regime, and it recently distanced itself even from the tactics of the Iraqi insurgency. It has sought instead to build support for its own social and political program in Egypt. For its part, not only did Hamas decide to participate in the elections—for the first time—but it campaigned almost entirely on a platform of anticorruption, social services and assertive nationalism. Only Al Qaeda and its ilk have condemned any participation in elections, whether by Iraqi Islamist groups or by Hamas.

This coming to terms with democracy, however, should not be mistaken for a coming to terms with Western values such as liberalism, tolerance and freedom. The program that most of these groups espouse is deeply illiberal, involving the reversal of women's rights, second-class citizenship for minorities and confrontation with the West and Israel. The most dramatic example of these trends is in southern Iraq, where Shiite religious parties rule without any checks. Reports abound that civil servants and professors are subjected to religious and political tests, women are placed under strictures never before enforced in Iraq, and all kinds of harmless entertainment are being silenced

by vigilantes. When entering the office of Iraq's prime minister, Ibrahim Jaafari, one now sees women swaddled in veils and gloves, a level of zeal rarely seen elsewhere in the Muslim world.

Some of these forces have gained strength because of a lack of other alternatives. For decades the Middle East has been a political desert. In Iraq, the reason that there are no countervailing liberal parties is that Saddam Hussein destroyed them. He could not completely crush mosque-based groups and, by the end of his reign, he actually used them to shore up his own legitimacy. In much of the Muslim world Islam became the language of political opposition because it was the only language that could not be censored. This pattern, of dictators using religious groups to destroy the secular opposition, played itself out in virtually every Arab country, and often beyond. It was the method by which Pakistan's Gen. Zia ul-Haq maintained his own dictatorship in the 1980s, creating a far stronger fundamentalist movement than that country had ever known.

**T**HE BROADER REASON FOR THE RISE OF ISLAMIC politics has been the failure of secular politics. Secularism exists in the Middle East. It is embodied by Saddam Hussein and Muammar Kaddafi and Hosni Mubarak and Yasir Arafat. Arabs believe that they have tried Western-style politics and it has brought them tyranny and stagnation. They feel that they got a bastardized version of the West and that perhaps the West was not the right model for them anyway. Islamic fundamentalism plays deeply to these feelings. It evokes authenticity, pride, cultural ascribedness and defiance. These ideas have been powerful sources of national identity throughout history and remain so, especially in an age of globalized economics and American power. In face of the powerlessness, alienation and confusion that the modern world breeds, these groups say simply, "Islam is the solution."

Inevitably we have to ask ourselves what to do about these movements that are rising to power. The first task is surely to understand them—understand that they thrive on pride and a search for authenticity. These forces play themselves out in complex ways. It is obvious by now that the United States—and Europe as well—understand countries like Iraq and Iran very little. In Iraq, the United States overturned old social structures and governing patterns with little thought as to what would replace them. We believed that democracy and freedom would solve the problems of disorder, division and dysfunction.

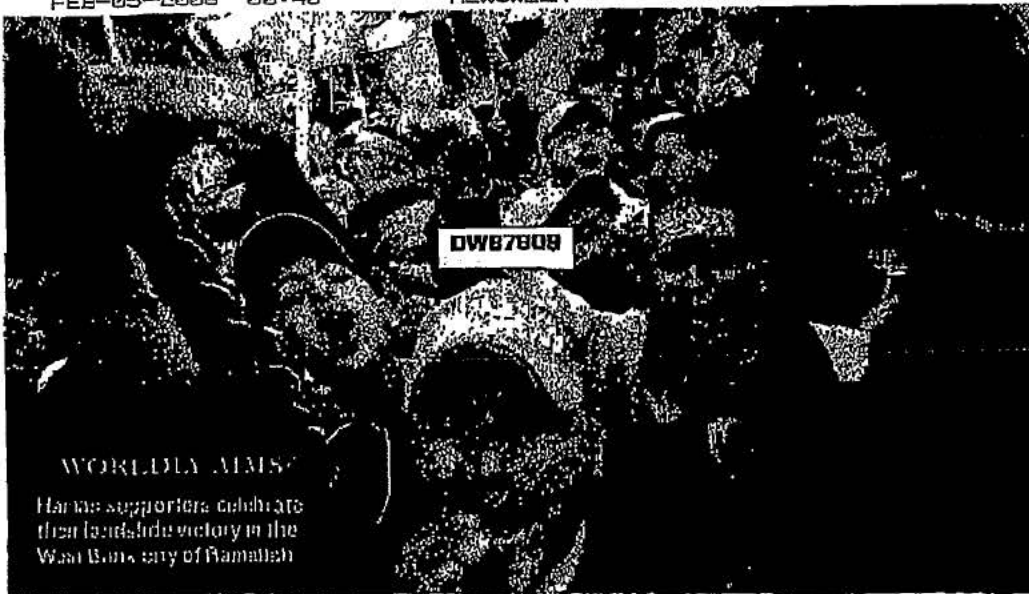
Or consider Iran. Many Americans had become convinced that the vast majority of Iranians hated their regime and were trying desperately to overthrow it; all we needed to do was help them foment a revolution. There's little doubt that the regime is brutal and unpop-

**MANY ISLAMISTS REINVENTED THEMSELVES, EMPHASIZING PEACEFUL CHANGE RATHER THAN RADICAL OVERTHROW.**



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WORLDLY AIMS

Hamas supporters celebrate their landslide victory in the West Bank city of Ramallah

RECENT EVENTS SHOW THAT PROMOTING DEMOCRACY AND PROMOTING LIBERTY ARE SEPARATE PROJECTS.

ular. But it also appears to have some basis of support, in mosques, patronage systems and poorer parts of the country. And those who do not support it are not automatically Western liberals. After all, there was an election in Iran and, despite low turnout, the eventual vote was free and secret. (Back when the winner of Iranian elections was a liberal, Mohammed Khatami, people often cited the vote as proof that the fundamentalists were failing.) Five candidates took part in the most recent race. The pro-Western liberal came in fifth; the conservative West-basher came in first.

**M**Y OWN GUESS, AND IT IS JUST A GUESS, IS that some Iranians—not a majority, but not a tiny minority, either—accept their current regime. This is partly because of its ideology and patronage politics, and partly because of general inertia. (We have only to look at Iraq to see that Shiite religious figures do have some hold on their populations.) Add to this an apparatus of repression and \$60-a-barrel oil and you have a regime that has many ways to stay in power. President Ahmadinejad understands these forces. He emphasizes in his daily television appearances not Islamic dogma but poverty alleviation, subsidies, anti-corruption projects and, above all, nationalism in the form of the nuclear program. Ahmadinejad may be a mystic, but most of his actions are those of a populist, using the forces that will work to keep him in power. This picture of Iran, gray and complex, is much less satisfying than the black-and-white caricature. But it might be closer to the truth.

Elections have not created political Islam in the Middle East. They have codified a reality that existed anyway. Hamas was already a major player to be reckoned with in Gaza. The Muslim Brotherhood is popular in Egypt, whether or not Hosni Mubarak holds real elections. In fact, the more they are suppressed, the greater their appeal. If politics is more open, these groups may or may not moderate themselves, but they will surely lose some of that mystical allure they now have. The martyrs will become martyrs, which is quite a fall in status.

But to accept these forces is not to celebrate them. It is important

Recall that in Europe for much of the last 100 years, when liberal democrats were not given assistance, nationalists and communists often triumphed through the democratic processes.

Above all, the forces of moderation thrive in an atmosphere of success. Two Muslim societies in which there is little extremism are Turkey and Malaysia. Both are open politically and thriving economically. Compare Pakistan today—growing at 8 percent a year—with General Zia's country, and you can see why, for all the noise, fundamentalism there is waning. If you are comfortable with the modern world, you are less likely to want to blow it up.

There are better and worse ways to handle radical Islam. We should not feed the fury that helps them win adherents. The Bush administration's arrogance has been a great boon to the nastiest groups in the Middle East, which are seen as the only ones who can stand up to the imperial bully. We should recognize how varied these groups are: some violent, others not, some truly anti-modern, others not—and work to divide rather than unite them. When, for example, Bush added Chechen brutalities to his list of crimes of "radical Islam," he made a mistake. Russia has waged a horrific war against Chechnya for two decades, killing more than 100,000 civilians. To speak of that conflict in the same breath as the London bombings, as Bush did, is to suggest that any time a Muslim kills, whatever the provocation, it's all the same to him.

Give Bush his due. He has correctly and powerfully argued that blind assistance to the dictatorships of the Middle East was a policy that was producing repression and instability. But he has not yet found a way to genuinely assist in the promotion of political, economic and social reforms in the region. A large part of the problem is that the United States—and the West in general—are not seen as genuine well-wishers and allies of the peoples of these countries in their aspirations for a better life. We have stopped partnering with repressive Middle Eastern regimes, but we have not yet managed to forge a real partnership with Middle Eastern societies.

that religious intolerance and antimodern attitudes not be treated as cultural variations that must be respected. Whether it is Hindu intolerance in India, anti-Semitism in Europe or Muslim bigotry in Saudi Arabia, the modern world rightly condemns them all as violating universal values. Recent months have only highlighted that promoting democracy and promoting liberty in the Middle East are separate projects. Both have their place. But the latter—promoting the forces of political, economic and social liberty—is the more difficult and more important task. And unless we succeed at it, we will achieve a series of nasty democratic outcomes, as we are beginning to in so many of these places.

This fight is not one the fundamentalists are destined to win. The forces of liberalism have been stymied in the Middle East for decades. They need help.

lynns RED

But we are in Iraq Afghanistan

LYNN MOVED CAPTION OVER

Folio	Mag	Pg	Vol	ISSN
037	D	EE	6	0

# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the Presidential Materials Division.**

<b>Collection:</b>	Cheney Vice Presidential records			
<b>Office of Origin:</b>	Staff Secretary			
<b>Series:</b>				
<b>Subseries:</b>	Misc. Outbox, 2006			
<b>OA/ID Number:</b>	00552			
<b>Folder Title:</b>	February 21, 2006			
<b>Stack:</b>	<b>Row:</b>	<b>Section:</b>	<b>Shelf:</b>	<b>Position:</b>
20W4	4	3	5	1

**FOIAed Under:**

# Withdrawal/Redaction Sheet

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Gretchen Gardner to Vice President Cheney (1 page)	n.d.	PRM
002a. letter	H. Gregory Platts to Vice President Cheney (1 page)	02/21/2006	PRM
002b. letter	H. Gregory Platts to Vice President Cheney (photocopy) (1 page)	02/21/2006	PRM
003a. letter	Joseph and Mary Meyer to Vice President Cheney (2 pages)	02/21/2006	PRM
003b. email	Joe Meyer to Bill Sniffin re: draft of Cheney article (attachment) (3 pages)	02/20/2006	PRM
004. email	Charles Durkin to Elizabeth Cheney (2 pages)	02/21/2006	P5
005a. memorandum	Neil Patel to Vice President Cheney re: telephone call (3 pages)	02/21/2006	P5
005b. letter	John W. Snow to William M. Thomas re: dividends and capital gains tax relief [draft] (2 pages)	n.d.	P5
005c. notes	Proposed conference letter language (1 page)	n.d.	P5

**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

**FOLDER TITLE:**

February 21, 2006

2014-0011-F

AYM11

### 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]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

**Freedom of Information Act - [5 U.S.C. 552(b)]**

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

**NICHOLS\_C**

**607598**

FG038

**Barcode Scanning Sheet**



Collection Code: **VTRACK**

Staff Name:

Document Date: **2/21/2006**

Correspondent:

Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS (UNCLASSIFIED) -- HANDWRITTEN NOTE OF SUPPORT AND ENCOURAGEMENT FROM GRETCHEN GARDNER FOLLOWING THE HUNTING ACCIDENT -- HANDWRITTEN NOTE OF SUPPORT FROM EMMA HUTZLER WITH ATTACHED NEWSPAPER COMMENTARY, "TOO DEEP FOR THEM" BY GEORGE LEWIS -- NOTE FROM GEOR ...**

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Gretchen Gardner to Vice President Cheney (1 page)	n.d.	PRM

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Miscellaneous Outbox, 2006  
OA/Box Number: 00552

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**FOLDER TITLE:**

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2014-0011-F  
AYM11

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1 2-21-06

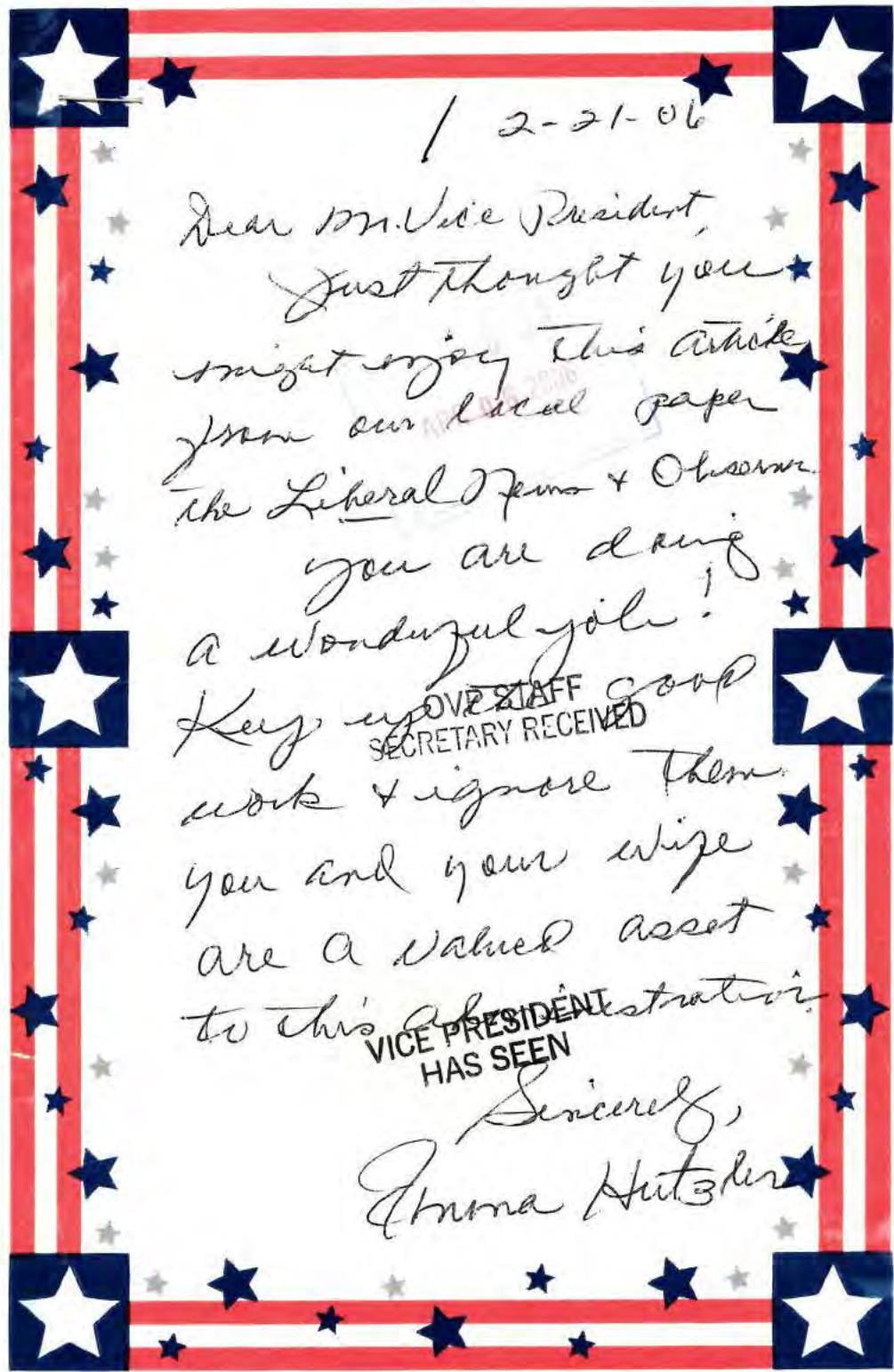
Dear Mr. Vice President,  
Just thought you  
might enjoy this article  
from our local paper  
the Liberal News + Observer.

You are doing  
a wonderful job!

Keep up <sup>OVERSTAFF</sup> good  
work & ignore them.  
You and your wife  
are a valued asset  
to this Administration.

VICE PRESIDENT  
HAS SEEN

Sincerely,  
Theresa Hutzler



1-2-21-06

Dear Mr. Vice President,  
Just thought you  
might enjoy this article  
from our <sup>APR 2006</sup> local paper  
the Liberal News & Observer

you are doing  
a wonderful job!  
Keep up <sup>OVER STAFF</sup> good  
work & ignore them  
you and your wife  
are a valued asset  
to this <sup>VICE PRESIDENT</sup> administration.  
HAS SEEN

Sincerely,  
Anna Hutzler

10) He is a man of faith.

George Lewis  
Cary, N.C.



## Too deep for them

Some of the reasons the liberal, elite media despise our vice president are:

- 1) He is very intelligent.
- 2) He refuses to worship at their self-constructed altar.



- 3) He is amused by their stupid questions.

- 4) He is effective beyond their collective

imagination.

- 5) He enjoys the full confidence of our president, his colleagues and a majority of the American people.

- 6) They cannot understand his lack of interest in becoming president.

- 7) He has a subtle and sophisticated sense of humor surpassing their understanding.

- 8) He knows his job, and more about government, business, economics and defense matters than they can fathom.

- 9) He is a patriot.

- 10) He is a man of faith.

**George Lewis**

*Cary, N.C.*

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# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002a. letter	H. Gregory Platts to Vice President Cheney (1 page)	02/21/2006	PRM

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**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

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**FOLDER TITLE:**

February 21, 2006

2014-0011-F  
AYM11

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# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002b. letter	H. Gregory Platts to Vice President Cheney (photocopy) (1 page)	02/21/2006	PRM

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**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

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**FOLDER TITLE:**

February 21, 2006

2014-0011-F  
AYM11

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

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# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003a. letter	Joseph and Mary Meyer to Vice President Cheney (2 pages)	02/21/2006	PRM

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**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

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**FOLDER TITLE:**

February 21, 2006

2014-0011-F  
AYM11

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# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003b. email	Joe Meyer to Bill Sniffin re: draft of Cheney article (attachment) (3 pages)	02/20/2006	PRM

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**COLLECTION:**

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Miscellaneous Outbox, 2006  
OA/Box Number: 00552

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**FOLDER TITLE:**

February 21, 2006

2014-0011-F  
AYM11

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**RESTRICTION CODES**

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60298

THE VICE PRESIDENT  
HAS SEEN

## Mohammed says Ministries will have extensive power

UAE Vice President and Prime Minister and Ruler of Dubai His Highness Sheikh Mohammed bin Rashid Al Maktoum met with members of the UAE's new Cabinet in Abu Dhabi yesterday.

"Federal ministers will be empowered with wide-ranging powers and centralism and complicated restrictions and procedures will be scrapped to give them free hand in discharging their duties," Sheikh Mohammed said, telling the Ministers that he wanted them to propose solutions, not just identify problems.



Sheikh Mohammed announced that a special administrative unit would set time frames and create programmes to assess public performance under his direct supervision.

"Decisive measures will be in place to ensure quality and follow-up productivity in a way that leaves no room for leniency and negligence in shouldering responsibility and realising aspired achievements... We want a highly competent, dynamic government to run various state utilities properly."

Sheikh Mohammed pledged to improve services and to make education the top priority.

In a move aimed at expediting decision-making, Sheikh Mohammed ordered the abolition of all but two committees, which will address financial and legislative affairs.

Sheikh Mohammed said the statement that President His Highness Sheikh Khalifa bin Zayed Al Nahyan made on the UAE's 34th National Day would be his government's action plan.

"Our leadership and people pin high hopes on us to improve performance, judiciously and effectively use human and financial resources and provide high quality services to citizens."

Khaleej Times

Tuesday, February 21, 2006

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607598  
VICE PRESIDENT HAS SEEN ✓

**Economic News Summary for February 21, 2006**  
**Prepared by OVP Domestic Policy**

**Economic Indicators**

**January Index of Leading Indicators (CEA)** "The composite index of leading indicators increased sharply in January. The index has risen 2.3% over the past 6 months, suggesting good prospects for sustained expansion. Six of the ten leading indicators made positive contributions in January. The positive contributors were (in order): average weekly initial claims for unemployment insurance (inverted), the real money supply, building permits, vendor performance, stock prices, and the interest rate spread. The only negative contributor was the index of consumer expectations. The coincident index (a measure of current economic conditions) increased 0.2% in January and has risen 1.0% over the past 6 months."

**Policy**

**Big Health-Care Ideas (WSJ) The Editors** "Washington denizens who say the Bush Administration is out of domestic ideas haven't been paying attention. The more we look at the fine print in the health-care reforms President Bush is now stumping for, the more we see the potential for the most sweeping and beneficial changes in half a century. One way to think about the Bush reforms is as HillaryCare in reverse. The former first lady sought to mandate employer-based coverage and then hold down costs by brute government force ('managed care'). Mr. Bush is instead attempting to revitalize the private market for individual health insurance, so employees are ultimately less dependent on their bosses' coverage and can ultimately buy the kind of insurance that makes better sense for them. Along the way, Americans would also become wiser consumers of health-care services. ... The centerpiece of his strategy is the Health Savings Account, which combines an insurance policy with a deductible of \$1,050 or more with a tax-free savings account to help people pay pre-deductible expenses. Critics say the relatively high deductible makes HSAs work only for the 'healthy and wealthy.' But in fact HSAs are what health insurance would have looked like all along if the employer-insurance tax exemption [a relic of World War II wage and price controls] never existed. That is, insurance for catastrophic illness to prevent destitution but not for routine care. (Think of it this way: What's the deductible on your car insurance?) And with more than three million HSA policies already in existence, there is plenty of data showing high customer satisfaction among policy holders of all ages and incomes."

**International**

**First Azeri Oil to Leave Turkey Via BTC Pipeline in May (Dow Jones)** "The first tanker containing Azeri oil transported through the Baku-Tbilisi-Ceyhan, or BTC, pipeline will leave Turkey at the end of May, Azerbaijan's Fuel and Energy Minister Hatiq Aliyev said Tuesday. 'If there are no surprises, this will happen on May 27,' he told journalists. The BTC pipeline connects Azerbaijan with Turkey, passing through the Georgian capital of Tbilisi. Aliyev said oil from the Azeri-Chirag-Guneshli field on the Caspian Sea had already reached the second Turkish pumping station and now only has a further 800 kilometers to travel. Aliyev added that '99.7% of the overall construction has been completed.' Once fully operational, 500,000 barrels of oil a day will be exported via the BTC pipeline from the Kazakh Kashagan field in the Caspian Sea, according to Aliyev."

OVP STAFF  
SECRETARY RECEIVED

60373

February 21, 2006

MEMORANDUM FOR THE PRESIDENT

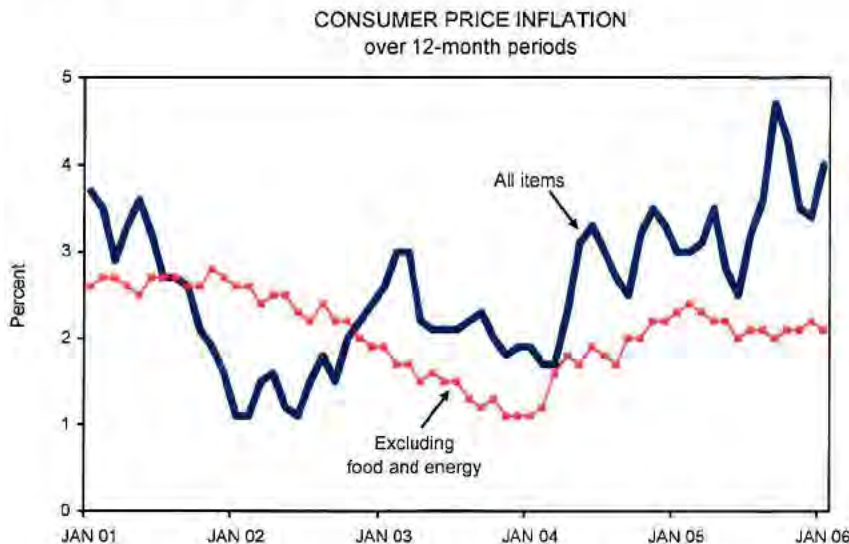
FROM: KEITH HALL

SUBJECT: **Consumer Price Index (CPI) for January (★★★★)**  
Public Release: 8:30 am, Wednesday (Labor Department)

**The CPI jumped up due to rising energy prices;  
Core CPI (excludes food and energy) increased moderately**

	December to January Change		12-Month Change
	Actual	Expected	
CPI	0.7%	0.5%	4.0%
Core CPI	0.2%	0.2%	2.1%

- **Energy prices boosted the overall CPI in January.** The CPI rose 0.7%, as energy prices surged 5.0%. Gasoline prices rose 6.4%, electricity prices spiked a record 5.5%, and natural gas prices rose 1.7%. In contrast, fuel oil prices declined 1.9%. Education costs increased 0.7%, due to sharp increases in the costs of child care and nursery school and of college textbooks. Housing costs and prices of food and beverages each increased by a substantial 0.5% in January.
- **Over the past 12 months the overall CPI has increased 4.0%, boosted by rising energy prices.** Energy prices have risen 24.8% over the past 12 months, with gasoline prices up 27.4%.
- **The core CPI increased a moderate 0.2% in January and 2.1% over the past 12 months,** indicating that core inflation has remained contained. The January increase was held down by unchanged recreation prices and a 0.1% increase in medical care costs. Medical care costs have increased 4.0% over the past 12 months.



OVP STAFF  
SECRETARY RECEIVED



# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. email	Charles Durkin to Elizabeth Cheney (2 pages)	02/21/2006	P5

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Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

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**FOLDER TITLE:**

February 21, 2006

2014-0011-F  
AYM11

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**RESTRICTION CODES**

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Freedom of Information Act - [5 U.S.C. 552(b)]

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of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C.  
2201(3).

W.P.D.



RECEIVED

21 February 2006

FREDERICK L. CLEMENT  
Administrator



VICE PRESIDENT  
HAS SEEN

Dear Mr. Vice President —

Following the incident at the Armstrong  
Recess in South Texas, you and your family  
have been in our prayers.

One can only imagine the deep sense of  
anguish you must feel. Please know you are  
supported.

With every good wish,

Fred Clement.

607598

COVENANT PRESBYTERIAN CHURCH  
RECEIVED

FREDERICK L. CLEMENT  
Administrator



21 February 2006

VICE PRESIDENT  
HAS SEEN

Dear Mr. Vice President --

Following the incident at the Armstrong  
Recess in South Texas, you and your family  
have been in our prayers.

One can only imagine the deep sense of  
anguish you must feel. Please know you are  
supported.

With every good wish,

Fred Clement.

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005a. memorandum	Neil Patel to Vice President Cheney re: telephone call (3 pages)	02/21/2006	P5

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

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**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

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**FOLDER TITLE:**

February 21, 2006

2014-0011-F  
AYM11

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**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]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

**Freedom of Information Act - [5 U.S.C. 552(b)]**

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- (b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005b. letter	John W. Snow to William M. Thomas re: dividends and capital gains tax relief [draft] (2 pages)	n.d.	P5

**This marker identifies the original location of the withdrawn item listed above.  
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**FOLDER TITLE:**

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## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005c. notes	Proposed conference letter language (1 page)	n.d.	P5

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Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

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**FOLDER TITLE:**

February 21, 2006

2014-0011-F  
AYM11

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6075918

VICE PRESIDENT HAS SET



**J. Dennis Hastert**  
Fourteenth District  
Illinois

<http://www.speaker.gov>

**Speaker's Press Office**  
United States House of Representatives  
Washington, DC 20515

FOR IMMEDIATE RELEASE:  
February 21, 2006

CONTACT: 202-225-2800  
Ron Bonjean or Lisa C. Miller

## Speaker Hastert Sends Letter to President Bush Regarding Moratorium and Review of Seaports Deal

The Honorable George W. Bush  
President of the United States  
The White House  
Washington, D.C. 20500

Dear Mr. President:

It has come to my attention that there is a proposal by the Dubai Ports World of the United Arab Emirates to provide operational management of six American seaports. I am very concerned about the national security implications that this could have for the safety of the American people. Therefore, I believe there should be an immediate moratorium placed on this seaport deal in order to further examine its effects on our port security.

Secondly, I believe the Administration should conduct a more thorough review of this proposal that will more fully assess the risks involved in allowing a state-owned company to provide operational oversight of American ports.

Finally, this proposal may require additional Congressional action in order to ensure that we are fully protecting Americans at home. I know we are both committed to fighting the global War on Terror. We must not allow the possibility of compromising our national security due to lack of review or oversight by the federal government.

Sincerely,

J. Dennis Hastert  
Speaker of the House

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101598  
董建華  
C. H. TUNG

21 February 2006

Mr Dick Cheney  
Vice President  
Office of the Vice President  
Washington

Dear Vice President Cheney

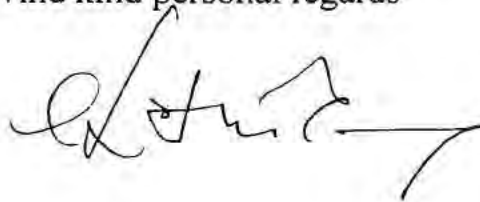
Thank you for spending time with me during my visit to Washington when you have so many pressing national issues to deal with.

Sino/US relationship is indeed the most important relationship in the 21<sup>st</sup> Century. Of course, there are obstacles to this relationship. But I am sure that with the trust being built up by President George W Bush and President Hu and the strategic dialogue that is being conducted by the two governments, many of the obstacles can be overcome.

Thank you for being a strong advocate for a good Sino/US relation.

I am glad to see you looking well. Please convey my best wishes to Mrs Cheney.

With kind personal regards





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董建華  
C. H. TUNG

21 February 2006

Mr Dick Cheney  
Vice President  
Office of the Vice President  
Washington

Dear Vice President Cheney

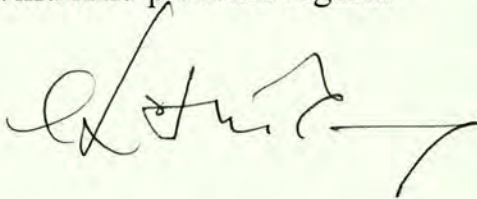
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Thank you for being a strong advocate for a good Sino/US relation.

I am glad to see you looking well. Please convey my best wishes to Mrs Cheney.

With kind personal regards



607598



*The Ambassador of Romania*

*Washington, D.C.*

**The Honorable John Hannah  
Deputy National Security Advisor to the U.S. Vice President  
Office of the Vice President  
Washington, D.C.**

**February 21<sup>st</sup>, 2006**

**Dear Mr. Hannah,**

I am very pleased to send you herewith the original letter of congratulation addressed by Prime Minister Calin-Popescu Tariceanu to Vice President Richard Cheney on the occasion of his birthday.

Please accept, dear Mr. Hannah, my highest consideration and best regards.

**Sincerely yours,**

**Sorin Ducaru**

A handwritten signature in blue ink, appearing to read 'Sorin Ducaru', with a long horizontal flourish extending to the right.

# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the Presidential Materials Division.**

<b>Collection:</b>	Cheney Vice Presidential records			
<b>Office of Origin:</b>	Staff Secretary			
<b>Series:</b>				
<b>Subseries:</b>	Misc. Outbox, 2006			
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<b>Folder Title:</b>	February 27, 2006			
<b>Stack:</b>	<b>Row:</b>	<b>Section:</b>	<b>Shelf:</b>	<b>Position:</b>
20W4	4	3	5	1

**FOIAed Under:**

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## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. letter	Canadian Ambassador Frank McKenna to Vice President Cheney [redaction of home address] (1 page)	02/27/2006	P6/(b)(6)
001b. letter	Canadian Ambassador Frank McKenna to Vice President Cheney [redaction of home address] (photocopy) (1 page)	02/27/2006	P6/(b)(6)
002. report	Economic Scene Setter - Council of Economic Advisers (13 pages)	02/27/2006	P1/(b)(1), P5
003. letter	Senator Harry Reid to Vice President Cheney (2 pages)	02/27/2006	PRM
004. email	Brenda Becker to Lucy Tutwiler (1 page)	02/27/2006	P5
005a. letter	Secretary Donald Rumsfeld to Vice President Cheney (1 page)	02/27/2006	PRM
005b. letter	L. Roy Papp to Donald Rumsfeld (attached to 005a) (1 page)	02/27/2006	PRM
006a. letter	Senator Alan Simpson to Vice President Cheney (1 page)	02/27/2006	PRM
006b. letter	John S. Haddock to Senator Alan Simpson (1 page)	02/19/2006	PRM

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**COLLECTION:**

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Miscellaneous Outbox, 2006  
OA/Box Number: 00552

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**FOLDER TITLE:**

February 27, 2006

2014-0011-F

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**RESTRICTION CODES**

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

**P1** National Security Classified Information [(a)(1) of the PRA]  
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**NICHOLS\_C****607604**

FG038

**Barcode Scanning Sheet**Collection Code: **VTRACK**

Staff Name:

Document Date: **02/27/2006**

Correspondent:

Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS  
(UNCLASSIFIED) -- ARTICLE FROM TOWN HALL,  
"PROTECTIONISM BY ANOTHER NAME" BY JACK KEMP -  
- E-MAIL FROM JENNIFER MAYFIELD - MCCLELLAN  
PRESS BRIEFING -- NOTE FROM FRANK MCKENNA  
THANKING VP FOR THE OPPORTUNITY TO DISCUSS  
MATTERS OF MUTUAL INTERESTS -- ARTIC ...**



**townhall.com**  
NEWS. OPINION. ACTION.

## Protectionism by another name

By Jack Kemp

Feb 27, 2006

I returned, last week from having led a mission to Israel for the Israeli Ministry of Commerce, Industry and Trade with leading executives of U.S. financial services industry for the purpose of discussing how to increase U.S. investments and business opportunities in Israel. By the way, it's not the topic of this column but of a future column.

While there, I was able to observe firsthand, Thomas Friedman's keen observation that the world is rapidly "flattening." Not only is economic liberalization taking place in Israel, but thanks to "qualified industrial zones" a.k.a. free-trade zones, there is an increase in commerce, trade and job opportunities between moderate Arab states and Israel as never before. Those trade zones, in my opinion, are enhancing the chances for dialogue, understanding and ultimately, more peaceful and diplomatic solutions to age-old prejudices, resentments and feuds.

Congenital optimist that I am, it was disappointing to come back to the states to witness the pessimism, cynicism and hypocrisy of some of those on the left and right who are using a rather straightforward, commercial port operations contract to rant against a friendly nation, the United Arab Emirates, that chose, post 9/11, to be with the West, (and the U.S.) in the war on terror.

As I've quoted William F. Buckley more than once, who said prophetically, "Hypocrisy is the tribute that vice pays to virtue" well let me observe unfortunately, vice appears to be winning, at least in this political climate.

The biggest canard of all was that President George W. Bush was "outsourcing our port security to an Arab country", not withstanding it's a management contract, and that port security will still be in the hands of the U.S. Coast Guard and Department of Homeland Security. Incidentally this is no different than 80 percent of U.S. ports now managed by companies based in China, Singapore, Denmark and Hong Kong.

My financial services mission, co-sponsored by the American-Israel Friendship League, of which I've been on the board for about 25 years, has never caused me problems with a single Arab nation from Jordan and Kuwait, to Egypt, Qatar and the United Arab Emirates, as I've traveled freely throughout the Persian Gulf making many new friends for myself and hopefully my own country.

I'm involved in companies doing business worldwide and I've done business in the Middle East. Indeed, I would be honored to do so again if the right opportunity presented itself.

I like to think of myself as a classical 18th century liberal on democracy, trade, human and civil rights, as well as in opening minds to the culture and history of those who for so long, have been

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denied a place at the table of international respect, diplomacy and reconciliation.

The "flap" over the United Arab Emirates was particularly distasteful to me because having traveled there, I have seen firsthand the liberalization taking place in the Arabian Gulf. Are there problems and challenges? Yes, of course, but the United Arab Emirates is unambiguous in their alliance with the U.S. in the war on terror and desires to trade and invest in the West.

I'm glad the president - and I'm especially pleased that Dubai Port World - has asked for a 45-day hiatus to review the conditions and to answer the legitimate questions that have arisen, while bringing out the facts surrounding our seaport security. I, like most, think we need to do more and spend more in the protection of our ports, and particularly to recognize that security begins overseas. And by the way, Dubai Port World was the first to sign onto our container security initiative, which seeks to inspect cargo in foreign ports. The United Arab Emirates has assisted in training security forces in Iraq, and at home it has worked hard to stem terrorist financing and proliferation of weapons of mass destruction. The United Arab Emirates leaders are as much an al-Qaida target as Tony Blair and they have troops assisting us in Afghanistan, as The Wall Street Journal editorialized.

Gen. Tommy Franks said recently, "the Emirates is indispensable to our security in the Middle East and a valued ally." We use their ports and air bases, and let me remind the xenophobes, it's not particularly easy to be a friend of the U.S.A. in that region of the world. We need all the friends we can make.

To turn down this contract would further weaken our relationships with moderate Arab allies and I believe ultimately, it would weaken our own national security and our chances for peace and liberalization throughout the Middle East and Africa. We live in a world of increasing liberal flows of capital and trade and the Dubai Port World contract is a good example of the U.S reflecting our belief that world trade can help lead to a more peaceful world.

*Jack Kemp is Founder and Chairman of Kemp Partners and a contributing columnist to Townhall.com.*

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Find this story at: <http://www.townhall.com/opinion/columns/jackkemp/2006/02/27/188048.html>



JACK KEMP

**OFFICE OF JACK KEMP**

**\*\*PLEASE NOTE NEW ADDRESS\*\***

1901 Pennsylvania Ave, NW

Suite 300

Washington, DC 20006

Phone: 202-452-6224

Fax: 202-833-0555

Fax To: VP Cheney

From: Jack Kemp

Date: 2/28/06

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Number of Pages including cover sheet: 3

FYI



607604

**Tutwiler, Lucy A.****THE VICE PRESIDENT  
HAS SEEN**

**From:** Mayfield, Jennifer H.  
**Sent:** Monday, February 27, 2006 3:35 PM  
**To:** Addington, David S.; DL-OVP-WW  
**Cc:** Donoghue, Tarah C.; McBride, Lea A.; Guzzo, Adam M.; Morgan, Derrick D.; Clem, Jill R.  
**Subject:** FW: mccllellan press briefing, 2/27/06

One VP mention in today's press briefing.

Q Scott, the President is heading off on his trip with some record low approval ratings. And I'm wondering, given the events of the last couple of weeks -- the ports deal, and the outbreak of violence in Iraq, and the handling of the Vice President's shooting -- is there any thought to changing the way the administration is doing business?

MR. McCLELLAN: Well, if you're talking about with Congress, we will continue to work closely with Congress on our shared priorities. I think if you look at the record, we have been able to move forward and achieve a lot of important things for the American people. And we will continue to do that.

That's where our focus is. Our focus is on the important priorities of the American people, and I think that's where Congress' focus is, as well. This week Congress is looking at moving forward on renewing the Patriot Act. That is another vital tool in the global war on terrorism. The President just came from a discussion with our nation's governors -- Republicans and Democrats alike -- and he talked about the importance of working together on our shared goals. These goals are not Republican or Democratic goals. These are goals that we can all support and work together on.

And that's what the President is going to continue to do. We'll let others get into all the political analysis of those things.

---

**From:** Eckert, Ellen E.  
**Sent:** Monday, February 27, 2006 3:34 PM  
**Subject:** mccllellan press briefing, 2/27/06

THE WHITE HOUSE

Office of the Press Secretary

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For Immediate Release  
2006

February 27,

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THE WHITE HOUSE

Office of the Press Secretary

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For Immediate Release  
2006

February 27,

PRESS BRIEFING  
BY  
SCOTT McCLELLAN

James S. Brady Briefing Room

1:27 P.M. EST

MR. McCLELLAN: Good afternoon, everyone. Let me begin with a couple of issues, one, a world leader call, and then, two, a meeting the President had earlier today.

2/27/2006

First of all, President Uribe of Colombia called the President this morning to express his appreciation for the cooperation between the United States and Colombia in concluding free trade negotiations this past weekend. The President commended President Uribe for his leadership. Both leaders expressed that they were pleased with the outcome. You have a statement that the USTR put out earlier today, but let me just kind of sum up this agreement.

This comprehensive agreement will enhance economic growth and prosperity between the United States and Colombia and will generate export opportunities for our agricultural products, manufacturing and service providers. Since many products from Colombia already enter the United States market duty-free, this agreement will help level the playing field for U.S. manufacturers, farmers and ranchers.

Secondly, our National Security Advisor, Steve Hadley, hosted a meeting with two widows of individuals who disappeared in Belarus. One was a pro-democracy businessman; the other was an independent journalist. Several international investigations have concluded that their husbands were murdered by authorities in Belarus because of their political activities, and the United States government shares that view. Their bodies have not been found.

The President expressed his condolences to the widows over the loss of their husbands. The President underscored his personal support for their efforts to seek justice for the disappeared and for all those who seek to return freedom to Belarus. The meeting took place 20 days before the presidential election in Belarus. It highlights our concern about the conduct of the government in Belarus leading up to the election, harassment of civil society and the political opposition, and the failure to seriously investigate the cases of the disappeared. The United States stands with the people of Belarus in their effort to chart their own future.

And with that, I'll be glad to go to questions. Steve.

Q Is it your understanding that this -- that the election in Belarus is illegitimate? Or what's your feeling about this?

MR. McCLELLAN: Well, we have a lot of concerns about the current government in place, and I think we've expressed those previously. What we want to do is everything we can to help advance freedom and democracy in Belarus. And that's why we stand with these widows and we stand with the people of Belarus.

Helen, go ahead.

Q Did the German intelligence give the U.S. Saddam Hussein's military plans, defense plans, war plans?

MR. McCLELLAN: The President was asked about that at a news conference with Chancellor Merkel, when she was here visiting and he didn't have any -- he didn't know anything about it, nor did I. I don't have anything else on it.

Go ahead, David.

Q Scott, let me ask you about this new deal -- or rather, not the new deal, but the --

MR. McCLELLAN: Compromise.

Q -- investigation, the 45-day. Can you explain a little bit how that came to pass, what the White House view on this was? Because the White House said the President did not support any further review. So how did this come to be? Did the White House express -- put any pressure on the company to do this? And do you think it's enough to sort of quell the storm in Congress here?

MR. McCLELLAN: Well, a couple of things. Let me start by saying that our interest over the last several days has been in making sure that Congress has a better understanding of the transaction and the facts involved. And so the additional time and investigation at the request of the company, we believe will help provide Congress with a better understanding. And once they have that better understanding, we believe they'll be more comfortable with the transaction moving forward.

There have been a number of conversations going on between the companies and congressional leaders like Senator Frist, Speaker Hastert, I think, and others have been involved in discussions with members of Congress, as well. We've been involved in discussions. The Treasury Department, as Chair of the Committee on Foreign Investment, has been involved in those discussions, as well. And we think that a reasonable middle ground has been reached. And we support and welcome the decision by the company to file a new notification with the Committee on Foreign Investment for the reasons that I just stated.

Q But one follow-up to this. Congressman King has said repeatedly that what CFIUS failed to do was really an adequate national security investigation; that it was really much more of a pre-9/11 review with respect to a financial transaction, and didn't really break much new ground beyond examining what was on file with the intelligence community, with regard to this company and with the UAE.

So does the President think that in this 45-day review that anything different should be done than was done through the CFIUS

process?

MR. McCLELLAN: Well, since they asked for this 45-day investigation, there are inherently, within that process, some things that are done differently.

But let me back up and emphasize a couple of things. First of all, this is a congressionally-mandated process. Congress put this process in place when it comes to foreign transactions. And the Committee on Foreign Investment thoroughly reviewed this transaction initially. And there was an intelligence assessment that was done early on. I think they were looking at this for about a three-month period, is what Deputy Secretary of Treasury Kimmitt indicated to members of Congress last week in one of the hearings. And there are safeguards that are put in place, it was closely scrutinized. The President believes it should be allowed to move forward.

At the same time, we recognize Congress would like additional time to look at this transaction and have the facts, and that's important, too. So we welcome the middle ground that was reached here with congressional leaders. And Congressman King, Senator Frist, Senator Warner, and I know others have expressed their appreciation for the compromise that was reached here. And they say they want to wait and see how this review and investigation moves forward before determining what to do next.

Go ahead, Terry.

Q Scott, India's Prime Minister says that the country's fast breeder program would not be included in inspections by the IAEA under this deal that's being worked out. Is that okay with the United States?

MR. McCLELLAN: Well, I'm not going to try to negotiate from this podium. That's a nice try, to try to draw me into these negotiations. Let me just say a couple of things. First of all, our relationship with India is much broader than the civilian nuclear program that we are talking about. There has been some progress that has been made in those negotiations. Whether or not it gets done during the trip -- before the trip or during the trip, we will have to see. But we believe it will get done. It's an important agreement. But these are complex issues that we are dealing with here, and they have been ongoing for some time, these negotiations. And we'll see where they lead.

Q Are you trying to lower expectations that it will get done?

MR. McCLELLAN: Well, I think I'm trying to put it in perspective that we have a very broad relationship with India. It's one that the President has been strongly committed to from day one.

And we have worked to strengthen that relationship. India is a strategic partner, and we work together on a number of issues across the board, whether it's the war on terrorism or expanding economic opportunity and prosperity, or other issues. We have a strong relationship. And the President has talked about that in some of the interviews.

Q Let's move back a couple controversies to the NSA matter. A group of Democratic congressmen have called on the President to order a special prosecutor to investigate. What's your response?

MR. McCLELLAN: Sure, a couple of things. First of all, the President talked about the importance of the terrorist surveillance program earlier with the governors. The President's number one priority is to protect the American people, and this terrorist surveillance program is a critical tool in our efforts to prevent attacks. And the President has spoken about how it is a hot pursuit effort aimed at detection and prevention of attacks before they occur. And it's one tool that we are using. This is a comprehensive war on terrorism that we're engaged in and this tool helps us to connect the dots and save lives. And that's why it's so important.

It was carefully tailored. It is focused solely on international communications that involve a known al Qaeda or suspected al Qaeda terrorist or affiliated al Qaeda terrorist. And it went through a careful review process. There were a lot of legal officials that were involved in this at the National Security Agency, at the White House, at the Department of Justice.

And I think that where these Democrats who are calling for this ought to spend their time is on what was the source of the unauthorized disclosure of this vital and critical program in the war on terrorism, because what it has done is signal to the enemy some of what we're doing to try to save lives. And I really don't think there's any basis for a special counsel, and I think the Attorney General has spoken about that, as well. But the fact that this information was disclosed about the existence of this program has given the enemy some of our play book, and that is very dangerous in the war on terrorism.

Q Scott, what are your comments to the unexpected support from Julian Bond in reference to the President's port deal issue?

MR. McCLELLAN: I actually haven't seen his specific comments. I think someone had reported that to me earlier. But I think that we've spelled out the reasons why we believe this transaction should move forward.

Now, with that said, we have also been supportive of the discussions going on with Congress. We've been involved in those

discussions and so we welcome the middle ground that was reached to help Congress have a better understanding of the facts involved in this transaction. And as I said, we believe they're going to be more comfortable with the transaction moving forward once they have a better understanding of those facts.

Now, keep in mind what the President said. The President believes very strongly that we shouldn't be holding a company from an Arab country to a different standard than a company from Great Britain. So it's a principle that is involved here.

It's also something that we have to look at in the broader context of our foreign policy and the war on terrorism that we're engaged in. The United Arab Emirates is a strong and good partner in the war on terrorism. General Pace spoke about the military-to-military cooperation that goes on with the United Arab Emirates. It is superb, he said. He said that the United Arab Emirates has proven to be a very, very solid partner in the war on terrorism.

It is a country where our aircraft carriers use their seaports. It is a country that has given us access to their air space and their airfields for our Air Force. And so it is a critical partner in the war on terrorism. And remember this is a global threat that we are engaged in, and it requires a global response. We need to be building strong partnerships in order to prevail in the war on terrorism. And so you have to look at this in the broader context of our foreign policy, as well, and the impact it could have when we say to allies that you're going to be held to a different standard than others.

Q But, Scott, again, as I asked you last week, the broader context some are saying is racism or bigotry. And now we have Julian Bond supporting the President's efforts with the ports. Are you willing now to say there could be hints of bigotry, racism or discrimination in this?

MR. McCLELLAN: No, I think you have to ask the individuals why they might be reluctant to support this transaction moving forward. I'm not going to try to speak for others.

Go ahead, David.

Q Scott, two questions, one on the ports and one on India. On the ports, under the 45-day review that you're now going to start, the way the law is written, it's up to the President to be the final arbiter of this, the committee then reports to him. Since the President has already expressed his views on this deal -- and you've just reiterated those today -- can he be a neutral judge on this issue? Should he recuse himself from this, since he's already expressed his opinion, much the way a judge might --

MR. McCLELLAN: This is a congressionally mandated process; they put this law in place. And the company voluntarily asked for a 45-day investigation, so this is at the request of the company. And it will go to the committee --

Q You see my point, you're in the odd position of the President has already declared his view on something he's supposed to judge at the end of the investigative process.

MR. McCLELLAN: Well, but it's going to go through the Committee on Foreign Investment -- because this is a new transaction that they are notifying the committee about. And the committee will review it, and at the request of the company, go through the investigation. That will involve additional people. And then, as you point out, I expect it ultimately would go to the President, as called for under the law. This is the way -- the law has been in place for some time.

Q So he's got to keep an open mind that maybe the committee will find something different than --

MR. McCLELLAN: Well, he stated his views. The views that he has previously stated remain the same. But we will see, as it goes through the Committee on Foreign Investment, where this goes.

Q And on India, the President, in his speech February, I guess, '04, on nuclear proliferation said that he wanted no country that is currently not producing enriched uranium or reprocessed plutonium to move forward with that. Instead, he wants to be supplying them from international suppliers. In the President's view, is India a country that should be banned from producing new nuclear fuel under that rule? Or are they considered to be grandfathered in as an existing producer?

MR. McCLELLAN: Well, I think we need to let the discussions continue. I don't think anything has changed in terms of what we said previously, in terms of the joint statement that was issued after President Singh came here and visited. That remains the same. The President believes this is a practical way to address a couple of issues.

One is the issue of energy and the need for that energy. And so expanding our nuclear cooperation on civilian programs with India is important to addressing that important need. But it will also help bring India into a better situation when it comes to any concerns about proliferation issues. And I don't know that I can add anything to what we've already said at this point.

Q I think you're making the question more complex than it is. The question is what category, in the President's mind, does



India fit into: an existing producer, one that he would like to block or --

MR. McCLELLAN: I think it fits into the category we've previously expressed. I'll see if there's anything additional to add to it.

Go ahead, Goyal.

Q Scott, as we get ready to -- a special and historical trip to India and Pakistan tomorrow, as far as Pakistan trip is concerned, it will be more on Kashmir, as far as Pakistan's ambassador, that I have spoken to him, and also General Musharraf has said, and last time the U.N. -- what he said really, Kashmir is the main focal point between India and Pakistan. My question is that in the past, President and Dr. Rice, they have been saying that this issue has to be decided between India and Pakistan only, and U.S. is not the party, unless it is asked by the two countries. But now President, other day he clarified after the Asia Society speech, that it is now India, Pakistan and the people of Kashmir --

MR. McCLELLAN: That's been our view.

Q Isn't it policy change now, a U.S. policy change?

MR. McCLELLAN: No, that's been our view, and -- that the dialogue ought to be occurring between India and Pakistan. There's been some improvement in that dialogue, and we want a solution that represents the interests of all sides, is what the President emphasized in his interviews the other day.

Q How is it -- beyond this issue in India and Pakistan?

MR. McCLELLAN: I'm sorry?

Q How President's role will be in India and Pakistan?

MR. McCLELLAN: I think it's the way he expressed it last week, both in the speech, and then later in interviews.

Go ahead, Carl.

Q Back to NSA for just a minute. What is the administration's view of Senator Specter's remark that would bring the NSA surveillance program under the auspices of FISA and the court, and require the FISA court to essentially take part in a 45-day review of the ongoing program?

MR. McCLELLAN: Well, a couple of things. One, as I said, the terrorist surveillance program is a critical tool in our efforts to

win the war on terrorism and prevent attacks from happening here in America. It was carefully tailored to focus on detention and prevention. FISA was created for longer-term monitoring. It was created for a different purpose.

Now, in terms of the nature of this program, it is limited to international communications involving al Qaeda or al Qaeda affiliated terrorists. The President has both the constitutional and statutory authority to carry out this important program that helps save lives. We have committed to working with Congress on legislation that would codify that authority into law. We are committed to working on the legislation that meets that shared objective of some leaders in Congress, and we've said that we're open to ideas from members of Congress, but what we will resist is any attempt that would compromise this vital program or undermine the President's authority.

I don't want to get into to trying to rule things in, or ruling things out, other than reiterating what we had previously said, and I think that gives you a sense of where we are.

Q And a second question, also on legislation on the Hill. What if Senator Schumer gets the Republican leadership to go along with the measure that would essentially say that Congress has to approve this port deal?

MR. McCLELLAN: Well, I think that you've heard from a number of congressional leaders already. Senator Frist has said that he will ask the Senate to hold off on legislation relating to this transaction until this review and investigation is complete. I think they -- I think there are a number of leaders that recognize that this was a reasonable middle ground that has been reached. And we want to make sure that that review and investigation has the opportunity to proceed forward.

Q Does the administration think congressional oversight is unnecessary this type of a transactional review?

MR. McCLELLAN: Well, are you talking about future ideas --

Q Future ideas.

MR. McCLELLAN: -- for looking at the Committee on Foreign Investment? We'll continue to talk with Congress in the future and look at these issues. Congress is the one who created this process and mandated it into law.

Go ahead.

Q Thank you. Scott, Venezuela is again threatening to cut

off oil shipments to the United States. The Venezuelan Petroleum Minister accuses the U.S. of meddling in Venezuela's internal affairs. And he also threatens to close Venezuelan oil refineries in this country. What would that loss -- about 10 percent of our total oil imports -- do to the President's energy program?

MR. McCLELLAN: I'm not sure -- I appreciate the opportunity to try to engage on this, but I'm not going to try to speculate about comments that were made by the official you quoted. We've made very clear what our view is when it comes to the hemisphere, and we're looking at this hemisphere in terms of the broader strategic vision. And there are many nations that share our view that the hemisphere should continue to move in the direction of democracy and freedom and rule of law. And those are the nations that we'll continue to work with as we move forward.

Go ahead, Jim.

Q Scott, the President is heading off on his trip with some record low approval ratings. And I'm wondering, given the events of the last couple of weeks -- the ports deal, and the outbreak of violence in Iraq, and the handling of the Vice President's shooting -- is there any thought to changing the way the administration is doing business?

MR. McCLELLAN: Well, if you're talking about with Congress, we will continue to work closely with Congress on our shared priorities. I think if you look at the record, we have been able to move forward and achieve a lot of important things for the American people. And we will continue to do that.

That's where our focus is. Our focus is on the important priorities of the American people, and I think that's where Congress' focus is, as well. This week Congress is looking at moving forward on renewing the Patriot Act. That is another vital tool in the global war on terrorism. The President just came from a discussion with our nation's governors -- Republicans and Democrats alike -- and he talked about the importance of working together on our shared goals. These goals are not Republican or Democratic goals. These are goals that we can all support and work together on.

And that's what the President is going to continue to do. We'll let others get into all the political analysis of those things.

Q Do you have any idea why the dip?

MR. McCLELLAN: I'm sorry?

Q Do you have any idea why the dip?

MR. McCLELLAN: We don't get caught up in the weekly snapshots in time that you're referring to. We are focused on getting things done for the American people, and we have a record of results. We're focused on moving forward and winning the war on terrorism. We're focused on doing everything we can within our authority to prevent attacks from happening and saving lives. We're focused on keeping the economy growing, and we're going to continue to talk about what the facts are, because if you look at the facts, this is a President that has achieved meaningful results for the American people: an economy that is humming along, having created nearly 4.8 million jobs since the summer of 2003; and an unemployment rate that is at 4.9 percent, below the averages of the '70s, '80s, and '90s.

And we're going to continue focusing on ways we can work together as Republicans and Democrats in Congress to achieve important priorities that build upon that economic security. The President has called for an Advanced Energy Initiative to help reduce our dependence on foreign sources of energy and build upon the comprehensive plan we passed last summer. So look at the record and look at the results, and look at the facts.

Go ahead.

Q Scott, is there any update from the White House on Jill Carroll?

MR. McCLELLAN: No, I don't have any additional update to provide you. Obviously, as I have said before, any time you have an American hostage, he or she is a priority for this administration. So all Americans who are held hostage at this time are a priority for this administration, including Ms. Carroll. And their safe return is something that we remain focused on and it remains a top priority. And that's what we are working to do for all hostages.

Q Back to DPW. Prior to finding this, what you call "middle ground" --

MR. McCLELLAN: Didn't you already have a question? (Laughter.)

Q Yes, I did.

MR. McCLELLAN: You're jumping in on some of the others. Let me come back to you.

Q Go ahead.

MR. McCLELLAN: No, that's okay. I forgot. Nice try. (Laughter.) Go ahead, Connie.

Q Two questions, one on port and one on Iran. First of all,

a variation of one the spokesman gave before. Do American firms have first chance to bid on these port contracts, or are they likely to in the future?

MR. McCLELLAN: This is a private transaction. And you had this company, Dubai Ports World, enter into a transaction with the British P&O company that currently manages these terminals at the ports. This has nothing to do with control of the ports, because that's under the port authorities or others, or the security of the ports. It doesn't change security one iota. The Customs and border protection, as well as the Coast Guard continue to be in charge of security, whether this transaction moves forward, or not. One thing we will never do is outsource control of our ports, or security at our ports, to any entity. That will remain under the charge of our Customs and border protection and the Coast Guard.

Q But do you think American firms should have the first chance to bid?

MR. McCLELLAN: Well, there are already some foreign companies that manage terminals in different parts of the United States, and Dubai Ports World is a company that manages terminals all across the world, in several countries. I read out some of what those countries are. But certainly American companies are welcome to enter into these transactions, and there are terminals that -- the Port of Baltimore, I think, is an example -- at least one of those terminals is managed by an American company. But some of the other terminals are managed by foreign companies. Yet, the Port of Baltimore remains in control -- the Port Authority of Baltimore remains in control of that port.

Q And on Iran and the IAEA, a new report says Iran is still not fully cooperating. ElBaradei called this regrettable and a matter of concern. What next? Will U.N. sanction --

MR. McCLELLAN: Well, we haven't seen the report. I know that the International Atomic Energy Agency was scheduled to be meeting next week, and they will be receiving a report from Director General ElBaradei. And so we look forward to seeing what the International Atomic Energy Agency says.

But the international community remains concerned about the regime's behavior, and about their intentions when it comes to their nuclear program. That's why the matter has been reported to the United Nations Security Council. We've said that during this time the regime in Iran has an opportunity to change their ways and change their behavior when it comes to the nuclear program.

The International Atomic Energy Agency board spelled out what the regime needs to do, that the regime needs to abide by the Paris

Agreement, suspend all enrichment and enrichment-related activities, they need to cooperate fully with the International Atomic Energy Agency, and they need to negotiate in good faith with the Europeans. And that's what it spells out in that resolution that was passed at the last -- the special emergency meeting of the International Atomic Energy Agency.

Q Just jumping back and forth once again. Senator Clinton and Representative Menendez are planning legislation that would essentially prohibit any foreign-owned company from taking over port operations in the United States. What message does that send, and what do you think of the --

MR. McCLELLAN: Carl, you can ask them about what they're proposing. Where our focus is, is on making sure that Congress has a greater understanding of the transaction and the facts. This was a transaction that was closely scrutinized by national security experts who are involved in these decisions and by our intelligence community. The intelligence community provided an assessment.

The Department of Homeland Security also worked to make sure any national security concerns were addressed, by entering into an agreement with the company and requiring some additional security assurances before it moved forward. But this was a consensus of all the relevant departments and agencies -- there are some 12 altogether -- that are part of that Committee on Foreign Investment.

Now in this process, for this transaction, the committee also reached out to the Department of Transportation and Department of Energy to get their expertise and their views on national security issues, as well. In spite of that, though, we recognized that members of Congress would like more information, and that's why this additional time and the investigation at the request of the company will be helpful.

Q In that regard --

Q -- beyond that, to other foreign countries, in general.

MR. McCLELLAN: Go ahead, which one.

Q This legislation proposed by Ms. Clinton and Mr. Menendez would ban foreign-owned countries [sic] from taking part in ports, period. That's happening all over --

MR. McCLELLAN: Well, I think the President has expressed his view on this transaction. And as you well know, there are ports around the United States that are managed -- terminals that are managed by foreign companies.

Q Well, the President's view --

Q I asked you if you had a reaction to the specific legislation on the Hill, insofar as the President has said that it's important to watch the message that's sent from here.

MR. McCLELLAN: That's right.

Q You're not concerned about legislation that's going to be moving ahead and --

MR. McCLELLAN: Well, I told you where our focus is. There are others that are discussing other issues relating to this. And going forward from this transaction, we'll continue to work with Congress, but I think the President has made his views very clear and they remain unchanged.

Q Well, in that regard --

MR. McCLELLAN: We're trying to work with Congress to make sure they have a clear understanding of the transaction. And that's where our focus will remain.

Q Well, in that regard, before finding what you call the "middle ground," there was a veto threat out there and threats of legislation the administration and the President obviously found objectionable. Now you have a 45-day hiatus in effect. What occurs at the end of the 45 days if congressional anxieties are not resolved?

MR. McCLELLAN: Well, we believe they will. We believe that Congress will be more comfortable and will not object to this transaction moving forward once this review and investigation have come to a conclusion. I think that's what we've expressed previously. What this does is have more -- give more time for Congress to get additional information about the transaction and to hear from the company, as well.

Now, in terms of the Committee on Foreign Investment, the way the law was structured by Congress, the committee is limited in terms of what information it can provide publicly because of proprietary concerns and other issues. But the company has been providing additional information publicly and to members of Congress because they are confident in the issues relating to this transaction. And I would expect that they'll continue to be helpful in making sure Congress has the information they need.

Q But is that veto threat still operative?

MR. McCLELLAN: The President's position remains the same, Bob.

But we're -- again, we're focused on what we're for. And what we're for is the compromise that was reached between the company and congressional leaders and letting that process work, and letting Congress come to a greater understanding about the transaction.

Go ahead, Les.

Q Since I've got to be away for about two weeks, I just wondered on this one occasion I could ask three, like so often in the front row?

MR. McCLELLAN: Let's go quickly.

Q Yes.

MR. McCLELLAN: People have to go home and pack.

Q I understand. The state legislature of South Dakota has just passed a new law which allows abortion in case of threat to the mother's life, but denies it to all ages in cases of rape and incest. My first question: Does the President believe that rape and incest victims should be denied the right to an abortion?

MR. McCLELLAN: The President believes we ought to be working to build a culture of life in America. And we have taken practical, common-sense steps to help reduce the number of abortions in America. It is a strong record that is based on building a culture of life, and the President has made very clear that he is pro-life with three exceptions.

Q All right. The New York Times this morning has a photograph of you above a five-column headline, "Another White House Briefing, Another Day of Mutual Mistrust," while on the bulletin board behind us, posted by one of those on the front row, is the cover of National Review Magazine with the headline, "The Gang That Won't Shoot Straight and the Madness of the White House Press Corps." And my question: As the Bush administration's person who most frequently deals with the White House press corps, will you be fair enough to admit that some in this press corps were not involved in such madness? (Laughter.)

MR. McCLELLAN: Les, I have a lot of respect for the people in this room and the job that they do. You all in this room work very hard to report important information to the American people, and do so in a fair way. And I appreciate it when you do.

Q All right, wait a minute, wait a minute.

Q We're all in it together. (Laughter.)



Q The Washington Times this morning noted --

MR. McCLELLAN: We've been talking about how we can work together, remember -- (laughter.)

Q The Washington Times notes this morning that as recently as last year, Hamas couriers were dispatched to the West Bank or Gaza with United Arab Emirate cash, while the Department of State's country reports and human rights practices reports that the UAE does not allow any elections and restricts freedom of speech and the press. And my question: Why should any control of our ports be given to a company owned by such a dictatorship that refuses to recognize Israel?

MR. McCLELLAN: Les, a couple of things. One, I think you missed what I said about the broader foreign policy implications if we are going to hold a company from an Arab country that is a good and solid ally in the war on terrorism to a different standard from a company from Great Britain. And the President has talked about that. It can have a real negative impact on our relationships. And partnerships and relationships are key to winning the war on terrorism because this is a global threat that we face.

Now, in terms of United Arab Emirates, let me point out, again, what General Pace and what General Franks said, too, in terms of the cooperation that the United Arab Emirates is providing when it comes to our military. Again, our aircraft carriers use the seaports in the United Arab Emirates, I think more than any other seaports outside of the United States. So I think you need to keep that in mind. Our airplanes use their air space, our Air Force planes and jets. This was a country that -- back in 2000, or the late 1990s or 2000, where we provided a number of fighter jets to that company [sic] -- the previous administration did. It is a country that has been a good partner in cracking down on terrorist financing.

The world changed after 9/11, and people made choices. Countries like the United Arab Emirates made a decision to be a good partner in the war on terrorism. And they are working with us, providing us important intelligence to prevent attacks and save lives. They're working with us to crack down on terrorist financing.

Pakistan is another country that made an important choice and is working in partnership with us in the global war on terrorism.

Q Thank you for the three, I appreciate it.

Q Scott, a follow-up on Dave Sanger's question earlier on the ports. How can the new second study or investigation be considered objective when the President has already reached a conclusion and Cabinet Secretaries have already said that it poses no risk? How do

you --

MR. McCLELLAN: Well, again, we went through a very thorough review when the initial notification was made. This is a new notification being made by the company. And because of the request by the company to do a 45-day investigation, I expect that that will bring in additional people into this process.

Now, remember, previously no one raised an objection at the end of that process. No one said -- no one had any national security concerns that weren't unresolved by the end of that review process, and that's why it went forward. It's a consensus judgment of all those different departments and agencies that have expertise in national security matters in various areas. And so that's the way the congressional process was set up.

But this will likely bring in deputies and principals that maybe had not been involved in that initial review period. And then, as I said, ultimately, it will go to the President and we'll be looking very closely at what the review and the investigation says.

Q But getting back to what David said --

MR. McCLELLAN: Well, you asked me to speculate about a review and investigation that has not been done with the new notification.

Q No, we're asking if there is a conflict of interest because the judge has already --

Q The judge has already judged it.

MR. McCLELLAN: No, I would reject that wholeheartedly.

Q Scott, let me ask one additional thing. What will Congress know at the end of this 45 days that it does not now know?

MR. McCLELLAN: Well, I expect that there will be more information that Congress will have at the end of this review and investigation. I can't try to prejudge the new review and new investigation that will take place, and I'm not going to do that. Some of you, I know, in this room want me to do that. I'm just not going to do that. It will -- these are people whose responsibilities are looking at these national security issues, and it involves experts in these areas for addressing national security concerns, just like it did the first time.

Q Scott, are you saying if this port deal goes south we are going to lose the United Arab Emirates as an ally in the war against terrorism? And if so, so what? We've got aircraft carriers in other nations, Saudi Arabia -- is it that important to us?

MR. McCLELLAN: Well, I don't know why you could say "so what." I mean, partnerships are critical in the war on terrorism, and certainly partnerships from Middle Eastern countries like the United Arab Emirates are important in the broader war on terrorism and meeting our important foreign policy objectives.

Q Is it directly tied to this port deal? If this deal goes south --

MR. McCLELLAN: No, no. I'm just pointing out that you also have to look at it in the broader foreign policy context. The President believes it's the right principle and the right policy, and that's what he's expressed previously. But we also understand that Congress would like more information about this and like to have a better understanding. And that's why we supported the agreement that was reached, or the compromise that was reached here with congressional leaders. And we were very involved in those discussions.

Now, let's keep in mind, this is not about port security. The Coast Guard and the Customs and border protection will continue to be in charge of port security. That does not change. They will continue to do their job when it comes to -- and port security is international in nature. I mean, we are checking containers overseas. We are looking at what's in -- we are getting lists before the ships come into harbor and unload. And as this company pointed out, the management and personnel structure won't be changing while it is going through this review and investigation period. So let's look at the broader issues here. I mean, some have tried to leave an impression that this would impact our port security. It won't change port security one iota, whether or not this transaction goes forward.

Q On Taiwan, despite the United States warning, Taiwan authority on Monday officially scrapped the National Unification Council. I wonder if the President has been briefed --

MR. McCLELLAN: I'm sorry, Taiwan what?

Q Taiwan authority has officially scrapped the National Unification Council, which is a signal to (inaudible) unite with mainland China. I wonder whether you conceded this move by Chen Shui-bian to be a violation of his previous promise to the United States.

MR. McCLELLAN: Well, let me emphasize a couple things. One, our policy is clear and consistent when it comes to cross-strait relations. Our one China policy remains, based on the three communiqués, the Taiwan Relations Act, and our belief that there should be no unilateral change in the status quo by either side. We

welcome President Chen's reaffirmation of his administration's commitment to cross-strait peace and stability, and Taiwan's commitment to the pledges that President Chen made in his inaugural address to unilaterally alter -- to not unilaterally alter the status quo on the Taiwan Strait.

The United States continues to also stress the need for Beijing to open a meaningful dialogue with the duly elected leadership in Taiwan that leads to a peaceful resolution of their differences.

Q Earlier we heard that President was upset about Chen Shui-bian's plan to try to unilaterally change the status quo.

MR. McCLELLAN: That's why I talked about the reaffirmation that he has made. It did not abolish the National Unification Council. Today he reaffirmed commitments made during the 2000 and 2004 inaugural addresses. And the United States attaches great importance to those commitments.

Q My question is that Taiwan leader Chen Shui-bian has been trying to push the envelope and trying to change the status quo as defined by the United States government over past few years. So causing a lot -- by doing so, causing a lot of concerns and attention in Taipei, in Beijing, and in Washington, D.C. So my question is, should the U.S. national security and the foreign policy and also the important U.S.-China relations should be dictated and challenged by Chen Shui-bian's inconsistency and by his personal, selfish political agenda?

MR. McCLELLAN: Again, I don't think it changes what I just said. We do not believe that there should be any unilateral change in the status quo by either side. And our policy remains the same. It has not changed.

Q Thank you.

MR. McCLELLAN: Thank you.

END

2:09

P.M. EST

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- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

60710074



Canadian Embassy

Ambassade du Canada  
501 Pennsylvania Avenue, NW  
Washington, DC 20001

OVP STAFF  
SECRETARY RECEIVED

February 27, 2006

THE VICE PRESIDENT  
HAS SEEN

The Honorable Richard Cheney  
Vice President of the United States  
Old Executive Office Building  
Washington, D.C. 20501

APR 03 2006

Dear Vice President Cheney,

With my term as Canadian Ambassador coming to an end on March 1<sup>st</sup>, I wanted to express my heartfelt thanks for the opportunity to get to know you over the past year and to discuss matters of mutual interest. The Canada-US relationship is unique and an exemplary model for civilized relations between sovereign nations at a time of unprecedented instability in the world. People of enormous good will, like you, are responsible for this positive state of affairs.

I will remain an enthusiastic champion of your efforts as I enter the next phase of my life. A relationship of this importance cannot be left to chance.

If I can ever be of assistance I can be contacted at the following co-ordinates:

The Honourable Frank McKenna



(b)(6)

Assistant: Ruth McCrea – (506) 877 0843  
[ruth.mccrea@mcinniescooper.com](mailto:ruth.mccrea@mcinniescooper.com)

With sincere best wishes and warmest personal regards,

Frank McKenna  
Ambassador

# Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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Frank McKenna  
Ambassador





# OpinionJournal

from THE WALL STREET JOURNAL Editorial Page

PRINT WINDOW CLOSE WINDOW

THE VICE PRESIDENT HAS SEEN

Mr. Vice President: *[Signature]*  
A former Taliban spokesman  
is now studying at Yale.  
Bob Schuster of Wyoming  
is mentioned in the article.  
-Derrick Morgan

JOHN FUND ON THE TRAIL

## Jihadi Turns Bulldog

The Taliban's former spokesman is now a Yale student. Anyone see a problem with that?

Monday, February 27, 2006 12:01 a.m.

Never has an article made me blink with astonishment as much as when I read in yesterday's New York Times magazine that Sayed Rahmatullah Hashemi, former ambassador-at-large for the Taliban, is now studying at Yale on a U.S. student visa. This is taking the obsession that U.S. universities have with promoting diversity a bit too far.

*-a Hacker*

Something is very wrong at our elite universities. Last week Larry Summers resigned as president of Harvard when it became clear he would lose a no-confidence vote held by politically correct faculty members furious at his efforts to allow ROTC on campus, his opposition to a drive to have Harvard divest itself of corporate investments in Israel, and his efforts to make professors work harder. Now Yale is giving a first-class education to an erstwhile high official in one of the most evil regimes of the latter half of the 20th century--the government that harbored the terrorists who attacked America on Sept. 11, 2001.

"In some ways," Mr. Rahmatullah told the New York Times. "I'm the luckiest person in the world. I could have ended up in Guantanamo Bay. Instead I ended up at Yale." One of the courses he has taken is called Terrorism-Past, Present and Future.

Many foreign readers of the Times will no doubt snicker at the revelation that naive Yale administrators scrambled to admit Mr. Rahmatullah. The Times reported that Yale "had another foreigner of Rahmatullah's caliber apply for special-student status." Richard Shaw, Yale's dean of undergraduate admissions, told the Times that "we lost him to Harvard," and "I didn't want that to happen again."

In the spring of 2001, I was one of several writers at The Wall Street Journal who interviewed Mr. Rahmatullah at our offices across the street from the World Trade Center. His official title was second foreign secretary; his mission was to explain the regime's decision to rid the country of two 1,000-year-old towering statues of Buddha carved out of rock 90 miles from the Afghan capital, Kabul. The archeological treasures were considered the greatest remaining examples of third- and fifth-century Greco-Indian art in the world. But Taliban leader Mullah Omar had ordered all statues in the country destroyed, calling them idols of infidels and repugnant to Islam.

Even Muslim nations like Pakistan denounced the move. Mr. Rahmatullah, who at the time claimed to be 24 but now says he was lying about his age and was actually two years younger, cut a curious figure in our office. He wore a traditional Afghan turban and white baggy pants and sported a full beard. His English, while sometimes elliptical, was smooth and colloquial. He made himself very clear when he said the West had no business worrying about the statues, because it had cut off trade and foreign aid to the Taliban. "When the world destroys the future of our children with economic sanctions, they have no right to worry about our past," he told us, according to my notes from the meeting.

He smiled as he informed us that the statues had been blown up with explosive charges only after people living nearby had been removed. He had no comment on reports that Mullah Omar had ordered 100 cows be sacrificed as atonement for the Taliban government's failure to destroy the Buddhas earlier.

As for Osama bin Laden, Mr. Rahmatullah called the Saudi fugitive a "guest" of his government and said it hadn't been proved that bin Laden was linked to any terrorist acts, despite his indictment in the U.S. for planning the 1998 bombings of the U.S. embassies in Kenya and Tanzania. He said that if the embassy bombings were terrorist acts, then so was the Clinton administration's firing cruise missiles into his country in an attempt to kill bin Laden. "You killed 19 innocent people," he told us.

After the meeting I walked him out. I vividly recall our stopping at a window as he stared up at the World Trade Center. We stood there for a minute chatting, but I don't recall what he said. He then left. I next thought about him a few months later, on Sept. 11, as I stood outside our office building covered in dust and debris staring at the remains of the towers that had just collapsed. I occasionally wondered what had happened to Mr. Rahmatullah. I assumed he either had died in the collapse of the Taliban regime, had been jailed, or was living quietly in the new, democratic Afghanistan.

From newspaper clips I knew that his visit to the Journal's offices was part of a PR tour. He visited other newspapers and spoke at universities, and the State Department had granted him a meeting with midlevel officials. None of the meetings went particularly well. At the University of Southern California, Mr. Rahmatullah expressed irritation with a question about statues that at that point hadn't yet been blown up. "You know, really, I am asked so much about these statues that I have a headache now," he moaned. "If I go back to Afghanistan, I will blow them."

Carina Chocano, a writer for Salon.com who attended several of his speeches in the U.S., noted the hostility of many of his audiences. "A lesser publicist might have melted down," she wrote. "But the cool, unruffled and media-smart Hashemi instead spun his story into a contemporary parable of ironic iconoclasm," peppering his lectures with "statue jokes."

But sometimes his humor really backfired. At a speech for the Atlantic Council, Mr. Rahmatullah was confronted by a woman in the audience who lifted the burkha she was wearing and chastised him for the Taliban's infamous treatment of women. "You have imprisoned the women--it's a horror, let me tell you," she cried. Mr. Rahmatullah responded with a sneer: "I'm really sorry to your husband. He might have a very difficult time with you."

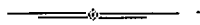
A videotape of his cutting remark became part of Michael Moore's "Fahrenheit 9/11," and infuriated the likes of Mavis Leno, wife of "Tonight Show" host Jay Leno. Mrs. Leno helped found the Feminist Majority's Campaign to Stop Gender Apartheid in Afghanistan and devoted countless hours to focusing public attention on the plight of Afghanistan's women and girls. "I will never, ever abandon these women," she often said before the Taliban's overthrow. Here's hoping she has saved some of her outrage for Yale's decision to welcome Mr. Rahmatullah with open arms.

In his interview with the New York Times, Mr. Rahmatullah, said that if he had to do it all over, he would have been less "antagonistic" in his remarks during his U.S. road tour. "I regret the way I spoke sometimes. Now I would try to be softer. A little bit." Just a little?

Today, when he is asked if Afghanistan would be better off if the Taliban were still in charge, Mr. Rahmatullah, has a mixed answer: "Economically, no. In terms of security, yes. In terms of general happiness, no. In the long-term interests of the country? I don't think so. I think the radicals were taking over and doing crazy stuff. I regret when people think of the Taliban and then think of me--that feeling people have after they know I was affiliated with them is painful to me." Note that the government official who represented the Taliban abroad now claims to have been only "affiliated" with them.

Even though he evinces only semiregret for his actions in service to the Taliban, there is evidence that he has become quite a charmer. After the fall of the Taliban, he resumed a friendship he had developed with Mike Hoover, a CBS News cameraman who, according to a 2001 Associated Press story, had visited Afghanistan three times as a guest of the Taliban. Mr. Hoover inspired Mr. Rahmatullah to think about going to the U.S. to finish his studies. "I thought he could do a lot as a student/teacher," said Mr. Hoover. He persuaded Bob Schuster, an attorney friend of his from Wyoming who had gone to Yale, to help out. As the Times reported, "Schuster called the provost's office to ask how an ex-Taliban envoy with a fourth-grade education and a high-school equivalency degree might go about applying to one of the world's top universities."

Intrigued by Mr. Rahmatullah, Dean Shaw arranged for his admission into a nondegree program for special students. He apparently has done well, so far pulling down a 3.33 grade-point average.



There is something to be said for the instinct to reach out to one's former enemies. America's postwar reconciliation with the Japanese and Germans has paid great dividends. But there are limits.

During a trip to Germany I once ran into a relative of Hans Fritsche, the top deputy to Josef Goebbels, whom the Guardian, a British newspaper, once described as "the Nazi Propaganda Minister's leading radio spokesman [whose] commentaries were among the main items of German home and foreign broadcasting." After the war he was tried as a war criminal at Nuremberg, but because he had only given hate-filled speeches, he was acquitted of all charges in 1946. In the early 1950s, he applied for a visa to visit the U.S. and explain his regret at having served an evil regime. He was turned down, to the everlasting regret of the relative with whom I spoke. She noted that Albert Speer, Hitler's former architect, was also turned down for a U.S. visa even after he had completed a 20-year prison sentence and had written a best-selling book detailing Hitler's madness.

I don't believe Mr. Rahmatullah had direct knowledge of the 9/11 plot, and I don't think he has ever killed anyone. I can appreciate that he is trying to rebuild his life. But he willingly and cheerfully served an evil regime in a manner that would have made Goebbels proud. That he was 22 at the time is little of an excuse. There are many poor, bright students--American and foreign alike--who would jump at the opportunity to attend Yale. Why should Mr. Rahmatullah go to the line ahead of all of them? That's a question Yale alumni should ask when their alma mater comes looking for contributions.

President Bush, who already has a well-known disdain for Yale elitism from his student days there, may also have some questions. In the wake of his being blindsided by his own administration over the Dubai port deal, he should be interested in finding out exactly who at the State Department approved Mr. Rahmatullah's application for a student visa.

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607604

THE VICE PRESIDENT  
HAS SEEN

CBS NEWS POLL

For release: February 27, 2006

6:30 P.M.

**PRESIDENT BUSH, THE PORTS, AND IRAQ**  
**February 22-26, 2006**

The Bush Administration faces a public overwhelmingly opposed to the agreement to give a Dubai-owned firm operational control over six American ports, and more pessimistic about the situation in Iraq than ever before. This, along with reminders of the massive impact of Hurricane Katrina and negative assessments of how the government and the President have handled it for six months, has brought the President's approval ratings down to new lows.

George W. Bush now receives the lowest marks of his Presidency, even on fighting terrorism, a measure that has long been his strongest suit. Half of Americans now disapprove of how he is handling that effort, while 43% approve.

**BUSH'S HANDLING OF WAR ON TERROR**

	Now	1/2006	10/2005	2/2005
Approve	43%	52%	47%	61%
Disapprove	50	43	46	33

A large majority of Republicans still approves of the President's handling of terrorism, although their approval, like that of all adults, has dropped nine points in the last month, to 78% now. Most Democrats and Independents disapprove.

Bush's overall job rating has tumbled, too, to an all-time low in this poll. It is now 34%, down from 42% last month. 59% disapprove. The previous low of 35% came last October, one month after Hurricane Katrina, shortly after the withdrawal of Harriet Miers from a Supreme Court nomination and just after U.S. deaths in Iraq reached the 2,000 mark. Not since November 2004 has a majority approved of the President's overall performance.

**PRES. BUSH JOB APPROVALS**

	Now	1/2006	10/2005	11/2004
<b>Overall</b>	<b>34%</b>	<b>42%</b>	<b>35%</b>	<b>51%</b>
Iraq	30%	37%	32%	40%
Economy	32%	39%	34%	42%
Energy	27%	--	--	--

Ratings for the President's handling of the Iraq war have also plummeted, to their all-time low of 30%. And approval of his handling of the economy is also down. So are evaluations of the

national economy. Half say it is in good shape today; last month 57% described it that way.

**THE NATIONAL ECONOMY IS...**

	Now	1/2006
Good	50%	57%
Bad	48	42

Just 27% of Americans approve of how President Bush is handling the overall energy situation. 60% disapprove. Those evaluations are lower than those recorded near the start of his Administration. And on the assessment of his handling of the response to Hurricane Katrina, only 32% approve.

**THE PORTS DEAL**

Just 21% say that the U.S. should let a United Arab Emirates country operate six American ports - 70% say this should not be allowed.

**SHOULD U.A.E. COMPANY OPERATE U.S. PORTS?**

Yes	21%
No	70

The opposition to the ports deal crosses party lines - 58% of Republicans oppose it, as do more than seven in ten Democrats and Independents. The question text included Bush administration positions - that the U.S. would continue to control security at the ports, that a foreign company from Britain now runs the ports, and that the U.A.E. is an ally of the U.S.

**THE IRAQ WAR**

Americans' perceptions of the U.S. effort in Iraq are at an all-time low. By two to one, Americans think U.S. efforts to bring stability and order to Iraq are going badly - the worst assessment they have made of progress in Iraq.

Now, just 36% say things are going well for the U.S. in Iraq. The only other times fewer than 40% were positive were in spring 2004, right after the photographs of abuse of prisoners at Abu Ghraib prison were published. In January, after the Iraqi election, 45% of American said things were going well.

**HOW ARE THINGS GOING IN IRAQ?**

	Now	1/2006	5/2004	5/2003
Well	36%	45%	37%	72%
Badly	62	54	60	24

Republicans are still positive about what's happening in Iraq. Two-thirds of Republicans say the rebuilding effort is going well there. But that, too, has slipped a bit since January, when three-quarters thought so.

This negative assessment of how things are going has affected evaluations of the war overall. Now, just 29%, the lowest since the spring of 2004, say the results of the war in Iraq have been worth the cost. However, more, 41%, say that removing Saddam Hussein from power was worth the costs.

**IS IRAQ WORTH THE COST?**

	Yes	No
The results of the war	29%	63
Removing Saddam Hussein	41%	53

There has also been a decline on the question of overall U.S. involvement in Iraq. Only 41% now say that the U.S. did the right thing taking military action against Iraq. Last month, after the Iraqi election, 47% agreed. This matches the low levels of support found last October, at the time of the previous lowest overall approval rating for the President. The last time a majority approved of military action in Iraq was just before the 2004 election.

**U.S. MILITARY ACTION AGAINST IRAQ**

	Now	1/2006	10/2005	10/2004
Right thing	41%	47%	41%	53%
Should have stayed out	54	50	55	42

**ASSESSING THE PRESIDENT**

For the first time in this poll, most Americans - 51% - say George W. Bush does not care much about people like themselves. Last fall, 47% thought he did not care. Today just 17% say Bush cares a lot about people like them, and another 30% think he cares some.

**DOES BUSH CARE ABOUT PEOPLE LIKE YOU?**

	Now	10/2005	1/2002
A lot	17%	24%	34%
Some	30	28	42
Not much/none	51	47	23

And even aside from his low job performance rating, few Americans today - just 29% - offer a positive view of George W. Bush. 53% have an unfavorable view of him, his highest unfavorable rating among all Americans since he took office.

**VIEWS OF GEORGE W. BUSH**

	Now	10/2005	2/2004	11/2002	3/2001
Favorable	29%	33%	44%	55%	42%
Unfavorable	53	51	36	25	19
Can't say/ Haven't heard enough	17	15	19	20	38

## FOREIGN POLICY CONCERNS

When Americans are asked about the most important problems facing the country today, four in ten mention a foreign concern - the war, terrorism, defense, or another international issue. And in the last few weeks, international issues in the news included more than the ports controversy and the war in Iraq.

Most Americans believe that the nuclear threat from Iran can still be contained with diplomacy. One in five Americans now thinks the threat from Iran requires military action now.

### THREAT FROM IRAN...

Requires military action now	20%
Can be contained with diplomacy	55
Not a threat at this time	19

But Americans are divided about U.S. intervention, generally, in countries that are unfriendly to the U.S. They divide evenly on whether the U.S. government should work secretly inside unfriendly countries to try and overthrow those governments. In the year after 9/11, 70% thought the C.I.A. should be taking such actions.

### SHOULD U.S. SECRETLY TRY TO OVERTHROW UNFRIENDLY GOVERNMENTS?

Yes	44%
No	44

Americans reject violent Muslim reaction to the publication of cartoons depicting the Prophet Muhammad in a Danish newspaper - which included protests around the world. Only 9% say that is justified. However, Americans are divided on whether or not the Danish newspaper should have published those cartoons in the first place. On both questions, more than a third said they didn't know enough to judge.

### DANISH CARTOON CONTROVERSY

	Justified	Not justified	Don't Know
Publishing cartoons	32%	27	41
Violent Muslim reaction	9%	56	35

Favorable assessments of Islam, the religion, are slightly lower now than they were in the months after the attacks of September 11, 2001. The public is also less certain than it was then that Islam is no more violent a religion than others are.

### OPINION OF ISLAM

	Now	2/2002
Favorable	23%	30%
Not Favorable	36	33

**COMPARED WITH OTHER RELIGIONS, ISLAM ENCOURAGES VIOLENCE...**

	Now	3/2002 (GALLUP)
More	39%	35%
Same	35	49
Less	8	12

**THE VICE-PRESIDENT AND THE HUNTING ACCIDENT**

One surprising bright spot for the Administration is that Americans appear ready to move on after the hunting accident involving Vice-President Dick Cheney: most say it was understandable that the accident could have occurred.

An overwhelming majority - 76% - says the accident was understandable. Hunters (those who have gone hunting in the last year) feel much the same. One in five Americans says there was no excuse for the accident.

**VIEWS OF CHENEY'S HUNTING ACCIDENT...**

Understandable it could happen	76%
No excuse for it to happen	20

The coverage of the hunting accident may have made the public's generally negative view of Vice-President Cheney a bit more so. Today 46% hold a negative view of Mr. Cheney, and just 18% hold a favorable one, down from 23% in January.

**VIEWS OF DICK CHENEY**

	Now	1/2006	1/2005	1/2002
Favorable	18%	23%	28%	39
Unfavorable	46	41	33	11
Can't say/ Haven't heard enough	35	35	38	49

One-third of Americans believe Cheney has a stronger role as Vice-President in this White House than most other VPs have had in past Administrations. Democrats are just as likely as Republicans to feel this way. 42% of Americans say Cheney's influence is the same as that of his predecessors. This view is mostly unchanged from four years ago.

Almost half of Americans - including most Republicans - accept Cheney's explanation of why there was a delay in reporting the accident. But just as many - including most Democrats (who also hold negative overall views of the Vice President) aren't satisfied with that explanation.



**CHENEY'S EXPLANATION FOR DELAY IN REPORTING THE ACCIDENT WAS...**

	All	Reps	Dems	Inds
Satisfactory	46%	67%	30%	45%
Unsatisfactory	46	26	65	43

Back in October 1969, CBS News asked if Senator Ted Kennedy had given a satisfactory explanation for not reporting his car accident at Chappaquidick right away. Then, only 33% were satisfied.

Two-thirds of Americans clearly want to move on: they say the media has spent too much time covering the story now.

**MEDIA COVERAGE OF CHENEY HUNTING ACCIDENT**

Too much time	66%
Right amount of time	22
Too little time	9

**WIRETAPPING**

The public remains divided as to whether or not it approves of the President authorizing wiretaps on some phone calls in the U.S. without getting court warrants in order to reduce the threat of terrorism. 51% now approve of the practice, similar to results last month.

**APPROVE OF BUSH AUTHORIZING WIRETAPS TO FIGHT TERRORISM?**

	Now	1/2006
Approve	51%	53%
Disapprove	47	46

83% of Republicans, as opposed to 33% of Democrats and 42% of Independents, approve of the President authorizing wiretaps to fight terrorism without a warrant.

When the specific reason for the wiretapping - to reduce the threat of terrorism - is omitted from the question, the number of Americans who approve of this action drops by 5 points.

**APPROVE OF BUSH AUTHORIZING WIRETAPS?**

	Now	1/2006
Approve	46%	46%
Disapprove	50	50

Americans are somewhat skeptical of the Bush Administration's claim that the president currently has the legal authority to conduct such wiretaps. Slightly more than half of all Americans believe the President does not have this legal authority, while 43% believe he does.

**DOES THE PRESIDENT HAVE THE LEGAL AUTHORITY TO AUTHORIZE WIRETAPS WITHOUT A WARRANT TO FIGHT TERRORISM?**

Yes	43%
No	51

Whether or not someone believes the President has the legal authority to conduct wiretaps without court warrants seems to be related to whether or not they approve of the wiretapping generally. 68% of Americans who approve of the President authorizing wiretaps without a court warrant in order to fight terrorism also believe he has the legal authority to do so. Conversely, only 7% of those who disapprove of the practice think he has the authority to conduct such wiretaps.

63% of Republicans - as opposed to 28% of Democrats and 43% of Independents - believe that the President has this authority in order to fight terrorism.

Changing the law would have limited impact on those Americans who both do not think the President has this legal authority and do not approve of the practice. 60% of those say they would still oppose the President authorizing wiretaps without a court warrant even if the law were changed to allow him to do so.

Nearly half of all Americans - 47% - said they had not much or no confidence in the ability of government agencies to correctly tell whose phone calls and emails should be monitored and whose should not, up 6 points from last month. Half the public does have confidence.

**CONFIDENCE GOVERNMENT CAN CORRECTLY TELL WHOSE CALLS SHOULD BE MONITORED?**

	Now	1/2006
Great deal	11%	10%
Fair amount	40	48
Not much/none	47	41

Fewer Americans are personally concerned that their own phone calls and emails will be monitored. 7 in 10 are not very or not at all concerned.

**CONCERNED THE GOV'T MIGHT MONITOR YOUR OWN CALLS OR EMAILS?**

	Now	1/2006
Very	14%	22%
Somewhat	17	13
Not very/not at all	70	64

Blacks are considerably more concerned than whites in this regard. 47% of blacks, compared to 27% of whites, say they are at least somewhat concerned.

But while most are not worried specifically about their own telephone calls and emails being monitored, many Americans

continue to voice more broad concerns about losing some of their civil liberties. A third of all Americans say they are very concerned - and another third say they are at least somewhat concerned - that they might lose some of their civil liberties as a result of the measures enacted by the Bush Administration to fight terrorism. These numbers are virtually unchanged since last month.

**CONCERNED ABOUT LOSING CIVIL LIBERTIES BECAUSE OF BUSH ADMINISTRATION'S ANTI-TERROR MEASURES?**

	Now	1/2006
Very	33%	34%
Somewhat	31	30
Not very/not at all	34	35

Republicans are less likely to be concerned than Democrats or Independents.

**ASSESSING THE ADMINISTRATION**

In general, while most - 67% - think that people in the Bush Administration generally do not take responsibility when things go wrong, the Bush Administration fares much better than most politicians do on this measure. A separate sample of respondents was asked if "most people in government," generally, took responsibility, and only 8% said yes.

**DO...TAKE RESPONSIBILITY WHEN THINGS GO WRONG?**

	Yes	No
People in Bush Administration	27%	67
People in government	8%	86

However, amid the recent controversies -- whether the Cheney hunting accident was reported in a timely fashion, the announcement of the ports deal, and the recent debate over wiretapping, most Americans believe the Administration is generally too secretive about information that the public needs to know.

**IS THE ADMINISTRATION TOO SECRETIVE?**

Yes	58%
No	36

**ASSESSING CONGRESS**

The public continues to hold a dim view of Congress, with just 28% approving and 61% disapproving of the way Congress is handling its job.

**JOB APPROVAL OF CONGRESS**

	Now	1/2006	2/2005
Approve	28%	29%	41%
Disapprove	61	61	44

One year ago the public was more evenly split, with 41% approving and 44% disapproving. While Congressional approval hovered in the low to mid 30s for most of last year, it dropped to 29% last month, and is currently the lowest job approval rating for Congress in almost a decade.

In both February 2002 (a few months after 9/11) and 1998 (at the start of President Clinton's Lewinsky scandal), 50% of Americans approved of how Congress was handling its job. Today's job approval numbers are closer to those seen at the beginning of 1994, when in January 30% of Americans approved and 58% disapproved of how Congress was handling its job. That year, the Democrats lost their majority in the House of Representatives.

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This poll was conducted among a nationwide random sample of 1018 adults, interviewed by telephone February 22-26, 2006. The error due to sampling for results based on the entire sample could be plus or minus three percentage points.

**CBS NEWS POLL**  
**PRESIDENT BUSH, THE PORTS, AND IRAQ**  
**February 22-26, 2006**

q1 Do you approve or disapprove of the way George W. Bush is handling his job as President?

	** TOTAL RESPONDENTS **				Jan06b
	Total	*** Party ID ***			
	%	Rep %	Dem %	Ind %	%
Approve	34	72	9	29	42
Disapprove	59	22	86	61	51
DK/NA	7	6	5	10	7

q2 What do you think is the most important problem facing this country today?

	Total	Rep	Dem	Ind	Jan06b
War in Iraq	24	25	28	18	22
Economy / Jobs	13	11	15	12	14
Terrorism (general)	9	14	5	8	9
Health Care	5	4	6	4	4
The President/G.W. Bush	5	2	8	4	4
Defense / Military	4	3	4	4	3
Poverty / Homelessness	3	1	3	3	3
Foreign Policy	3	1	2	4	2
Gas/Heating Oil Crisis	2	1	4	1	4
Moral Values/Family Values	2	7	0	2	3
Education	2	2	2	1	3
Misc. Foreign Affairs	2	0	1	3	-
Foreign aid/Attn. to Domestic	2	0	2	4	1
Politicians/Government	2	2	1	2	2
Budget Deficit /Nat'l Debt	2	2	2	2	1
Other	14	18	12	22	20
DK/NA	6	7	5	6	5

q3 Do you approve or disapprove of the way George W. Bush is handling the economy?

	Total	Rep	Dem	Ind	Jan06b
Approve	32	68	11	26	39
Disapprove	60	25	84	62	54
DK/NA	8	7	5	12	7

q4 Do you approve or disapprove of the way George W. Bush is handling the situation with Iraq?

	Total	Rep	Dem	Ind	Jan06b
Approve	30	61	10	25	37
Disapprove	65	34	86	69	59
DK/NA	5	5	4	6	4

q5 Do you approve or disapprove of the way George W. Bush is handling the campaign against terrorism?

	** TOTAL RESPONDENTS **				
	*** Party ID ***				
	Total	Rep	Dem	Ind	Jan06b
	%	%	%	%	%
Approve	43	78	20	39	52
Disapprove	50	17	72	53	43
DK/NA	7	5	8	8	5

q6 Do you approve or disapprove of the way George W. Bush is handling the energy situation?

					Aug01c
Approve	27	53	14	20	43
Disapprove	60	33	75	66	42
DK/NA	13	14	11	14	15

q7 Do you approve or disapprove of the way Congress is handling its job?

					Jan06b
Approve	28	31	32	22	29
Disapprove	61	59	55	68	61
DK/NA	11	10	13	10	10

q8 How would you rate the condition of the national economy these days? Is it very good, fairly good, fairly bad, or very bad?

Very good	5	13	1	3	6
Fairly good	45	62	33	45	51
Fairly bad	33	17	39	38	29
Very bad	15	6	24	12	13
DK/NA	2	2	3	2	1

q9 Which comes closer to your opinion -- Iran is a threat to the United States that requires military action now, Iran is a threat that can be contained with diplomacy now, or Iran is not a threat to the United States at this time?

Threat requiring action now	20	30	13	20
Threat that can be contained	55	52	58	54
Not a threat at this time	19	12	24	20
DK/NA	6	6	5	6

q10-q11 BLANK

q12 How much do you think George W. Bush cares about the needs and problems of people like yourself -- a lot, some, not much, or not at all?

					Oct05a
A lot	17	40	5	12	24
Some	30	43	22	29	28
Not much	25	9	30	33	28
Not at all	26	7	42	25	19
Don't know/No answer	2	1	1	1	1

q13 HELD FOR SEPARATE RELEASE

q14 BLANK

q15 Is your opinion of George W. Bush favorable, not favorable, undecided, or haven't you heard enough about George W. Bush yet to have an opinion?

	** TOTAL RESPONDENTS **				Jan06b
	Total	Rep	Dem	Ind	
	%	%	%	%	%
Favorable	29	65	8	23	37
Not favorable	53	16	79	55	48
Undecided	14	16	10	18	13
Haven't heard enough	3	2	2	4	1
Refused	1	1	1	0	1

q16 Is your opinion of Dick Cheney favorable, not favorable, undecided, or haven't you heard enough about Dick Cheney yet to have an opinion?

Favorable	18	41	6	12	23
Not favorable	46	15	67	48	41
Undecided	20	25	17	19	17
Haven't heard enough	15	18	9	20	18
Refused	1	1	1	1	1

q17-q18 HELD FOR FUTURE RELEASE

q19 Do you think the result of the war with Iraq was worth the loss of American life and other costs of attacking Iraq, or not?

					Oct05d
Worth it	29	58	9	27	31
Not worth it	63	33	82	69	64
DK/NA	8	9	9	4	5

q20 Do you think removing Saddam Hussein from power was worth the loss of American life and other costs of attacking Iraq, or not?

					Oct05a
Worth it	41	67	25	35	34
Not worth it	53	25	70	56	57
DK/NA	6	8	5	9	9

q21 Do you think most people in government are willing to take responsibility when something goes wrong, or do you think most people in government try to avoid taking responsibility for their actions?

	** HALF SAMPLE A **				
	*** Party ID ***				
	Total	Rep	Dem	Ind	May94a
	%	%	%	%	%
Take responsibility	8	12	7	5	17
Avoid responsibility	86	80	87	90	73
Half & half (vol.)	3	4	1	3	5
DK/NA	3	4	5	2	5

q22 Do you think most people in the Bush Administration are willing to take responsibility when something goes wrong, or do you think most people in the Bush Administration try to avoid taking responsibility for their actions?

	** HALF SAMPLE B **			
Take responsibility	27	62	8	19
Avoid responsibility	67	31	89	74
Half & half (vol.)	1	2	1	1
DK/NA	5	5	2	6

q23 In general, do you think the U.S. government should or should not work secretly inside other countries to try to weaken or overthrow governments unfriendly to the United States?

	** TOTAL RESPONDENTS **			
Should	44	64	32	41
Should not	44	26	54	47
DK/NA	12	10	14	12

q24 HELD FOR SEPARATE RELEASE

q25 From what you have heard or read, do you think the Bush administration has been too secretive about things the public should know, or don't you think so?

Yes, too secretive	58	28	79	60
No, don't think so	36	66	16	33
Not sure	6	6	5	7

q26-q29 HELD FOR FUTURE RELEASE

q30 How does Dick Cheney's role as Vice President compare to those of previous Vice Presidents? Is Cheney's role in George W. Bush's Administration more important, less important, or about the same as other Vice Presidents?

					Jan02a
More important	32	28	31	35	35
Less important	22	11	36	15	16
About the same	42	57	29	42	44
DK/NA	4	4	4	8	5



q31 BLANK

q32 HELD FOR FUTURE RELEASE

q33 As you may know, the Bush Administration has agreed to let a company from the United Arab Emirates run six shipping ports in the U.S., including ports in New York and New Orleans, that are now being run by a British company. Critics of the plan say that allowing a company from an Arab country to operate U.S. shipping ports is dangerous to national security. The Bush Administration says security will be protected by the U.S. and that the United Arab Emirates is a U.S. ally.

Do you think the U.S. should or should not let a United Arab Emirates company operate U.S. shipping ports?

\*\* TOTAL RESPONDENTS \*\*

\*\*\* Party ID \*\*\*

	Total	Rep	Dem	Ind
Should	21	31	13	21
Should not	70	58	78	71
DK/NA	9	11	9	8

q34-q49 HELD FOR SEPARATE RELEASE

q50 What is your impression of the religion called Islam? As of today, is it very favorable, somewhat favorable, somewhat unfavorable, very unfavorable, of haven't you heard enough about that to say?

					Feb02a
					%
Very favorable	7	4	10	7	7
Somewhat favorable	16	13	18	17	23
Somewhat unfavorable	17	15	14	22	17
Very unfavorable	19	34	12	12	16
Haven't heard enough	32	26	36	33	31
DK/NA	9	8	10	9	6

q51 Generally speaking, do you think the Islamic religion encourages violence more than other religions around the world, about the same amount, or less than other religions around the world?

More	39	53	33	34
Same amount	35	26	35	41
Less	8	6	12	4
No opinion	18	15	20	21

q52 BLANK

q53 How concerned are you about losing some of your civil liberties as a result of the measures enacted by the Bush Administration to fight terrorism -- are you very concerned, somewhat concerned, not very concerned, or not at all concerned?

					Jan06b
Very concerned	33	13	49	32	34
Somewhat concerned	31	29	31	34	30
Not very concerned	18	27	11	19	17
Not at all concerned	16	29	9	13	18
DK/NA	2	2	0	2	1

q54 After 9/11, President Bush authorized government wiretaps on some phone calls in the U.S. without getting court warrants, saying this was necessary in order to reduce the threat of terrorism. Do you approve or disapprove of the President doing this?

\*\* HALF SAMPLE C \*\*

	*** Party ID ***				Jan06b
	Total	Rep	Dem	Ind	
	%	%	%	%	%
Approve	51	83	33	42	53
Disapprove	47	16	63	57	46
DK/NA	2	1	4	1	1

q55 After 9/11, George W. Bush authorized government wiretaps on some phone calls in the U.S. without getting court warrants. Do you approve or disapprove of George W. Bush doing this?

\*\* HALF SAMPLE D \*\*

Approve	46	76	22	48	46
Disapprove	50	17	77	47	50
DK/NA	4	7	1	5	4

q56 Regardless of whether you approve of the President authorizing the wiretaps, do you think the President has the legal authority to authorize wiretaps without a court warrant, or doesn't he?

\*\* HALF SAMPLE E \*\*

Has the authority	41	70	24	35
Does not	52	22	71	57
DK/NA	7	8	5	8

q57 Regardless of whether you approve of the President authorizing the wiretaps, do you think the President has the legal authority to authorize wiretaps without a court warrant in order to fight terrorism, or doesn't he?

\*\* HALF SAMPLE E \*\*

Has the authority	43	63	28	43
Does not	51	28	68	51
DK/NA	6	9	4	6

q58 If the law was changed to specifically allow a president to authorize wiretaps without a court warrant, then would you approve or disapprove of George W. Bush authorizing those wiretaps?

THOSE WHO DISAPPROVE/DK IN Q54 OR Q55 AND DO NOT THINK THE PRES. HAS THE LEGAL AUTHORITY/DK IN Q56 OR Q57

Approve	32	56	23	33
Disapprove	60	40	66	62
It depends (vol.)	2	0	3	1
DK/NA	6	4	8	4

q59 In general, how much confidence do you have that government agencies are able to correctly tell whose phone calls and emails should be monitored and whose should not -- do you have a great deal of confidence, a fair amount, not very much, or none at all?

** TOTAL RESPONDENTS **					
	*** Party ID ***				
	Total	Rep	Dem	Ind	Jan06b
	%	%	%	%	%
A great deal	11	23	4	8	10
Fair amount	40	53	28	41	48
Not much	31	15	42	31	28
None at all	16	6	25	17	13
DK/NA	2	3	1	3	1

q60 How concerned are you, personally, that the government might choose to monitor your own phone calls or emails -- are you very concerned, somewhat concerned, not very concerned, or not at all concerned?

					Jan06a
Very concerned	14	7	21	13	22
Somewhat concerned	17	9	21	18	13
Not very concerned	22	17	24	23	22
Not at all concerned	48	67	34	46	42
DK/NA	0	0	0	0	1

q61-q62 BLANK

q63 From what you know about the hunting incident that involved Dick Cheney accidentally shooting a man, which statement comes closer to your opinion? 1. There is absolutely no excuse for the accident, or 2. It is understandable that this kind of an accident could have happened?

No excuse	20	11	28	18
Understandable	76	87	69	76
DK/NA	4	2	3	6

q64 Dick Cheney gave an explanation of the hunting accident and why he didn't report it immediately. Are you satisfied or not satisfied with his explanation?

Satisfied	46	67	30	45
Not satisfied	46	26	65	43
Don't know/No answer	8	7	5	12

q65 Do you think the media have spent too much time, too little time, or the right amount of time on the hunting incident involving Dick Cheney?

Too much time	66	80	54	67
Too little	9	6	11	9
Right amount	22	12	32	19
Don't know/No answer	3	2	3	5

q66-q71 HELD FOR FUTURE RELEASE

q72 Looking back, do you think the United States did the right thing in taking military action against Iraq, or should the U.S. have stayed out?

\*\* TOTAL RESPONDENTS \*\*

	Total %	*** Party ID ***			Jan06b %
		Rep %	Dem %	Ind %	
Right thing	41	71	19	41	47
Stayed out	54	25	76	55	50
DK/NA	5	4	5	4	3

q73 How would you say things are going for the U.S. in its efforts to bring stability and order to Iraq? Would you say things are going very well, somewhat well, somewhat badly, or very badly?

Very well	5	14	1	3	8
Somewhat well	31	51	18	28	37
Somewhat badly	32	25	33	37	30
Very badly	30	8	48	29	24
DK/NA	2	2	0	3	1

q74 BLANK

q75 Do you think Saddam Hussein was personally involved in the September 11th, 2001 terrorist attacks on the World Trade Center and the Pentagon?

	Oct05a				
Yes	29	36	22	29	33
No	57	46	64	57	55
DK/NA	14	18	14	14	12

q76 HELD FOR FUTURE RELEASE

q77-78 BLANK

q79 As you may know, a Danish newspaper published some cartoons depicting Muhammad, which offended Muslims around the world and led to violent protests by Muslims in many countries. Based on what you've seen or read, do you think the reaction by Muslims was justified, or not justified, or don't you know enough about it to say?

Justified	9	6	11	10
Not justified	56	59	52	58
DK/NA	35	35	37	32

q80 As you may know, a Danish newspaper published some cartoons depicting Muhammad, which offended Muslims around the world and led to violent protests by Muslims in many countries. Based on what you've seen or read, do you think the Danish newspaper was justified in publishing the cartoons, or not justified, or don't you know enough about it to say?

Justified	32	35	26	36
Not justified	27	23	35	21
DK/NA	41	42	39	43

q82-q91 BLANK

q92 Within the past twelve months, have you, yourself gone hunting?

\*\* TOTAL RESPONDENTS \*\*

\*\*\* Party ID \*\*\*

	Total	Rep	Dem	Ind
	%	%	%	%
Yes, have hunted	12	17	7	13
No have not hunted	88	83	93	87

	<u>UNWEIGHTED</u>	<u>WEIGHTED</u>
Total Respondents	1018	
Total Republicans	272	289
Total Democrats	409	381
Total Independents	337	348
Half Sample A (q21)	517	504
Half Sample B (q22)	501	514
Half Sample C (q54)	517	504
Half Sample D (q55)	501	514
Half Sample E (q56)	515	533
Half Sample F (q57)	503	485

Economic News Summary for February 27, 2006

Prepared by OVP Domestic Policy

607604 ✓

THE PRESIDENT HAS SEEN

Economic Indicators

**Advance Durable Goods Orders, Shipments, and Inventories for January (CEA) 2/24/06** "New orders for manufacturers' durable goods excluding semiconductors fell 10.2% in January, following a large increase in the fourth quarter. The January decline was almost entirely accounted for by a sharp drop in aircraft orders—a highly volatile series. Shipments of core capital goods (nondefense capital goods excluding aircraft) rose 0.2% in January. Shipments of core capital goods represent the component of durable goods most directly linked to investment. The moderate rise in shipments of core capital goods in January continues the robust growth from December, and suggests strong growth in business equipment investment in the first quarter of 2006."

**After Robust First Quarter, Growth is Seen Cooling Off (WSJ)** "After 'roaring back' in the first quarter of 2006 and triggering higher interest rates, the U.S. economy will slow through the rest of 2006 and into next year, leading to some reduction in official rates in 2007, according to a poll of forecasters released Monday by the National Association for Business Economics. After expanding just 1.1% in the fourth quarter of 2005, gross domestic product is expected to rise 4.5% during the first three months of the year and 3.3% for 2006 as a whole, the poll of 53 forecasters indicated. 'Our forecasters expect the economy to shake off the effects of last year's hurricanes and surging oil prices,' said NABE President Stuart Hoffman, who's also chief economist at PNC Financial Services Group."

Business

**Workers Offered Roth 401(k)s (USA Today)** "General Motors, Delphi, Vanguard and A.G. Edwards are among the first major employers this year to begin rolling out Roth 401(k) plans, which let workers withdraw money tax-free in retirement. Congress allowed employers to offer Roth 401(k) programs starting in January. Companies so far are slow to adopt such plans, mostly out of fear of confusing employees with another retirement-savings option, says Michael Weddell of Watson Wyatt, a consulting firm. But given GM's stature, its move could have a ripple effect. In late 2005, 34% of 223 large employers surveyed said they were likely to add a Roth 401(k) feature to their retirement plan this year, according to Hewitt Associates."

**China is Set to Spend Billions on Wireless Upgrade (WSJ)** "China is preparing to invest billions of dollars over the next several years on a massive upgrade of its cellular-phone system, and the prospect of grabbing a slice of the new business is fueling intense competition among global telecommunications-equipment vendors. After years of deliberation, analysts and industry executives say, Beijing probably will start awarding licenses for so-called third-generation, or 3G, networks in the next six months or so, to give state-owned phone companies time to prepare services for the 2008 Olympics in Beijing. China already is the world's largest mobile-phone market, and the upgrade will create what is likely to become the world's biggest 3G wireless network. With 3G technology, users can send and receive data with their cellphones and other mobile gadgets far more quickly than they could before, enabling services like wireless video and music downloads, instant messaging and high-speed Internet surfing. The technology already has been rolled out elsewhere, mainly in Europe and in other parts of Asia, while a few companies are beginning to introduce it in the U.S. China's adoption of 3G will bring cutting-edge wireless technology to a market that already boasts more mobile phone users than any other -- 398.8 million subscriptions at the end of

January, far more than the population of the U.S. In 2005, China added nearly 59 million new wireless subscriptions, more than the entire population of Italy. The world's telecommunications-equipment vendors, including Telefon AB L.M. Ericsson, Nokia Corp., Motorola Inc., Nortel Networks Corp., Siemens AG, Alcatel SA and Lucent Technologies Inc., are jostling for position ahead of the move to 3G, which executives say is likely to cause significant changes in the competitive landscape in China. Chinese companies Huawei Technologies Co. and ZTE Corp. also are expected to be aggressive competitors."

## **Policy**

**Drug Benefit in Play: Which Party Wins (WSJ)** "[D]ozens of Democrats across the country [are] using this week's congressional recess to pounce on the Medicare drug benefit, which began Jan. 1. Democratic lawmakers planned more than 100 Medicare forums in an effort to turn what was once viewed as a major Republican health-care victory into a political liability. Also, in several close congressional races, Democrats are making the drug benefit a central issue as they challenge Republican incumbents who voted for it. The Democratic strategy is to tie troubles with the drug benefit to broader campaign themes: that the Republicans are too cozy with big industries and that the Bush administration stumbles when responding to crises. To that end, Democrats are noting that private health insurers -- not the government -- design and administer the drug plans, and that drug makers are protected from negotiating prices directly with Medicare. ... Democrats also blame the drug benefit glitches on inadequate preparation by the administration. ... While Democrats say enrollment has been anemic, Republicans counter that it is rising steadily. More than five million have signed up on their own, the government says, and an additional 20 million also are benefiting, including low-income people automatically enrolled by the government and people whose employers are getting federal subsidies. ... Democrats want to allow the government to negotiate with drug companies for lower prices, legalize importation of medications from abroad and remove the financial penalty for seniors who don't enroll by the May 15 deadline. Unless the enrollment penalties are lifted, they point out, late enrollees will pay premiums that are 1% higher for each month they delayed. ... But prospects for changes this year are slim. Extending the enrollment period has some traction, at least in the Senate. ... House Republicans are circulating quotes from newspaper articles written after Medicare's inception in 1966, showing similar problems. One story from a Florida paper reported 'missing forms, bewildered patients, lost Medicare cards...' -- a sign, Republicans say, that people should give the new drug program the benefit of the doubt."

February 27, 2006

607604  
THE VICE PRESIDENT  
HAS SEEN

MEMORANDUM FOR THE PRESIDENT

FROM: KEITH HALE *kh*

SUBJECT: **Fourth-Quarter GDP (revised estimate) (★★★)**  
Public Release: 8:30 am Tuesday (Commerce Department)

**Real GDP growth revised up 0.5 percentage point to 1.6% at an annual rate**

	Q4 Growth Rates (annualized)		Change over the past 4 quarters
	Actual	Expected	
Real Gross Domestic Product (GDP)	1.6%	1.6%	3.2%

- **Real GDP growth was revised up 0.5 percentage point to 1.6% at an annual rate.** The upward revisions were in Federal spending, business fixed investment, and inventory investment. These were partially offset by a downward revision to net exports.
- **As in the advance estimate, three temporary factors held down fourth-quarter growth.**
  - (1) Oil and natural gas production in the Gulf of Mexico dropped sharply because of damage from the hurricanes. As a result, imports of crude oil and petroleum products increased. Repairs to oil and gas production in the Gulf suggest a sharp production rebound in first quarter.
  - (2) Motor vehicle production dropped sharply in the fourth quarter, by enough to subtract 0.6 percentage point from real GDP growth. Motor vehicle production has fallen slightly further in the first quarter.
  - (3) Federal defense purchases fell sharply in the fourth quarter (but not nearly as much as in the advance estimate).
- **Third-quarter labor income was revised up notably (\$22 billion at an annual rate).**
- **Current indicators suggest strong first-quarter GDP growth, roughly in the 4½ to 5½ percent range at an annual rate.**





**Durkin, Charles P.**

10/7/07

**From:** Addington, David S.  
**Sent:** Monday, February 27, 2006 7:50 PM  
**To:** Durkin, Charles P.  
**Subject:** Fw: NOMINATIONS SENT TO THE SENATE

VICE PRESIDENT  
HAS SEEN

Charlie:

When it is convenient, please draw to the Vice President's attention that the President has sent to the Senate the nomination of Pat Smith (formerly head of the VP USSS detail) to be the U.S. Marshal for the Western District of North Carolina.

-----Original Message-----

**From:** bounce-180779-114352@list.whitehouse.gov <bounce-180779-114352@list.whitehouse.gov>  
**To:** Addington, David S. <David\_S.\_Addington@ovp.eop.gov>  
**Sent:** Mon Feb 27 19:28:08 2006  
**Subject:** NOMINATIONS SENT TO THE SENATE

THE WHITE HOUSE

Office of the Press Secretary

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For Immediate Release

February 27, 2006

NOMINATIONS SENT TO THE SENATE:

John G. Emling, of Pennsylvania, to be an Assistant Secretary of Commerce, vice Brett T. Palmer, resigned.

Timothy Anthony Junker, of Iowa, to be United States Marshal for the Northern District of Iowa for the term of four years, vice John Edward Quinn.

Patrick Carroll Smith, Sr., of Maryland, to be United States Marshal for the Western District of North Carolina for the term of four years, vice Gregory Allyn Forest, resigned.

William Ludwig Wehrum, Jr., of Tennessee, to be an Assistant Administrator of the Environmental Protection Agency, vice Jeffrey R. Holmstead, resigned.

February 27, 2006

607604  
THE VICE PRESIDENT  
HAS SEEN

MEMORANDUM FOR THE PRESIDENT

FROM: KEITH HALL *on fh*

SUBJECT: **Consumer Attitudes (★★★)**

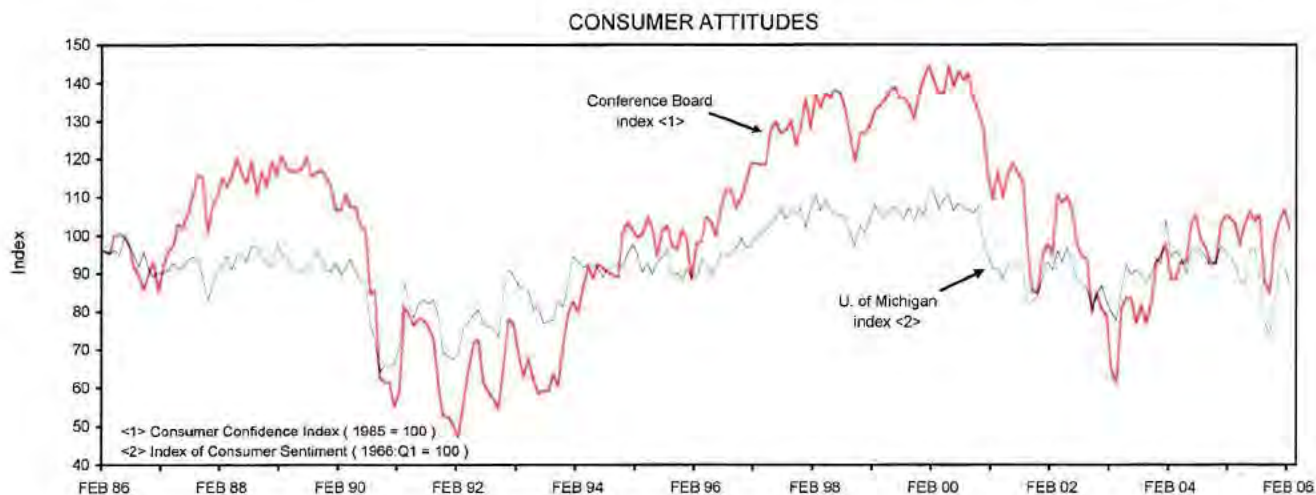
Conference Board Public Release: 10:00 am, Tuesday

University of Michigan Index of Consumer Sentiment (preliminary)

### Major measures of consumer confidence decline in February

	Actual	Expected	Change January to February (index points)
Conference Board index	101.7	104.0	-5.1
University of Michigan index	87.4	n/a	-3.8

- **The Conference Board index of consumer confidence decreased in February to a bit above its average level over the past two years.** This month's decline in confidence reflected a less favorable outlook for the labor market and near-term business conditions. Assessments of current labor market conditions are mixed.
- **The University of Michigan's consumer sentiment index declined in early February to a bit below its average level over the past two years.** According to the survey's director, the loss mostly reflects heightened concerns about longer term prospects for the national economy.
- **The Michigan survey's median one-year-ahead expected inflation rate was unchanged at 3.0% in early February.**



6076004

**Durkin, Charles P.**

**From:** Addington, David S.  
**Sent:** Monday, February 27, 2006 4:46 PM  
**To:** Durkin, Charles P.  
**Subject:** FYI  
**Attachments:** 榧硏ㄣ□

THE VICE PRESIDENT  
HAS SEEN

## Paper: Coast Guard Has Port Co. Intel Gaps

By LIZ SIDOTI, Associated Press Writer 38 minutes ago

WASHINGTON - Citing broad gaps in U.S. intelligence, the Coast Guard cautioned the Bush administration that it was unable to determine whether a United Arab Emirates-owned company might support terrorist operations, a Senate panel said Monday.

The surprise disclosure came during a hearing on Dubai-owned DP World's plans to take over significant operations at six leading U.S. ports. The port operations are now handled by London-based Peninsular & Oriental Steam Navigation Company.

**"There are many intelligence gaps, concerning the potential for DPW or P&O assets to support terrorist operations, that precludes an overall threat assessment of the potential" merger," an undated Coast Guard intelligence assessment says.**

"The breadth of the intelligence gaps also infer potential unknown threats against a large number of potential vulnerabilities," the document says.

Sen. Susan Collins, chairman of the Senate **Homeland Security** committee, released an unclassified version of the document at a briefing Monday. With the deal under intense bipartisan criticism in Congress, the Bush administration agreed Sunday to DP World's request for a second review of the potential security risks related to its deal.

The document raised questions about the security of the companies' operations, the backgrounds of all personnel working for the companies, and whether other foreign countries influenced operations that affect security.

"This report suggests there were significant and troubling intelligence gaps," said Collins, R-Maine. "That language is very troubling to me."

Administration officials defended their decision not to trigger a 45-day review of national security implications of such a deal.

**"In this case, the concerns that you're citing were addressed and resolved," Clay Lowry, the Treasury Department's assistant secretary for international affairs, told lawmakers.**

The Coast Guard indicated to The Associated Press that it did not have serious reservations about the ports deal on Feb. 10, when the news organization first inquired about potential security concerns.

"Any time there's a new operator in a port our concern would be that that operator has complied with the (International Ship and Port Facility Security) ISPS code overseas and we just want to take a look at their track record," Cmdr. Jeff Carter, Coast Guard spokesman, said at the time. "And then we would look forward to working with them in the future ensuring they complied with all applicable regulations and international agreements," he added.

2/28/2006

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. report	Economic Scene Setter - Council of Economic Advisers (13 pages)	02/27/2006	P1/(b)(1), P5

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

---

**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

---

**FOLDER TITLE:**

February 27, 2006

2014-0011-F  
AYM9

---

**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]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

**Freedom of Information Act - [5 U.S.C. 552(b)]**

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

607607



Wyoming House of Representatives

February 27, 2006

Mr. Richard Cheney  
Vice President of the United States

Dear Mr. Vice President,

I am writing a short note of appreciation for your recent visit to Cheyenne. I enjoyed your speech a great deal. In addition, your graciousness and willingness to meet with your former teammates and your "old" coach was really fantastic. I have developed a real friendship with Coach Geldien over the years and his health has declined in recent years. I think it is amazing that the sitting Vice President, the Secretary of State of Wyoming and a state Supreme Court Justice were all teammates. It probably has not happened anywhere else in the United States. Coach Geldien told me your visit was a day that he would always cherish and remember. Thank you for making that possible.

Furthermore, let me express my appreciation once again for your lending your name to our new field. It is the only facility in the Natrona County School District that is named after a student!

Finally, KEEP UP THE GOOD WORK! Thank God that you and the President are serving at this time. God Speed!

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Harshman".

*GO MUSTANGS!*

Representative Steve Harshman

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. letter	Senator Harry Reid to Vice President Cheney (2 pages)	02/27/2006	PRM

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

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**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

---

**FOLDER TITLE:**

February 27, 2006

2014-0011-F  
AYM9

---

**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]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

**Freedom of Information Act - [5 U.S.C. 552(b)]**

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. email	Brenda Becker to Lucy Tutwiler (1 page)	02/27/2006	P5

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

---

**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

---

**FOLDER TITLE:**

February 27, 2006

2014-0011-F  
AYM9

---

**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]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

**Freedom of Information Act - [5 U.S.C. 552(b)]**

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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- (b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005a. letter	Secretary Donald Rumsfeld to Vice President Cheney (1 page)	02/27/2006	PRM

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

---

**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

---

**FOLDER TITLE:**

February 27, 2006

2014-0011-F  
AYM9

---

**RESTRICTION CODES**

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

Freedom of Information Act - [5 U.S.C. 552(b)]

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]  
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]  
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]  
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]  
  
C. Closed in accordance with restrictions contained in donor's deed of gift.  
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

(b)(1) National security classified information [(b)(1) of the FOIA]  
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]  
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
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# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005b. letter	L. Roy Papp to Donald Rumsfeld (attached to 005a) (1 page)	02/27/2006	PRM

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

---

**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

---

**FOLDER TITLE:**

February 27, 2006

2014-0011-F  
AYM9

---

**RESTRICTION CODES**

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

Freedom of Information Act - [5 U.S.C. 552(b)]

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]  
P4 Release would disclose trade secrets or confidential commercial or  
financial information [(a)(4) of the PRA]  
P5 Release would disclose confidential advise between the President  
and his advisors, or between such advisors [(a)(5) of the PRA]  
P6 Release would constitute a clearly unwarranted invasion of  
personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed  
of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C.  
2201(3).

(b)(1) National security classified information [(b)(1) of the FOIA]  
(b)(2) Release would disclose internal personnel rules and practices of  
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(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
(b)(4) Release would disclose trade secrets or confidential or financial  
information [(b)(4) of the FOIA]  
(b)(6) Release would constitute a clearly unwarranted invasion of  
personal privacy [(b)(6) of the FOIA]  
(b)(7) Release would disclose information compiled for law enforcement  
purposes [(b)(7) of the FOIA]  
(b)(8) Release would disclose information concerning the regulation of  
financial institutions [(b)(8) of the FOIA]  
(b)(9) Release would disclose geological or geophysical information  
concerning wells [(b)(9) of the FOIA]

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006a. letter	Senator Alan Simpson to Vice President Cheney (1 page)	02/27/2006	PRM

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

---

**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

---

**FOLDER TITLE:**

February 27, 2006

2014-0011-F

AYM9

---

**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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and his advisors, or between such advisors [(a)(5) of the PRA]  
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personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed  
of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C.  
2201(3).

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]  
(b)(2) Release would disclose internal personnel rules and practices of  
an agency [(b)(2) of the FOIA]  
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
(b)(4) Release would disclose trade secrets or confidential or financial  
information [(b)(4) of the FOIA]  
(b)(6) Release would constitute a clearly unwarranted invasion of  
personal privacy [(b)(6) of the FOIA]  
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purposes [(b)(7) of the FOIA]  
(b)(8) Release would disclose information concerning the regulation of  
financial institutions [(b)(8) of the FOIA]  
(b)(9) Release would disclose geological or geophysical information  
concerning wells [(b)(9) of the FOIA]

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006b. letter	John S. Haddock to Senator Alan Simpson (1 page)	02/19/2006	PRM

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

---

**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00552

---

**FOLDER TITLE:**

February 27, 2006

2014-0011-F

AYM9

---

**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]  
P4 Release would disclose trade secrets or confidential commercial or  
financial information [(a)(4) of the PRA]  
P5 Release would disclose confidential advise between the President  
and his advisors, or between such advisors [(a)(5) of the PRA]  
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personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed  
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PRM. Personal record misfile defined in accordance with 44 U.S.C.  
2201(3).

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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concerning wells [(b)(9) of the FOIA]

# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the Presidential Materials Division.**

<b>Collection:</b>	Cheney Vice Presidential records			
<b>Office of Origin:</b>	Staff Secretary			
<b>Series:</b>				
<b>Subseries:</b>	Misc. Outbox, 2006			
<b>OA/ID Number:</b>	00558			
<b>Folder Title:</b> April 10, 2006				
<b>Stack:</b>	<b>Row:</b>	<b>Section:</b>	<b>Shelf:</b>	<b>Position:</b>
20W4	4	4	2	1

**FOIAed Under:**

**NICHOLS\_C**

**607904**

FG038

**Barcode Scanning Sheet**



Collection Code: **VTRACK**

Staff Name:

Document Date: **4/10/2006**

Correspondent:

Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS (UNCLASSIFIED) -- ECONOMIC NEWS SUMMARY FOR APR 10 06 PREPARED BY OVP DOMESTIC POLICY -- LETTER FROM CARL BILDT - THANKING VP FOR TAKING THE TIME TO MEET WITH HIM AT THE WALLENBERGS -- E-MAIL FROM JAYNA KHATRI - ARTICLE FROM THE ASSOCIATED PRESS, "YEARS A ...**

SCANNED  
BY  
MM

Economic News Summary for April 10, 2006  
Prepared by OVP Domestic Policy

607907

Policy

**When Security, Foreign Investment Collide (WSJ)** [M]any in Congress argue that times have changed, and that the rules overseeing foreign investment must be tightened significantly to protect national security ... business groups and U.S. officials worry that for the first time since the 1920s, a skittish Congress could actually pass legislation that begins to shoo away foreign investment in the name of tighter security. ... The current jitters coincide with a backlash against foreign investment in parts of Europe and Asia. ... Of particular concern to businesses are provisions that could add a month or more to the government review process, thus putting bids from foreign companies at a disadvantage. ... Others worry that a more unpredictable investment environment in the U.S. may simply divert investors elsewhere. "Don't expect any press conferences when companies decide instead to invest in Britain or Australia," says Mr. Reinsch of the National Trade Council.

Business

**Bankruptcy Not an Option for Ford, Chief Says (NYT)** Although the American automobile industry is in a precarious state, the chief executive of Ford Motor said Wednesday that he was confident the automaker could solve its financial problems and that a bankruptcy filing was not an option. ... Although Ford earned \$2 billion worldwide last year, it lost \$1.6 billion on its North American car business.

International

**Chirac, Bowing to Pressure, Scraps Divisive Jobs Law (WSJ)** French President Jacques Chirac scrapped a controversial labor-contract law aimed at boosting youth employment, in a major about-face following weeks of strikes and mass protests by students and workers. ... [N]ew measures are to be presented to Parliament later on Monday.

Opinion

**How to Lose the Brain Race (NYT, Clemons and Lind)** Is the United States importing too many immigrant physicists and not enough immigrant farm workers? You might think so, to judge from two provisions that Senator Dianne Feinstein, Democrat of California, added to the comprehensive immigration reform package ... [Feinstein] insisted that the bill call for some fees for foreign students applying to study at American colleges and universities to be doubled, and also demanded that agribusiness get the right to 1.5 million low-wage foreign guest workers over five years. Combined, the two proposals sent a message to the rest of the world: send us your brawn, not your brains. ... In making immigration laws, Congress caters to cheap-labor industries like agribusiness and sweatshop manufacturing while shortchanging the high-tech, high-wage industries on which the future of the American economy depends. ... [O]ther industrial democracies are reshaping their immigration policies to invite the skilled immigrants that we turn away. ... What the space race was to the cold war, the "brain race" is to today's peaceful global economic competition. The comprehensive immigration reform America needs is one that slashes unskilled immigration and creates a skill-rewarding points system modeled on those of Australia, Britain and Canada.

Economic Indicators

**Blue Chip Continues To Project Solid Growth for 2006 and 2007 (CEA)** The panel expects real GDP to grow rapidly in the first quarter (at a 4.6% annual rate) before slowing to an average 3.1% rate during the final three quarters of the year. Projected year-over-year real GDP growth rates were unchanged in 2006 and 2007. The panel's projections for CPI inflation (2.9% in 2006 and 2.4% in 2007) were unchanged. The panel did, however, revise down its projection of the unemployment rate in 2007 from 4.9% to 4.8%. In response to a special question, 68.8% of the panel projects that the Federal funds target rate will be 5.00% after the June meeting. (That is, the panel expects only one rate hike over the next two meetings.) The FOMC most recently set the rate at 4.75%.

OVP STAFF  
SECRETARY RECEIVED

607907

April 10, 2006

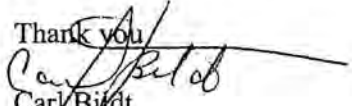


Office of  
Carl Bildt  
Floragatan 13  
Stockholm, Sweden

Vice President Dick Cheney  
White House  
Washington, D.C.

Dear Vice President Cheney:

Thank you for taking the time to meet with me and the Wallenbergs last month in Washington. It was a distinct pleasure to see you again and I and the Wallenbergs greatly appreciated your insights. As we move forward with our various matters during the next year, we will keep in mind our discussion and seek opportunities to further our common goals. We look forward to seeing you again next year, if not sooner. Please feel free to call on us as the want or need may arise. You can always reach us through our U.S. representative, Tapio Christiansen ([tchristiansen@strategy-xxi.com](mailto:tchristiansen@strategy-xxi.com)).

Thank you  
  
Carl Bildt

VICE PRESIDENT  
HAS SEEN

607904

**Mayfield, Jennifer H.**

**From:** Khatri Intern, Jayna P.  
**Sent:** Monday, April 10, 2006 9:43 AM  
**To:** Mayfield, Jennifer H.; McBride, Lea A.; Donoghue, Tarah C.; Guzzo, Adam M.  
**Cc:** Jostad Intern, Brent D.  
**Subject:** AP: Years ago, Carlsbad mayor might have peppered Cheney

**Years ago, Carlsbad mayor might have peppered Cheney**

The Associated Press State & Local Wire  
April 10, 2006 Monday 11:55 AM GMT  
ALBUQUERQUE

Years before Vice President Dick **Cheney** accidentally shot a lawyer on a Texas quail hunt, **Cheney** himself was on the receiving end of an errant shotgun blast during a quail outing in New Mexico.

Carlsbad Mayor Bob Forrest said he doesn't know for certain if he or his twin brother, Dick Forrest, fired the shot during the late 1990s that accidentally pelted **Cheney** at the time the chief executive at Halliburton Co.

"We're probably the only twins in the United States that have shot the vice president and never have gone to jail," Forrest joked.

The Albuquerque Journal reported the incident in a copyright story in Sunday's editions.

It occurred on the Three Rivers Ranch in southern New Mexico that was owned by the late Colin McMillan, an assistant secretary of defense under President George H.W. Bush. **Cheney** wasn't hurt but he was miffed, Forrest recalled.

"He said, 'You guys watch where you're shooting!' He was very offended," Forrest said.

The hunting group included the Forrest twins, **Cheney** and Sen. Pete Domenici, R-N.M. Forrest said the senator wasn't the triggerman.

A spokesman for Domenici confirmed the senator hunts with the Forrest brothers and has hunted with **Cheney** but declined further comment.

The Journal said several phone calls to **Cheney's** office last week went unreturned.

Forrest related the hunting story during an economic development luncheon in Carlsbad several weeks ago. Domenici attended the event.

**Cheney** accidentally peppered Texas lawyer Harry Whittington in the torso, neck and face with up to 200 shotgun pellets on Feb. 11.

Whittington sustained a mild heart attack caused by a pellet lodged at his heart three days after the shooting but later was released from a hospital in Corpus Christi, Texas.

Kenedy County, Texas, Sheriff Ramon Salinas III ruled the shooting an accident.

4/10/2006

TOTAL P.02



# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the Presidential Materials Division.**

<b>Collection:</b>	Cheney Vice Presidential records			
<b>Office of Origin:</b>	Staff Secretary			
<b>Series:</b>				
<b>Subseries:</b>	Misc. Outbox, 2005			
<b>OA/ID Number:</b>	00563			
<b>Folder Title:</b>	October 18, 2006			
<b>Stack:</b>	<b>Row:</b>	<b>Section:</b>	<b>Shelf:</b>	<b>Position:</b>
20W4	4	3	4	3

**FOIAed Under:**

# Withdrawal/Redaction Sheet

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memorandum	From Marty Allen to Board of Trustees, Gerald R. Ford Foundation (3 pages)	10/18/2006	PRM
002. letter	Keith Fay to Vice President and Mrs. Cheney (1 page)	10/18/2006	PRM
003. email	From Elizabeth Denny re: Dinner Honoring Rush Limbaugh [draft] (2 pages)	10/18/2006	P5, P6/(b)(6)
004. report	Partisan Enthusiasm Summary (3 pages)	10/18/2006	PRM

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**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00563

---

**FOLDER TITLE:**

October 18, 2006

2014-0011-F

AYM12

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**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]  
P4 Release would disclose trade secrets or confidential commercial or  
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personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed  
of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C.  
2201(3).

Freedom of Information Act - [5 U.S.C. 552(b)]

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(b)(6) Release would constitute a clearly unwarranted invasion of  
personal privacy [(b)(6) of the FOIA]  
(b)(7) Release would disclose information compiled for law enforcement  
purposes [(b)(7) of the FOIA]  
(b)(8) Release would disclose information concerning the regulation of  
financial institutions [(b)(8) of the FOIA]  
(b)(9) Release would disclose geological or geophysical information  
concerning wells [(b)(9) of the FOIA]

**NICHOLS\_C**

**609201**

FG038

**Barcode Scanning Sheet**



Collection Code: **VTRACK**

Staff Name:

Document Date: **10/18/2006**

Correspondent:

Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS (UNCLASSIFIED) -- E-MAIL FROM LEA MCBRIDE - ARTICLE FROM THE WASHINGTON TIMES, "ROVE FORESEES GOP VICTORY" BY JOSEPH CURL -- E-MAIL FROM LUCY TUTWILER - ARTICLE FROM THE DALLAS MORNING NEWS, "HUTCHISON: SPLITTING UP IRAQ SHOULD BE CONSIDERED" BY TODD GILLMA ...**

THE WIFE PRESIDENT  
HAS BEEN

✓ 10/18/2006

**Tutwiler, Lucy A.**

**From:** McBride, Lea A.  
**Sent:** Wednesday, October 18, 2006 7:39 AM  
**To:** DL-OVP-WW; Addington, David S.; Raines, Michele L.; Morgan, Derrick D.  
**Cc:** Hennigan, James R.; McGinn, Megan E.  
**Subject:** FW: WT - Rove foresees GOP victory

This Washington Times piece was inadvertently left off this morning's clips – the VP should see bc they attempt to show daylight bw what the boss is saying about keeping the House & what Karl is saying.  
 Thanks

## Rove foresees GOP victory

By Joseph Curl, THE WASHINGTON TIMES

OVP STAFF  
SECRET

White House political strategist Karl Rove yesterday confidently predicted that the Republican Party would hold the House and the Senate in next month's elections, dismissing fallout from the sex scandal involving former Rep. Mark Foley.

At a luncheon with editors and reporters at The Washington Times, Mr. Rove -- who is widely credited as the architect of the party's historic 2002 midterm election gains -- said Republicans are beginning to make significant headway in defining their party's differences from congressional Democrats, especially on national security.

"I'm confident we're going to keep the Senate; I'm confident we're going to keep the House. The Foley matter has impact in some limited districts, but the research we have shows that people are differentiating between a vote for their congressman and a member from Florida," Mr. Rove said, referring to the Republican who resigned last month after his sexually explicit online messages to former congressional pages were discovered.

President Bush has begun to paint this year's election as a choice between strength and weakness on national security -- and the stark differences will show Americans the true nature of Democrats, Mr. Rove said.

"It is useful to remind people what [Democrats] said and what they do. I think they have given us here, especially in the last couple of weeks, a potent set of votes to talk about. You had 90 percent of House Democrats voting against the terrorist-surveillance program, nearly three-quarters of Senate Democrats and 80 percent of House Democrats voting against the terrorist-interrogation act. Something is fundamentally flawed."

In the hourlong interview, Mr. Rove was upbeat, telling stories from the campaign trail and joking about skewed political coverage that disproportionately shows Democrats poised to take control of Congress

Mr. Rove's optimism is not shared by pollsters, many of whom predict a Republican loss in the House -- with some saying the party could lose as many as 40 seats. **The mood in the White House has shifted in recent days, with some beginning to concede the threat to the Republican majority in the House**

10/18/2006

of Representatives, which they won in 1994.

Yesterday, Vice President Dick Cheney acknowledged the risk to the House Republican majority.

**"I really think we're going to do reasonably well. And I think we'll hold the Senate, and I also think we got a good shot at holding the House," Mr. Cheney said on Rush Limbaugh's top-rated national radio program.**

"I think the key will be who goes to the polls on Election Day. And certainly, it's always tough when you're in the midterm of your second presidential term in office."

But Mr. Rove said Republican candidates still hold a huge cash edge over Democrats, which will give them clout in the final three weeks of the campaign.

"This morning, I loved it: The [Associated Press] ran a story saying these Democrat congressional candidates outraised their Republican incumbents in the third quarter. Well, what they didn't say was that part of the reason that they did is that we raised the money earlier so that we'd be able to deploy it," he said.

Of the 52 races listed in the tossup and lean categories of a leading election analyst, Republican candidates have more cash on hand than their opponents do in at least 34 races, according to the National Republican Congressional Committee.

Although Mr. Rove had previously predicted a loss of eight to 10 House seats, he said he remains confident that Republicans will not lose more than 15 -- the magic number that would flip control of the chamber to Democrats.

Democrats have to pick up six seats to gain control of the Senate -- virtually impossible, Mr. Rove said.

There are 40 Republican senators who are not up for re-election this year, he pointed out, and at least seven who are running comfortably ahead. With just a few wins by incumbents -- such as Arizona Sen. Jon Kyl, Missouri Sen. Jim Talent and Virginia Sen. George Allen -- Republicans would have 50 seats. With Mr. Cheney's tiebreaking vote, that would assure Republicans' continued control of the Senate.

Although Mr. Talent is locked in a tight race, Mr. Rove said the Missouri Republican "is one of the best candidates ... keen and smart and able ... a very disciplined candidate."

Although Missouri is "very competitive," Mr. Rove said, "There gets to be a point at which, though, it begins to lock in, and Talent appears to be moving that direction. ... I look at the Missouri data, and I can just smell that this race is edging toward a point where ... they're just getting ready to lock in."

The White House strategist is closely monitoring races across the country. He receives "68 polls a week for Senate, governor and House races," Mr. Rove said. "My head is about ready to explode."

Mr. Rove said history is on the Republican Party's side, noting that 97.5 percent of incumbents have been re-elected since 1996. This time, he said, there are "significantly" fewer open House seats than the Democrats had in 1994, when Republicans swept to power under then-Rep. Newt Gingrich's leadership.

Early in this campaign cycle, Mr. Rove said the White House compiled a list of 80 Republican incumbents who might face difficulty. From there, top strategists made sure "that they all had a campaign plan, that they all knew that they had a risk, that they all went out there and raised a bundle of money, and that they had a plan that was measurable."

"As a result, that's done a lot to get people prepared," he said.

And, in some ways, the campaign is just beginning, Mr. Rove added.

"For most Americans, particularly the marginal voters who are going to determine the outcome of the election, it started a couple weeks ago," he said. "Between now and the election, we will spend \$100 million in target House and Senate races in the next 21 days."

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609201

**Mascolo, Heather C.**

**From:** Tutwiler, Lucy A.  
**Sent:** Wednesday, October 18, 2006 11:04 AM  
**To:** Mascolo, Heather C.  
**Subject:** FW: DMN - Hutchison: Splitting up Iraq should be considered

**THE VICE PRESIDENT  
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Please print, thanks.

**From:** White House News Update [mailto:News.Update@WhiteHouse.Gov]  
**Sent:** Wednesday, October 18, 2006 9:52 AM  
**To:** Tutwiler, Lucy A.  
**Subject:** DMN - Hutchison: Splitting up Iraq should be considered

**Hutchison: Splitting up Iraq should be considered**

By TODD J. GILLMAN / The Dallas Morning News

Sen. Kay Bailey Hutchison described the situation in Iraq as "chaos" and said Tuesday that it's time to consider splitting the country into semiautonomous regions – an approach she said would boost stability but also require more American troops.

"A year ago I thought we needed more troops. It's harder to say now," said Ms. Hutchison, issuing a tough critique of U.S. policy in Iraq. "Because we've tried to step back and let the security forces take over, but that's not entirely successful. If we went to some kind of different approach, we might need more in the short term."

The Republican, speaking to The Dallas Morning News editorial board, also called for engaging clerics and governments in Iraq's neighboring countries, though she didn't say how that might be accomplished.

"They have a credibility on the sectarian violence that the United States isn't going to have, and they do have an interest in Iraq being stable," she said, adding that she would even welcome help from Iran if its neighbors see a role it might play.

Former Secretary of State James Baker, who heads an advisory panel that is expected to offer suggestions on Iraq to President Bush soon, warned last week that breaking up Iraq along ethnic lines could trigger a civil war. Ms. Hutchison said she had spoken with Mr. Baker and disagrees.

"Yes, it would be hard to do, but it would be worth trying," she said. "People say, 'Well, that would balkanize the country.' Well, things are pretty stable in the Balkans right now. It's looking better than Iraq."

Ms. Hutchison was adamant that the United States not "cut and run" – a phrase she used repeatedly – but said public discontent over escalating violence in Iraq is justified.

"I would say that it's 25 percent that you never hear the good things that are happening, but it's 75 percent that it's chaos over there," she said.

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**Durkin, Charles P.**

609201

**From:** Addington, David S.  
**Sent:** Wednesday, October 18, 2006 11:33 AM  
**To:** Durkin, Charles P.

THE VICE PRESIDENT  
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Charlie:

Please print for the Vice President (a bit of unfortunate news).

\*\*\*\*\*

Judge Urbina of the US District Court for DC today issued a preliminary injunction. In the Washington Post v. DHS case, ordering the Secret Service to search for records responsive to the Post request and, within 10 days, either produce them or explain why not to the court. The Post request to the Secret Service was for all records from October 2004 through June 2006 for clearance of visitors (a) into the White House to see the Vice President or any of a dozen OVP staff, or (b) into the Vice President's Residence.

The Justice Department is preparing paperwork to ask immediately for a stay of the order pending appeal.

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609201  
THE VICE PRESIDENT  
HAS SEEN**Durkin, Charles P.**

**From:** Hennigan, James R.  
**Sent:** Wednesday, October 18, 2006 12:22 PM  
**To:** McGinn, Megan E.; McBride, Lea A.; Addington, David S.; Patel, Neil S.; Raines, Michele L.; O'Donnell, Claire M.; Morgan, Derrick D.; DL-OVP-WW; Clem, Jill R.  
**Subject:** Tony Snow gaggle on AF1

VPOTUS MENTIONS:

Q Can I ask you about the election again? The Vice President, yesterday, said that he thought there was a good chance that the Republicans would hold the House. Is there any change -- where is the administration getting all the confidence that you are going to hold the House? And wouldn't it be wise to start considering some options if Democrats take it?

MR. SNOW: We're confident we're going to hold the House because we think we have better candidates and better arguments. And in the last two weeks of a campaign people focus on that. And the President is going to make it clear to Republicans that he not only thinks they're going to win, he's going to help them win. And that's what you do at the end of a campaign. The most important thing now is to try to get people to focus on substantive issues, including the war on terror, and the economy, and education, and energy, the things that are of concern to them. But also, you're going to have a lot of local races that are governed by local concerns, and the President will do whatever he can to help local candidates, as well.

Q The Vice President seemed a little less emphatic, though. He said, there's a good chance they'll hold the House. Has his confidence diminished at all?

MR. SNOW: I think you're over-parsing.

All right, guys. We'll see you on the road.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 18, 2006

PRESS GAGGLE  
BY TONY SNOW

10/18/2006

Aboard Air Force One  
En Route Greensboro, North Carolina

11:09 A.M. EDT

MR. SNOW: Today's schedule: We're heading to Greensboro, North Carolina, first, for a lunch with community leaders. They include Senator Richard Burr; Bob Brown, Chairman and CEO of B&C Associates; Tonya Cockman, President of Clear Defense, LLC; the Mayor of Greensboro, Keith Holliday; President of High Point University, Dr. Nido Qubein; Emery Rann III, who is executive director of Mediation Services of Forsyth County -- that would be the county in which Winston-Salem is located -- and Jeff Young, President and CEO of HDM Furniture Industries.

Then there will be a trip to the Waldo C. Falkener Elementary School. It's a magnet school, and the President -- it's a No Child Left Behind event. The President then will make No Child Left Behind remarks at the Falkener Elementary School. Then off to the Victory Junction Camp, Incorporated. That's in Randleman, North Carolina. It's run by Kyle Petty and his wife, Pattie, in honor of their son, Adam, who was killed six years ago in an accident. But it deals with chronically ill kids and it's a good event.

At 4:25 p.m., George Stephanopoulos of ABC News will be conducting an interview with the President. And at 6:20 p.m., a closed press Republican National Committee dinner at the home of Louis DeJoy, the CEO of New Breed, Incorporated. Return to the White House at about 8:50 p.m. tonight.

Questions.

Q Why all of a sudden are we having this push on education?

MR. SNOW: It's not all of a sudden, it's the first initiative the President had, but it's always important to remind people what you've been doing. Education is important to a lot of folks. And I think, at a time when, at least for me -- we've got a lot of parents who are sitting around evaluating what's going on at the schools -- it's important to remind them that you've got a President who's pushing for higher standards and more resources.

Q Tony, it seems like, though, this is, in a way, laying the groundwork for next year. No Child Left Behind is up for reauthorization. Can you talk specifically about what the President wants Congress to do, and is he sort of making plans about if he has a Democratic Congress, or if he has a Republican Congress?

10/18/2006

MR. SNOW: No, he's not making plans based on whatever may happen in terms of partisan breakdowns. He still thinks he's going to be dealing -- and I do, too -- with a Republican House and Senate. But in any event, No Child Left Behind is something that had bipartisan support and no doubt will continue to. And he's eager to have it reauthorized.

Q Democrats are very upset about this bill. They feel that it's not been funded, that they were kind of snookered by it. So what is he doing to address that?

MR. SNOW: He thinks that it will get reauthorized. And he'll be happy to deal with people in the next Congress when the time comes. He's certainly not going to -- we're not going to negotiate at this point.

Q Tony, does the deaths of 10 U.S. soldiers in Iraq today cause the President to rethink his strategy there?

MR. SNOW: No, the strategy is to win. The President understands not only the difficulty of it, but he grieves for the people who have served and served with valor. But as everybody says, correctly, we got to win. And that comes at a cost. And God bless the men and women who have risked their lives going into hostile areas because they do believe in the mission.

Q Tony, is Muqtada al-Sadr our enemy, or our ally, or something else?

MR. SNOW: Well, he is a factor in Iraq. He is somebody who obviously has adherence, and it's interesting -- the most important thing, I think, if Muqtada al-Sadr wants to play a constructive role, is to make sure that -- to cooperate with Prime Minister Maliki in dealing with militias.

I'm not going to characterize al-Sadr. He's clearly a player in Iraq, and we hope he'll play a constructive role.

Q Is it more important to engage him through Sistani, the Grand Ayatollah?

MR. SNOW: Look, I'm not going to engage in strategic speculation about how best to do this, mainly because Muqtada al-Sadr deals with Nouri al-Maliki, the Prime Minister. The Prime Minister is also Shia. And you look at any possible ways to try to proceed, especially along the reconciliation track.

We talk all the time about the strategies and the tactics for achieving the goal of victory in Iraq, and one of the key elements is

going to be reconciliation. This is one where Ali al-Sistani clearly has played a constructive role. And Prime Minister Maliki has done some outreach and I know he has contact with Muqtada al-Sadr. And I think it's best left to them to figure out how best to deal with each other.

Q What about Syria and Iran getting involved? The Syrian Ambassador was on BBC today, saying, look, these aren't just insurgents as the Americans describe them; we see them as terrorists, and we see it in our interest to try to end the violence within Iraq. Is there any outreach to take them up on their offer?

MR. SNOW: One of the things we've said repeatedly to the Syrians and Iranians is, stop fomenting terror. If they do that, that's welcome. We'd be very happy for them not to foment terror. But it certainly doesn't change our diplomatic stance toward either.

Q -- being offered in good faith then? Is that what you're saying?

MR. SNOW: It's a public statement. Let's see what happens.

Q Can I ask about North Korea? How concerned are you that the punitive measures in the resolution, the U.N. resolution, aren't going to be carried out by countries like China, specifically?

MR. SNOW: We're not concerned because it's a Chapter 7 resolution. It's binding on the parties.

Q -- there have been expressed messages from China --

MR. SNOW: You've got Secretary Rice over there talking to people about the practical ways to enact it. And the Chinese took the important step of joining us in a Chapter 7 resolution dealing with North Korea. So there may be conflicting stories, but the one thing that's pretty clear is that the five parties other than North Korea in the six-party talks are more unified than ever in their approach toward North Korea. And part of what happens is, when you get a resolution like this, then comes the practical matter, how do you enact it? That's what the Secretary of State is doing this week.

Q Tony, the President -- Senator Kay Bailey Hutchison told the Dallas Morning News that the situation in Iraq is now chaos and that it's time to consider dividing the country into semi-autonomous regions. Having it come from her, does the President think it's time to consider such a notion, an ally like that?

MR. SNOW: The President has considered it. The fact is we consider all options and ideas. In his conversation with Prime Minister Maliki earlier this week, the Prime Minister described

partition as not only undermining the government, but also providing encouragement to terrorists. And so we appreciate Senator Hutchison's thinking through the issue, but we respectfully disagree.

Q You're not even considering partition?

MR. SNOW: We have considered partition. Again, you consider every possible option. But we've also determined that it is not, for a series of reasons, a wise option for the stability of Iraq or for the region.

Q Can I go back to Sadr for one second? In early August, when our forces moved against Sadr leadership, killing three people, I think it was, Maliki said it was a "shameful act." Does the President believe that it was a shameful act?

MR. SNOW: I'm not going to engage in the sort of backing and filling on something that happened a few months ago.

Q But it does relate to the key player in the Iraqi coalition. This guy holds 30 seats in the Iraqi government, and he's made war on the Iraqi army from time to time.

MR. SNOW: What's interesting is that he's also said recently -- he's talked against militia violence. And according to the Prime Minister's calculation, one-and-a-half seats are held by those who actually do militias. So did he --

Q -- believe that?

MR. SNOW: Look, I'm going to let the Prime Minister do the -- he probably knows more than you and I about the composition of his own parliament.

Q I would certainly hope so, but not presume so.

MR. SNOW: Well, again, I'll let you pick fights with the Iraqi government. I'm not going to do it.

Q Tonight's fundraiser, it's a closed fundraiser. Is this the last of the closed fundraisers? You had said last week you thought they were --

MR. SNOW: I've got to find out. I don't know. I just -- I don't know. One more time -- I don't know.

Q Any hints about next week's fundraising schedule?

MR. SNOW: Let me find out. Well, it's interesting, I think --

one of the things we have found out is, because of McCain-Feingold, you can't do soft money like you used to, to underwrite rallies. So what ends up happening is, in a lot of cases, people do have to pay money to attend these because it costs a whole lot of money to get the President in. But there will be lots and lots of public events. I promise.

Here's old Zinsmeister, ladies and gentlemen.

MR. ZINSMEISTER: How are you? Good to see you.

MR. SNOW: Thank you.

Q The shift in space policy -- can you describe that? And will it allow for weaponization of space?

MR. SNOW: It's not a shift in policy. This was announced in July, but apparently just discovered by some people. The notion that you would do defense from space is different than the weaponization of space. So I think what you have is a revisitation of a lot of old arguments in this case. We're comfortable with the policy.

Q Can I ask you about the election again? The Vice President, yesterday, said that he thought there was a good chance that the Republicans would hold the House. Is there any change -- where is the administration getting all the confidence that you are going to hold the House? And wouldn't it be wise to start considering some options if Democrats take it?

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MR. SNOW: I think you're over-parsing.

All right, guys. We'll see you on the road.

END

11:20 A.M. EDT

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THE VICE PRESIDENT  
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**Durkin, Charles P.**

**From:** Kleppe, Elizabeth W.  
**Sent:** Wednesday, October 18, 2006 12:24 PM  
**To:** DL-OVP-WW  
**Cc:** DL-OVP-Scheduling; Dubose, Mary L.; Hannah, John P.; Raines, Michele L.  
**Subject:** Service Academy Graduation Ceremonies for 2007 and s008

Per Melissa here is what is assigned for next two years. We will let VP know when we have dates before we approve it. Thanks.

Melissa:

We show the same thing. We'll contact the USCG for the necessary info and get an SP over to you. For your info, here's what we show. I'll share the VP info with Elizabeth as well. R/-gm

President  
2005 - Naval Academy  
2006 - West Point  
2007 - Coast Guard Academy  
2008 - Air Force Academy

Vice President

2005 - Air Force Academy  
2006 - Naval Academy  
2007 - West Point  
2008 - Coast Guard Academy

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SECRETARY REG

Economic News Summary for October 18, 2006

Prepared by OVP Domestic Policy

609201  
THE VICE PRESIDENT  
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Policy

**Social Security Payments Will Rise 3.3% In 2007, Less Than This Year (AP)** Social Security checks for nearly 49 million Americans are going up 3.3% in 2007, a smaller percentage than this year ... The cost of living adjustment will translate into an average monthly increase of \$33 for the typical retired worker, pushing the average monthly benefit from \$1,011 currently to \$1,044.

**Sites for Online Medical Records Rated (NYT)** New Jersey ranks first in the nation in providing crucial information on doctors through the Internet, and New York is fourth, according to a study released yesterday by Public Citizen, a consumer advocacy group. ... In every state, the board that licenses doctors ... has a Web site that allows people to look up individual doctors. Those sites offer general profiles, but can also supply information like malpractice judgments and disciplinary actions. New York scored well in four categories: the ability to search for doctors in multiple ways, like name, address, license number or specialty; supplying a general profile of each doctor with information like specialty and license number; listing disciplinary actions by the state medical board, and offering supplemental information.

**As Morning Traffic Grows, Commuters Opt For Earlier Rush Hour (WSJ)** [A] report released yesterday by the National Research Council's Transportation Research Board looking at U.S. commuting patterns from 1990 to 2004 found that more commuters are leaving for work before and after the traditional peak hours of 6 a.m. to 9 a.m. In addition, the report found that the off-peak group gained about half of all new commuters from 1990 to 2000. In particular, commuters starting their journey to work between 5 a.m. to 6:30 a.m. gained about 25% of the growth in commuters, and those leaving between 9 a.m. and 11 a.m. gained more than 12% of all new commuters. ... Congestion may have been encountered an average of 7.1 hours daily on major urban roads in 2003, up from an average of 6.2 hours in 1993 and an average of 4.5 hours in 1982, according to the Texas Transportation Institute's 2005 Urban Mobility Report on 85 urban areas.

Business

**Chicago Merc to Buy Board of Trade (WSJ)** The Chicago Mercantile Exchange Holdings Inc. and the Chicago Board of Trade agreed to join forces to form the world's largest financial market, one that will dwarf exchanges in the U.S. and Europe -- even the New York Stock Exchange. The Chicago Merc announced plans to buy the smaller CBOT Holdings Inc. for about \$8 billion.

**Southwest Adds 25 Markets To Dallas Love Field Service (WSJ)** Southwest Airlines is adding 25 markets to the 18 it serves from Dallas Love Field Airport, an aggressive hometown expansion brought by the loosening of a federal law that has restricted flying from the airport for decades.

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**THE VICE PRESIDENT  
HAS SEEN****Owen, Molly****From:** McBride, Lea A.**Sent:** Wednesday, October 18, 2006 9:56 AM**To:** Owen, Molly**The Dow Jones industrial average crosses 12,000 for the first time**

By TIM PARADIS

NEW YORK (AP) \_ The Dow Jones industrial average swept past 12,000 for the first time Wednesday, extending its march into record territory as investors grow increasingly optimistic about corporate earnings and the economy.

The index of 30 big-name stocks surpassed the milestone just after trading began, rising as high as 12,046.63. The Dow had already set closing records seven times during the past two weeks.

It took the Dow 7 1/2 years to make the trip from 11,000, having been pummeled during that time by the dot-com bust, recession and the aftermath of the 2001 terror attacks. That slow trek was a striking contrast with the Dow's sprint from 10,000 to 11,000 in just 24 days in the spring of 1999, during the heady days of the Internet boom.

The Dow, whose stocks include blue chips such as International Business Machines Corp., Microsoft Corp. and Wal-Mart Stores Inc., has risen nearly 350 points so far this month as oil prices retreated below \$60 a barrel and it appeared the economy was headed for a soft landing after more than two years of interest rate increases.

In the first hour of trading, the Dow was up 91.65, or 0.77 percent, to 12,041.67.

Broader stock indicators also advanced. The Standard & Poor's 500 index was up 8.04, or 0.59 percent, at 1,372.09, and the Nasdaq composite index gained 16.70, or 0.71 percent, to 2,361.65.

Investors' relief over oil's decline from a high of \$78.40 has given Wall Street an unusually strong October; some of the market's worst days, including the 1929 and 1987 crashes, have been in October. And it was on Oct. 9, 2002, in the depths of the bear market, that the major indexes fell to their lowest levels in five and six years \_ the Dow closed that day at 7,286.27.

The Dow has recovered faster from the stock market's troubles than the S&P 500 and the Nasdaq have done. All three indexes peaked in early 2000 before dropping precipitously, but the S&P 500 and Nasdaq suffered more because of the heavy representation of high-tech issues among their stocks.

The S&P 500 is getting closer to its peak of 1,527.46, but the Nasdaq, which was bloated by its vast number of tech stocks, remains well below its high of 5,048.62.

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10/18/2006

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CAMP ATTERBURY LOCAL NEWS

THE VICE PRESIDENT  
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**Indiana Marine survives bombing  
Greenfield man suffered severe injuries in attack that killed at least 2**

By Bill McCleer - Indianapolis Star, 10/18/2006

Relatives of a Marine from Greenfield gave thanks Tuesday that their loved one survived a roadside bombing in Iraq.

The Sunday attack killed at least two other Marines riding in the same Humvee as Lance Cpl. Joshua Bleill, 29. All three were members of a Terre Haute-based Marine Reserve unit.

Bleill lost both lower legs in the explosion and suffered facial fractures, a hand fracture and a spleen injury, said Julie Allen, one of Bleill's two sisters. Doctors do not consider Bleill's injuries life-threatening, Allen said.

"We got good news today that they expect to get him back into the states by this weekend," Allen said. "They expect a very good recovery."

Military officials told relatives that Bleill likely will be flown to a hospital in Bethesda, Md., Allen said.

As of Tuesday evening, family members had not spoken to Bleill, Allen said. Doctors told relatives he remained groggy from medication and didn't have a phone in his room, she said.

Bleill was recovering at Landstuhl Regional Medical Center, a military hospital in Germany. Bleill graduated from Greenfield-Central High School in 1995, Allen said. His parents, Virg and Myra Bleill, reside in Greenfield.

The two Marines from the Terre Haute unit killed in Sunday's attack were Sgt. Brock Babb, 40, Evansville, and Lance Cpl. Joshua M. Hines, 26, Westfield, Ill., said Maj. Randy Hossman.

Bleill's family said a Marine from Texas also was riding in Bleill's vehicle and died in the attack, but Hossman said he could not confirm that information.

About 400 service members with Indiana ties have been wounded in Iraq since the buildup for the invasion began in 2003, according to the Defense Department.

Bleill's unit was conducting combat operations in Anbar province, west of Baghdad, when it was attacked, Hossman said. The unit -- #1st Battalion, 24th Marines -- had been in Iraq for about two weeks, Allen said.

Even as they rejoiced at the prospect of reuniting with Bleill, who is single, his relatives mourned the loss of the other Marines.

"They all were married and had kids, and they're very important to us," Allen said.

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CAMP ATTERBURY LOCAL NEWS

THE VICE PRESIDENT  
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**Indiana Marine survives bombing  
Greenfield man suffered severe injuries in attack that killed at least 2**

By Bill McCleer - Indianapolis Star, 10/18/2006

Relatives of a Marine from Greenfield gave thanks Tuesday that their loved one survived a roadside bombing in Iraq.

The Sunday attack killed at least two other Marines riding in the same Humvee as Lance Cpl. Joshua Bleill, 29. All three were members of a Terre Haute-based Marine Reserve unit.

Bleill lost both lower legs in the explosion and suffered facial fractures, a hand fracture and a spleen injury, said Julie Allen, one of Bleill's two sisters. Doctors do not consider Bleill's injuries life-threatening, Allen said.

"We got good news today that they expect to get him back into the states by this weekend," Allen said. "They expect a very good recovery."

Military officials told relatives that Bleill likely will be flown to a hospital in Bethesda, Md., Allen said.

As of Tuesday evening, family members had not spoken to Bleill, Allen said. Doctors told relatives he remained groggy from medication and didn't have a phone in his room, she said.

Bleill was recovering at Landstuhl Regional Medical Center, a military hospital in Germany. Bleill graduated from Greenfield-Central High School in 1995, Allen said. His parents, Virg and Myra Bleill, reside in Greenfield.

The two Marines from the Terre Haute unit killed in Sunday's attack were Sgt. Brock Babb, 40, Evansville, and Lance Cpl. Joshua M. Hines, 26, Westfield, Ill., said Maj. Randy Hossman.

Bleill's family said a Marine from Texas also was riding in Bleill's vehicle and died in the attack, but Hossman said he could not confirm that information.

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About 400 service members with Indiana ties have been wounded in Iraq since the buildup for the invasion began in 2003, according to the Defense Department.

Bleill's unit was conducting combat operations in Anbar province, west of Baghdad, when it was attacked, Hossman said. The unit -- #1st Battalion, 24th Marines -- had been in Iraq for about two weeks, Allen said.

Even as they rejoiced at the prospect of reuniting with Bleill, who is single, his relatives mourned the loss of the other Marines.

"They all were married and had kids, and they're very important to us," Allen said.

National Review Online  
October 18, 2006, 7:35 a.m.

609201  
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## **The GOP Has Some Explaining to Do**

*The stock market and the 2003 tax cuts are directly linked . . . and Republicans need to say so.*

By Cesar Conda & Daniel Clifton

In 2004, two out of three voters were investors, the majority of which voted to re-elect President George W. Bush. In fact, investors increased their vote for Bush from 51-46 in 2000 to 53-46 in 2004. As a result, Bush received 5 million more votes in the last election than the first time around, and eclipsed national levels for all categories of investors, including self-identified members of the investor class, 401(k) owners, and direct stockowners.

Today, however, even with the stock market at an all-time high, generic support for Republicans running for Congress has fallen. Why? Because the GOP has failed to explain how their pro-investor tax cuts produced the stock market boom. Additionally, Republicans have yet to put forth a compelling policy agenda that speaks to the desire of American shareholders to build savings and wealth for themselves and their families.

The largest demographic shift in this country over the past 25 years is the number of Americans who own stocks directly. When Ronald Reagan entered the White House, only 17 percent of Americans were direct stockowners. Today more than 50 percent of households, and two out of every three voters, owns shares of stock. Investors, regardless of income, wealth, gender, or race, more often vote Republican than non-investors. This rapid rise of middle-class investors has made shareholders the most powerful voting bloc in the country.

In 2002 and early 2003, the economy and the financial markets were still recovering from the lingering effects of the dot.com bubble, the 9/11 terrorist attacks, the Clinton-Gore recession, and the corporate scandals. President Bush and the Republican Congress took direct action to stimulate the economy and boost investor confidence by trimming the capital-gains tax to 15 percent and cutting in half the double taxation of dividend income paid to investors by corporations.

By increasing after-tax rewards for saving and investing, the 2003 tax-rate cuts worked precisely as advertised. Since May 2003, the U.S. economy has expanded by a quarterly average of 3.7 percent (annualized) and has added 6.6 million new jobs. As of the close of the markets on Monday this week, a total of \$5.7 trillion in new shareholder wealth has been created since the tax-cut agreement was reached on May 20, 2003. Total dividend and share repurchases increased an astonishing 123 percent to over \$600 billion for the 12-month period ended in June. Total household net worth is up \$14.4 trillion, or 37 percent, since the tax cut.

Instead of touting this amazing record of success to America's investor class, Republicans have been virtually silent about the economy this campaign season. A cursory review of campaign press releases since September generated by Senate GOP incumbents in tight races found no specific mention of the economic and stock market payoffs related to the cap-gains and dividend tax-rate cuts of 2003. Granted, the war in Iraq, the Mark Foley page scandal, and other issues are front and center these days. But the fact of the matter is that the GOP is not speaking to the aspirations of the middle-class investor voter.

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However, it is not too late. As if this writing, the Dow is poised to break 12,000. This will create a huge opportunity for the GOP to connect their tax-cutting policies and the resulting increase in shareholder wealth. (NRO's Jonah Goldberg suggests that Bush "figure out how to show up by surprise at the New York Stock Exchange some day soon when it goes into record territory (again) and clang the bell.") At the same time, since elections are about the future, Republicans should offer a "Contract with America's Investors," listing specific actions they would take to boost the stock market even more if the American electorate allows them to retain control of the Congress.

On this last point, we would recommend the following:

*Make the Bush tax cuts permanent.* The lower tax rates on capital gains and dividends and the repeal of the death tax are scheduled to expire within the next four years. Taxes on dividends and capital gains will increase on January 1, 2011, while federal death taxes will come back to life in 2011 after being zeroed out in 2010. The stock market's continued rise will depend on making these investor tax cuts permanent.

*Index capital-gains tax rates to inflation.* Since 1913, the U.S. Treasury Department has ignored the effects of inflation when calculating capital-gains taxes. As a result, the effective tax rate on real gains is about twice the current rate of nominal gains, according to estimates by the Congressional Budget Office. The failure to index capital-gains taxes to inflation has historically punished individual investors by reducing their real returns. Under current policy, shareholders are being taxed on inflation-adjusted losses as gains, an obvious discouragement to long-term investing. At the same time current policy inhibits long-term economic growth by making long-term capital investment less certain and far more risky. Reps. Mike Pence (R., Ind.) and Eric Cantor (R., Va.) have introduced a bill to end this unfair inflation tax.

*Eliminate the capital-gains tax on mutual fund reinvestments.* Currently mutual fund shareholders must pay a capital-gains tax when distributions are reinvested in their existing funds. These shareholders typically are long-term investors, but current law requires them to pay capital-gains taxes on redistributions, even though they have not sold their fund shares. Capital-gains taxes eat away 50 percent of a lifetime return on mutual funds. This is an unnecessary layer of taxation that bites into compounded returns and reduces lifetime savings for shareholders. Rep. Paul Ryan (R., Wisc.) has offered legislation that will at least allow investors to defer these taxes until they realize their gains.

*Enact Lifetime and Retirement Savings Accounts.* Lifetime Savings Accounts (LSAs) and Retirement Savings Accounts (RSAs) allow everyone to save up to \$5,000 per account, tax-free, with no limitations based on age or income status. Enactment of this policy will eliminate capital gains, dividend, and interest taxation for nearly every American shareholder, thus increasing after-tax return and boosting shareholder wealth significantly. (These accounts also will eliminate 1,100 pages from the tax code since they would replace the current hodgepodge of savings accounts.) LSAs and RSAs will not only boost savings for working families, but will increase the after-tax return on investment and jumpstart equity values.

Investor voters should ask congressional candidates a simple question: Are you for increasing the savings of working middle-class families or not? These proposals will do just that, while also lowering the barriers to capital formation. Embracing this agenda is a political winner.

— *Cesar Conda was Vice President Dick Cheney's chief domestic and economic policy advisor from 2001 to 2003, and is a senior fellow at FreedomWorks and a principal of Navigators, a Washington, D.C.-based public-affairs firm. Daniel Clifton is executive director of the American Shareholders Association.*



EXECUTIVE OFFICE OF THE PRESIDENT  
 COUNCIL OF ECONOMIC ADVISERS  
 WASHINGTON, D.C. 20502

October 18, 2006

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MEMORANDUM FOR THE PRESIDENT

FROM: KEITH HALL

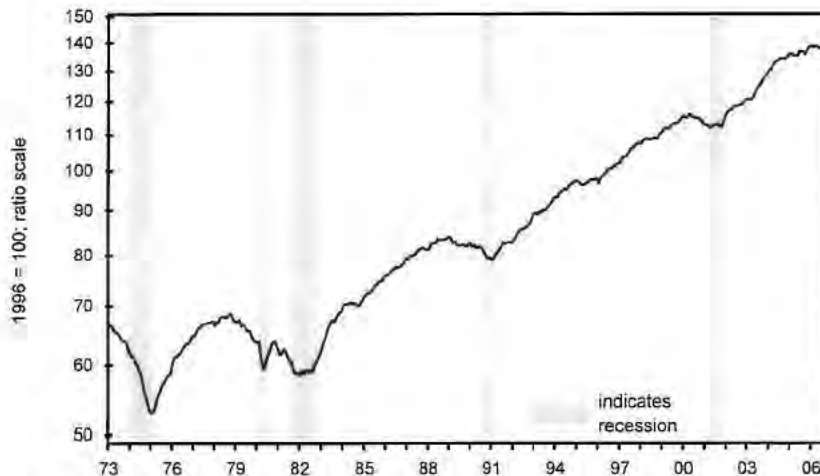
SUBJECT: **September Index of Leading Indicators (★)**  
 Public Release: 10:00 am, Thursday (Conference Board)

**Index of leading economic indicators increased in September**

	Change August to September		6-Month Change
	Actual	Expected	
<b>Leading Index</b>	0.1%	0.3%	-0.9%
<b>Coincident Index</b>	0.0%	n/a	0.8%

- **The composite index of leading indicators increased in September.** The index has fallen 0.9% over the past 6 months, suggesting a slowing of economic expansion in the near term.
- **Five of the ten leading indicators made positive contributions.** The positive contributors were (in order): consumer expectations, real money supply, stock prices, average weekly initial claims for unemployment insurance, and manufacturers' new orders for nondefense capital goods.
- **Five of the indicators made negative contributions.** The negative contributors were (in order): building permits, average weekly manufacturing hours, vendor performance, the interest rate spread, and manufacturers' new orders for consumer goods and materials.
- **The coincident index (a measure of current economic conditions) was unchanged in September but has risen 0.8% over the past 6 months.**

INDEX OF LEADING INDICATORS



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MEMORANDUM FOR THE PRESIDENT

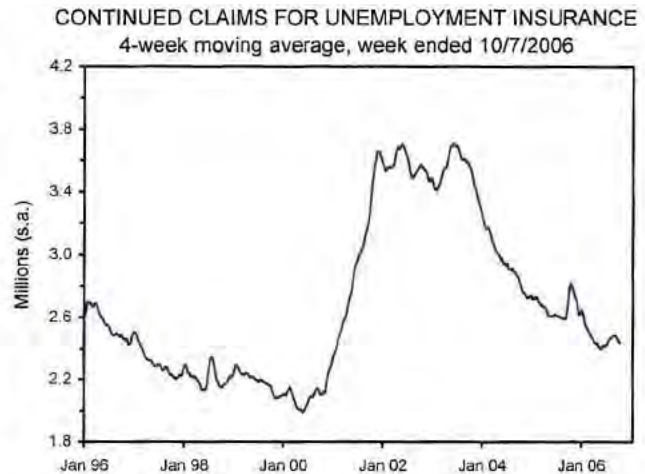
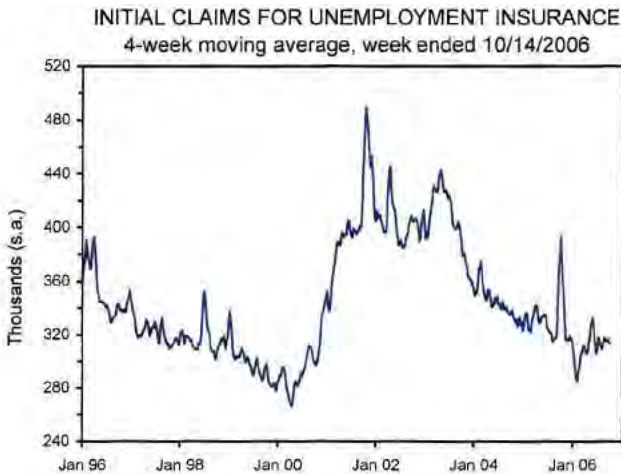
FROM: KEITH HALL

SUBJECT: **Weekly Claims for Unemployment Insurance (★★★)**  
 Public Release: 8:30 am, Thursday (Labor Department)

**Unemployment Insurance (UI) claims continue to signal solid job growth**

	Latest Week	4-Week Average
<b>Initial Claims</b>	299,000	307,750
<b>Continued Claims</b>	2.45 million	2.44 million

- **Initial UI claims fell 10,000 to 299,000 in the week ended October 14, below market expectations of 310,000.** The 4-week moving average (which smoothes weekly volatility) was 307,750, down 8,250 from the 4-week earlier period. The 4-week moving average is now at the lower end of the range in which it has been fluctuating during the past 6 months.
- **The number of people receiving UI benefits (continued claims) rose 25,000 to 2.45 million in the week ended October 7.** The 4-week moving average was essentially unchanged and remains slightly above its recent low in May.
- **The insured unemployment rate remained at 1.9%**, a level that it has hovered around since mid-February and that is below its 2.1% average level during 2005.



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For The People & The Press

*NEWS Release*  
1615 L Street, N.W., Suite 700  
Washington, D.C. 20036  
Tel (202) 419-4350  
Fax (202) 419-4399

FOR RELEASE: WEDNESDAY, OCTOBER 18, 2006, 2:00 PM EDT

**Regular Voters, Intermittent Voters, and Those Who Don't**  
**WHO VOTES, WHO DOESN'T, AND WHY**

*A Survey Conducted in Association with  
The Associated Press*

*FOR FURTHER INFORMATION CONTACT:*

Andrew Kohut, Director  
Carroll Doherty, Associate Director  
Richard Morin, Senior Editor  
202/419-4350  
<http://www.people-press.org>

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## Regular Voters, Intermittent Voters, and Those Who Don't **WHO VOTES, WHO DOESN'T, AND WHY**

They vote – but not always. Compared with Americans who regularly cast ballots, they are less engaged in politics. They are more likely to be bored with the political process and admit they often do not know enough about candidates to cast ballots. But they are crucial to Republican and Democratic fortunes in the Nov. 7 midterm elections.

They are the *intermittent voters*: Americans who are registered to vote but do not always make it to the polls. They differ significantly from those who vote regularly. For one thing, they're less likely to be married than are *regular voters*. Intermittent voters also are more mistrustful of people compared with those who vote regularly. They also are less angry with government, though no less dissatisfied with President Bush than are regular voters, according to a survey conducted Sept. 21-Oct. 4 among 1,804 adults by the Pew Research Center for the People & the Press in collaboration with the Associated Press.

	A Spectrum of Voters and Non-Voters: How They Differ			
	----- Voting Frequency -----			
	Regular	Intermittent	Registered, but rare	Not registered
	%	%	%	%
Total	35	20	23	22=100
<i>Agree with each statement...</i>				
Interested in local politics	91	76	57	45
Duty as citizen to always vote*	88	80	60	39
This election matters more	83	74	67	67
Feel guilty when I don't vote	72	70	57	45
Know little about candidates	44	60	76	68
Bored by what goes on in DC	25	38	42	43
Angry with government	24	15	14	22
Issues in DC don't affect me	15	25	32	27
Voting doesn't change things	13	18	30	33
Sometimes too busy	8	12	29	43
Difficult to get to polls	8	8	19	30

\* Based only on those who 'completely agree.'

The survey also finds large differences between Americans who are *not registered to vote* or *vote only rarely*, and intermittent or regular voters. The two groups at the bottom of the voting participation scale are much less likely than regular or intermittent voters to believe that voting will make much of a difference. They also are less likely to agree with the statement: "I feel guilty when I don't get a chance to vote."

To understand who votes and who doesn't, survey respondents were divided into four groups based on their voting history, attitudes about voting, and interest in the current campaign. Together,

these groups span the breadth of political participation, from regular voters to democracy's bystanders<sup>1</sup>:

**Regular voters.** These are adults who are currently registered to vote. Nearly all regular voters cast ballots in the 2004 presidential election; most say they "always" vote and that they are certain to vote in the upcoming congressional election. Together, they constitute roughly a third (35%) of the adult population.

**Intermittent voters.** All intermittent voters say they are registered to vote, but fewer acknowledge always voting. They report less certainty of voting in the upcoming election and less interest in the campaign compared with regular voters. Intermittent voters make up 20% of the population.

**Registered but rare voters.** About a quarter of Americans say they are registered to vote, but acknowledge that they rarely make it to the polls (23%). Fully three-quarters (76%) say they sometimes feel they don't know enough about the candidates to vote.

**Unregistered adults.** These are Americans who say they are not registered to vote, or indicate their registration may have lapsed. They comprise 22% of the population.

### *Regular and Intermittent Voters*

Turnout estimates suggest that more Americans than usual for an off-year election will go to the polls next month. Still, even the most optimistic of these models suggest that fewer than half of eligible Americans may vote, well below turnout in the 2004 presidential election. A key for both Republicans and Democrats is convincing the intermittent voters in their respective ranks to vote on Nov. 7.

These intermittent voters are the most important "swing" group in politics – distinguished not by their partisan leanings but by their voting behavior. They swing in and out of the electorate from election to election.

---

1 The regular voter group approximates those who reliably vote in both presidential elections and off-year elections. Intermittent voters approximate voters who typically turn out in presidential elections but not in off-years. Registered but rare voters approximate those who occasionally vote but do not do so regularly. Because no single indicator (other than voter registration) is indispensable in determining a person's likelihood of voting, the three groups of registered adults reflect different combinations of responses to the series of questions on voting history and intention. These groups were designed to be an approximation of different patterns of the regularity and intensity of electoral engagement.

The Pew analysis identifies basic attitudes and lifestyles that keep these intermittent voters less engaged in politics and the political process. Political knowledge is key: Six-in-ten intermittent voters say they sometimes don't know enough about candidates to vote compared with 44% of regular voters – the single most important attitudinal difference between intermittent and regular voters identified in the survey. Intermittent voters also are characterized by feelings of boredom with politics. They are more likely than regular voters to agree with the statement: "I'm generally bored by what goes on in Washington" (38% intermittent vs. 25% regular).

Intermittent voters also are more mistrustful of other people than are regular voters. According to the survey, 40% of intermittent voters say that in general most people can be trusted, compared with 52% of all regular voters. This is another factor that may prevent intermittent voters from building the kinds of community and interpersonal connections that directly lead to political participation.

	----- Voting Frequency -----			
	<u>Regular</u> %	<u>mittent</u> %	<u>but rare</u> %	<u>registered</u> %
Married	65	59	54	44
Most people can be trusted	52	40	35	27
Lived in neighborhood less than one year	3	5	10	23
Know hardly any people in your neighborhood	5	8	14	21
Approve of Bush	40	37	33	36
Satisfied with country	27	32	33	29

One other key difference: Regular voters are more likely than intermittent voters to say they have been contacted by a candidate or political group encouraging them to vote, underscoring the value of get-out-to-vote campaigns and other forms of party outreach for encouraging political participation.

The survey also finds that the demographic factors that distinguish non-voters from voters also differentiate regular from intermittent voters. Intermittent voters are somewhat less well educated and less affluent than are regular voters.

What keeps them voting, at least occasionally? Intermittent voters share two critical characteristics with those who have the voting habit, the survey found. Unlike those who are not registered to vote, big majorities of regular and intermittent voters acknowledge they feel guilty when they don't vote. And both of these groups are less likely to accept the assertion that "voting doesn't really change things" than are those who rarely cast ballots or are not registered.

### *Non-Voters: Politically Estranged*

The survey also reveals broad differences between those who are not registered to vote and regular or occasional voters. Non-voters are politically estranged: They are the least interested in local politics of the four groups and the most likely to say voting doesn't change things. They also are five times more likely to say they're too busy to vote than are regular voters (43% versus 8%).

Americans who are not registered to vote also are more socially isolated from other people: They're less likely to know people in their neighborhood. They also are more likely to be relatively recent arrivals in their current neighborhoods – more than one-in-five (23%) say they have lived in their neighborhood less than a year. People who are not registered to vote also are generally mistrustful of others; just 27% say that most people can be trusted.

Structural factors stand between some of these Americans and the ballot booth. Three-in-ten adults who are not registered to vote say it is difficult for them to get to the polls; this compares with 19% among those who vote rarely, and just 8% each among intermittent and regular voters. This suggests even with recent reforms in voter registration laws, barriers to voting still exist for some Americans. Still, 70% of those who are not registered say it is not difficult for them to vote.

So why aren't they registered? When asked to answer that question in their own words, no single dominant reason emerges. About one-in-five (19%) say they have not had time to register, while nearly as many said they had recently moved. One-in-seven (14%) say they don't care about politics, while about as many express little confidence in the government.

<b>Why Non-Voters Fail to Register</b>	
<i>Open-ended responses*...</i>	%
No time or just haven't done it	19
Recently moved	17
Don't care about politics	14
No confidence in government	12
Not a U.S. citizen	7
Illness or disability	4
Just turned 18	3
No point in voting	3
Religious reasons	2
Laziness	2
Don't understand politics	2
Felon/on probation	2
* Top responses listed	

***Voting and Demographic Factors***

Not only do the rich seem to get richer, on Election Day next month they will probably get a disproportionately large say about who gets elected to Congress. So will older people, whites, college graduates and those who frequently go to church, they survey finds. Among those likely to once again stand on the sidelines on Nov.7: relatively large numbers of young people, Hispanics, and those with less education and lower incomes.

Whites continue to be disproportionately represented in the voting booth: 37% of whites are regular voters, compared with 29% of non-whites, including 31% of blacks and 24% of all Hispanics. Conversely, 40% of Hispanics and considerably smaller proportions of blacks (17%) and whites (20%) say they are not registered to vote.

Regular voters also are older than those who are not registered. More than four-in-ten of those ages 50 and older (42%) are regular voters, about double the proportion of 18-29 year-olds (22%). Among those between the ages of 30 and 49, more than a third (35%) reliably go to the polls – a fact that is consistent with previous research that found voting is a habit acquired with age.

Looking at the other end of the participation scale tells the same story, but even more dramatically. Four-in-ten 18-29 year-olds are not registered to vote, double the proportion of 30-49-year-olds and nearly three times greater than those ages 50 or older.

	<b>A Spectrum of Voters and Non-Voters: Who Are They?</b>			
	----- <i>Voting Frequency</i> -----			
	<u>Regular</u>	<u>mittent</u>	<u>but rare</u>	<u>Registered, Not</u>
	%	%	%	%
Total	35	20	23	22=100
Men	36	20	21	23=100
Women	34	21	24	21=100
White	37	21	22	20=100
Black	31	23	29	17=100
Hispanic	24	16	20	40=100
18-29	22	13	25	40=100
30-49	35	21	24	20=100
50-64	42	24	20	14=100
65+	41	22	23	14=100
Married	40	21	22	17=100
Not married	29	19	24	28=100
College graduate	46	22	20	12=100
Some college	38	20	24	18=100
H.S. grad or less	28	20	24	28=100
\$75,000+	44	22	23	11=100
\$50K to \$74,999	36	21	25	18=100
\$30K to \$49,999	36	20	21	23=100
\$20K to \$29,999	31	16	18	35=100
Less than \$20K	26	20	23	31=100
<i>Attend Church...</i>				
Weekly or more	39	23	23	15=100
Monthly or yearly	35	18	21	26=100
Seldom or never	31	18	25	26=100

Other factors distinguish the non-voter. Nearly half (46%) of all college graduates are regular voters, compared to 28% of adults who are high school graduates or have less education. In addition, 39% of those who say they attend religious services once a week or more are regular voters, compared with 31% of those who attend church seldom or never. But the survey also finds little gender difference in voting behavior: 36% of men and 34% of women are regular voters.

***Non-Voting and Partisanship***

Roughly the same proportions of self-identified Republicans and Democrats are regular voters (41% vs. 39%). But Democrats are more likely to be non-voters: 20% of Democrats say they are not registered to vote, compared with 14% of Republicans; among political independents, 27% say they are not registered to vote.

A registration gap also exists between liberals and conservatives, with 29% of self-described liberals saying they are not registered to vote compared with 20% of moderates and 17% of conservatives. However, there are only modest differences in the percentages of conservatives (38%), moderates (35%) and liberals (34%) who are regular voters.

	<b>The Politics of Non-Voting: Republicans More Likely to be Registered</b>			
	----- Voting Frequency -----			
	<u>Regular</u> %	<u>mittent</u> %	<u>but rarely</u> %	<u>registered</u> %
Total	35	20	23	22=100
Republican	41	25	20	14=100
Democrat	39	20	21	20=100
Independent	30	17	26	27=100
<i>Ideology...</i>				
Conservative	38	22	23	17=100
Moderate	35	21	24	20=100
Liberal	34	17	20	29=100

## ABOUT THIS SURVEY

Results for this survey are based on telephone interviews conducted under the direction of Princeton Survey Research Associates International among a nationwide sample of 1,804 adults, 18 years of age or older, from September 21 to October 4, 2006. For results based on the total sample, one can say with 95% confidence that the error attributable to sampling is plus or minus 3 percentage points. For results based on registered voters (N=1503), the sampling error is plus or minus 3 percentage points. For results based on Form 1 (N=890) and Form 2 (N=914) the sampling error is plus or minus 4 percentage points. If based on Form 1 or Form 2 registered voters only (Form 1 N=754 or Form 2 N=749), the sampling error is plus or minus 4 percentage points.

In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

## ABOUT THE CENTER

The Pew Research Center for the People & the Press is an independent opinion research group that studies attitudes toward the press, politics and public policy issues. We are sponsored by The Pew Charitable Trusts and are one of seven projects that make up the Pew Research Center, a nonpartisan "fact tank" that provides information on the issues, attitudes and trends shaping America and the world.

The Center's purpose is to serve as a forum for ideas on the media and public policy through public opinion research. In this role it serves as an important information resource for political leaders, journalists, scholars, and public interest organizations. All of our current survey results are made available free of charge.

All of the Center's research and reports are collaborative products based on the input and analysis of the entire Center staff consisting of:

Andrew Kohut, Director  
Richard Morin, Senior Editor  
Scott Keeter, Director of Survey Research  
Carroll Doherty and Michael Dimock, Associate Directors  
Carolyn Funk and Richard Wike, Senior Project Directors  
Nilanthi Samaranyake, Survey and Data Manager  
Peyton Craighill, April Clark and Juliana Horowitz, Research Associates  
Rob Suls, Research Analyst  
James Albrittain, Executive Assistant

**PEW RESEARCH CENTER FOR THE PEOPLE & THE PRESS**  
**AND THE ASSOCIATED PRESS**  
**EARLY OCTOBER 2006 TURNOUT SURVEY**  
**FINAL TOPLINE**  
**September 21 - October 4, 2006**  
**N=1804**

REGIST These days, many people are so busy they can't find time to register to vote, or move around so often they don't get a chance to re-register. Are you NOW registered to vote in your precinct or election district or haven't you been able to register so far?

**IF RESPONDENT ANSWERED '1' YES IN REGIST ASK:**

REGICERT Are you absolutely certain that you are registered to vote, or is there a chance that your registration has lapsed because you moved or for some other reason?

82	Yes, registered
78	Absolutely certain
3	Chance registration has lapsed
1	Don't know/Refused (VOL.)
18	No, not registered
*	Don't know/Refused (VOL.)
100	

**IF RESPONDENT ANSWERED '2' NO OR '9' DON'T KNOW IN REGIST, ASK [N=250]:**

NR.1 Have you previously been registered to vote, or have you never been registered?

47	Previously registered
53	Never registered
0	Don't know/Refused (VOL.)
100	

NR.2 What would you say is the main reason you're not registered to vote? [OPEN END; ACCEPT UP TO THREE RESPONSES BUT DO NOT PROBE FOR MORE THAN ONE]

	<i>Medill</i>	
	<u>July 1996<sup>2</sup></u>	
19	No time/just haven't done it	--
17	Have recently moved	14
14	Don't care much about politics	21
12	No confidence in government, politics or politicians	--
7	Not a U.S. citizen	11
4	Illness/disability	--
3	Just turned 18	--
3	No point in voting/my vote makes no difference	--
2	Religious reasons	--
2	Lazy	--
2	Don't understand politics/I'm not knowledgeable	--
2	Felon/On probation	--
1	Not eligible	--
1	Don't want to get my name on the list for jury duty	2

---

2 The July 1996 survey was conducted by Northwestern University's Medill School of Journalism and WTTW public television. Based on first mention only.



NR.2 CONTINUED...

		<i>Medill</i> <u>July 1996</u>
	Place where have to go to register is inconvenient/	
1	too far from home	4
0	Don't know how to register	5
0	Work during voter registration hours	4
0	Registered and vote at a previous address	3
7	Other	35
7	No answer/DK/Ref	<u>3</u>
		102

QUESTIONS 3 THROUGH 19 IN PREVIOUS RELEASE

ASK ALL:

Q.20 Thinking about the Democratic and Republican parties, would you say there is a great deal of difference in what they stand for, a fair amount of difference, or hardly any difference at all?

		<u>April</u>	<u>June</u>	<u>Feb</u>	<u>March</u>	<u>June</u>	<u>Oct</u>	<u>July</u>	<u>May</u>	<u>May</u>
		<u>2006</u>	<u>2003</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1995</u>	<u>1994</u>	<u>1990</u>	<u>1987</u>
38	A great deal	33	29	33	28	25	34	23	24	25
39	A fair amount	42	49	46	45	48	46	51	45	45
18	Hardly any	21	20	18	23	25	18	24	27	25
<u>5</u>	DK/Ref (VOL)	<u>4</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>4</u>	<u>5</u>
100		100	100	100	100	100	100	100	100	100

Q.21 Some people say they are basically content with the federal government, others say they are frustrated, and others say they are angry. Which of these best describes how you feel?

		<u>March</u>	<u>Mid-</u>	<u>June</u>	<u>Feb</u>	<u>Oct</u>
		<u>2004</u>	<u>Nov</u>	<u>2000</u>	<u>2000</u>	<u>1997</u>
		<u>2004</u>	<u>2001</u>	<u>2000</u>	<u>2000</u>	<u>1997</u>
21	Basically content	32	53	28	33	29
54	Frustrated	52	34	53	54	56
20	Angry	13	8	13	10	12
<u>5</u>	Don't know/Refused	<u>3</u>	<u>5</u>	<u>6</u>	<u>3</u>	<u>3</u>
100		100	100	100	100	100

Q.22 Now I am going to read you some statements. For each, please tell me whether you completely agree with it, mostly agree with it, mostly disagree with it or completely disagree with it. The first one is... (READ ITEMS; RANDOMIZE)

		<u>Completely</u>	<u>Mostly</u>	<u>Mostly</u>	<u>Completely</u>	<u>DK/</u>
		<u>Agree</u>	<u>Agree</u>	<u>Disagree</u>	<u>Disagree</u>	<u>Ref</u>
a.	I sometimes feel I don't know enough about the candidates to vote	20	40	21	17	2=100
b.	It matters more than usual who gets elected this year	42	31	16	8	3=100
c.	I'm sometimes too busy to vote	8	13	23	53	3=100
d.	It's difficult for me to get out to the polls to vote	7	8	21	62	2=100
e.	Voting doesn't really change things	9	14	27	48	2=100

**Q.22 CONTINUED...**

		Completely <u>Agree</u>	Mostly <u>Agree</u>	Mostly <u>Disagree</u>	Completely <u>Disagree</u>	DK/ <u>Ref</u>
f.	I feel it's my duty as a citizen to always vote	70	20	5	4	1=100
g.	I'm generally bored by what goes on in Washington	13	23	34	28	2=100
h.	I'm pretty interested in following local politics	28	42	18	10	2=100
i.	Most issues discussed in Washington don't affect me personally	7	17	33	41	2=100
j.	I feel guilty when I don't get a chance to vote	40	22	14	18	6=100
k.	It's complicated to register to vote where I live	3	4	22	67	4=100

**QUESTIONS 23 THROUGH 33 IN PREVIOUS RELEASE**

**IF REGISTERED TO VOTE (REGICERT=1), ASK:**

Q.34 How confident are you that your vote will be accurately counted in the upcoming election? [READ]

**BASED ON ALL REGISTERED VOTERS [N=1503]:**

		Mid-Oct <u>2004</u>
58	Very confident	62
29	Somewhat confident	26
9	Not too confident	7
3	Not at all confident	4
1	Don't know/Refused (VOL.)	1
100		100

**IF NOT REGISTERED TO VOTE (REGIST=2,9 OR REGICERT=2,9), ASK:**

Q.35 If you were to vote this November, how confident are you that votes would be accurately counted? [READ]

**BASED ON NOT REGISTERED TO VOTE [N=301]:**

27	Very confident
37	Somewhat confident
17	Not too confident
15	Not at all confident
4	Don't know/Refused (VOL.)
100	

**QUESTIONS 36 THROUGH 58 IN PREVIOUS RELEASE**

**ASK ALL:**

On a completely different subject...

Q.59 Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?

		June 2003	Mid-Nov 2001	Nov 1998	June 1997	Feb 1997
41	Most people can be trusted	35	42	36	42	45
54	Can't be too careful	58	55	57	54	52
3	Other/Depends (VOL.)	45	2	6	3	2
<u>2</u>	Don't know/Refused	<u>3</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
100		100	100	100	100	100

And thinking about your personal life...

Q.60 When you need help, would you say that you can turn to many people for support, just a few people, or hardly any people for support?

		(VOL)				
	Many People	Just A Few	Hardly Any People	No One/ None	DK/Ref	
Early October, 2006	43	46	10	*	1=100	
June, 2003	37	48	13	1	1=100	
March, 2001	43	43	11	2	1=100	
November, 1998	43	41	14	1	1=100	
June, 1997	41	45	12	1	1=100	
February, 1997	39	51	8	1	1=100	

Thinking about your neighborhood for a moment...

Q.61 About how long have you lived in your NEIGHBORHOOD? Have you lived here less than one year, one to five years, six to ten years, 11 to 20 years, more than 20 years OR have you lived here all your life?

9	Less than one year
28	1-5 years
17	6-10 years
17	11-20 years
18	More than 20 years
11	All my life
<u>*</u>	Don't know/Refused (VOL.)
100	

Q.62 Would you say that you know a lot of people in your neighborhood, some people, just a few, or hardly any?

39	A lot
26	Some
23	Just a few
11	Hardly any
1	None (VOL.)
<u>*</u>	Don't know/Refused
100	

**QUESTIONS 63 THROUGH 64 IN PREVIOUS RELEASE**

**ASK ALL:**

PVOTE04A In the 2004 presidential election between George W. Bush and John Kerry, did things come up that kept you from voting, or did you happen to vote?

**IF YES (1 IN PVOTE04A) ASK:**

PVOTE04B Did you vote for Bush, Kerry or someone else?

75	Voted
37	Bush
32	Kerry
3	Other candidate
*	Don't remember which candidate (VOL.)
3	Refused (VOL.)
24	Did not vote (includes too young to vote)
*	Don't remember if voted (VOL.)
<u>1</u>	Refused (VOL.)
100	

**IF NO (2 IN PVOTE04A), ASK [N=321]:**

PVOTE04C What was it that kept you from voting? [OPEN END; DO NOT READ; ACCEPT MULTIPLE RESPONSES BUT DO NOT PROBE FOR ADDITIONAL]

	<i>Medill</i>	
	<u>July 1996<sup>3</sup></u>	
16	Not old enough	12
15	Not registered	20
12	Didn't like the candidates	12
11	Not interested in politics	10
7	No particular reason	10
6	Not a citizen	9
6	Working	4
5	Illness	2
4	Traveling	4
3	Busy	--
	No point in voting/my vote	
2	makes no difference	--
2	Felon	--
	No confidence in Gov't, politics	
2	or politicians	--
1	Religious reasons	--
1	No way to get to the polls	2
6	Other [SPECIFY]	12
3	No answer	<u>2</u>
		99

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3 The July 1996 survey was conducted by Northwestern University's Medill School of Journalism and WTTW public television. Based on first mention only. Asked about voting in the 1992 election.



347 Russell Senate Office Building  
Washington, DC 20510  
202-224-2946  
<http://rpc.senate.gov>

Handwritten notes in red ink: "THE VICE PRESIDENT HAS A PLAN" and "CBI".

October 18, 2006

**Congress and the Executive Can Do Much More**

**Revisiting the Healthy Forest Challenge**

***Executive Summary***

- America's forests have undergone radical changes over the last century, due in large part to past management decisions that have left the forests unnaturally dense and susceptible to disease, drought, and catastrophic wildfire.
- Despite efforts to facilitate forest restoration through the Healthy Forest Initiative and the Healthy Forests Restoration Act, there are still significant barriers to effective management of the nation's forests.
- This paper identifies several impediments to effective public lands management.
  - Administrative appeals and litigation continue to plague efforts to restore the nation's forests, despite efforts to reduce both.
  - Categorical exclusions, a mechanism to avoid lengthy administrative processes for environmentally insignificant projects, recently have been eviscerated by the U.S. Court of Appeals for the Ninth Circuit.
  - Another mechanism, stewardship contracting, is hampered by inadequate contract lengths that discourage the participation of potential contractors and additional federal regulations discouraging this form of contracting.
  - Congress and federal land management agencies have not placed enough emphasis on treatment of hazardous fuels buildup in our nation's forests and too much emphasis on fire suppression. Numerous economic studies show that treatment is more cost-effective than suppression.
- This paper offers several suggestions to reform the judicial process to reduce frivolous lawsuits, re-establish the effectiveness of categorical exclusions, improve the effectiveness of stewardship contracting, and redirect resources from wildfire suppression to hazardous fuels reduction treatment.

OVP STAFF  
SECRETARY RECEIVED

## Introduction

America's forests have undergone radical changes over the last century, due in large part to previous fire suppression policies and lack of active and effective management. This has led to a situation where the forests have become unnaturally dense making them susceptible to disease, drought, and catastrophic wildfire. Catastrophic wildfires pose a significant threat to a wide range of resources, including threatened and endangered species' habitats, commercially valuable forest and rangeland products, public and private property, and air and water. Forest management tools, such as mechanical thinning, prescribed burning, and other methods, can help reduce forest density and the destructiveness of catastrophic wildfire.

To facilitate forest restoration, the Bush Administration implemented the Healthy Forest Initiative in 2002, and Congress passed the Healthy Forests Restoration Act in 2003. Although these new programs have been helpful, there are still significant administrative and legal barriers to effective public lands management. Further improvements to current law are needed to expedite the restoration of the nation's forests. This paper identifies five impediments to effective public lands management and propose ways to deal with those impediments. The impediments can be broken down into two categories: legal deficiencies and administrative.

### *Summary of Statutory Impediments*

**Problem:** Administrative appeals and litigation have proceeded largely unabated since passage of the Healthy Forests Restoration Act. These lawsuits are often frivolous and designed merely to delay projects and tie federal agencies into knots.

**Recommended Solution:** To ensure that forest protection efforts are not thwarted by frivolous litigation, Congress should revisit the fee-shifting provisions of the nation's environmental laws to conform them with the Equal Access to Justice Act (EAJA). The EAJA provides fees to prevailing plaintiffs in citizen suits where, among other things, the government's position was not "substantially justified." That EAJA standard should apply to cases challenging forestry service actions. Additionally, where appropriate, the federal courts should be allowed to require plaintiffs to post a bond to cover the cost of delaying projects if they fail to prevail in court.

**Problem:** The effectiveness of "categorical exclusions" – an important management tool, which allows public lands managers to avoid the cumbersome administrative process for environmentally insignificant projects – has been eviscerated by a recent court ruling, which ruled that they should be subject to notice, comment, and appeal.

**Recommended Solution:** Congress should explicitly exempt categorical exclusions from legal procedures for notice, comment, and appeal. Such language exists in legislation offered by the House Committee on Agriculture (H.R. 4091).

**Problem:** Stewardship contracting is another potentially useful tool to facilitate hazardous fuels removal. However, statutory language limits its effectiveness. First, contract lengths are limited to a maximum of ten years. This discourages potential contractors, who need longer amortization periods to recoup their investments, from participating in stewardship contracts.

Second, contract lengths are limited even further by a requirement that the Forest Service obligate upfront large sums of money to protect contractors from the financial risks of project cancellation. Because of the requirement, the Forest Service has largely restricted itself to single-year contracts.

***Recommended Solution:*** Congress should change the law to increase contract lengths for stewardship contracts, and to allow the Forest Service, and other agencies to engage in stewardship contracting, to cover cancellation costs out of current appropriations, similar to the Department of Defense.

### **Summary of Administrative Impediments**

**Problem:** Too much emphasis is given to fire suppression over hazardous fuels treatment. For example, the Forest Service's FY 2006 enacted level including \$282 million for hazardous fuels treatment versus \$690 million for fire suppression (See p. 10-11, *infra*). Several economic studies show that treatment is more cost-effective than suppression.

***Recommended Solution:*** In setting priorities, responsible agencies should emphasize treatment over suppression. Congress can help the agencies change emphasis through appropriations.

**Problem:** There is some confusion within the Forest Service about performance and payment bond policies for service contracts. Field managers sometimes inappropriately require contractors to post performance bonds, discouraging contractor participation.

***Recommended Solution:*** The Forest Service must ensure that its field managers understand the policies regarding performance and payment bonds to avoid imposing unnecessary requirements on potential contractors.

This paper will address each of these impediments and the possible solutions in more depth. Prior to this, the paper will provide background to the current forest health crisis, what has been done to fix the problem, and how to proceed from here.

## **Background to a Continuing Crisis**

In 2002, the Forest Service produced a report that explained how requirements for detailed documentation, administrative appeals of proposed forest treatment projects, lawsuits, and injunctions have all delayed needed projects and made it difficult for federal land management agencies to carry out necessary forest restoration and hazardous fuels treatments.<sup>1</sup> Part of the problem was that much of the effort and cost associated with the project approval process was attributed to the need to "bulletproof" the decisions from potential appeals. This led to an extraordinarily lengthy, complex, and often redundant decision-making process that did not add value or aid in decision making, but was necessary only to prevent decisions from being litigated. As the Forest Service explained it:

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<sup>1</sup> U.S. Department of Agriculture/Forest Service, *The Process Predicament: How Statutory, Regulatory, and Administrative Factors Affect National Forest Management*, June 2002.

Too often, the Forest Service is so busy meeting procedural requirements, such as preparing voluminous plans, studies, and associated documentation, that it has trouble fulfilling its historic mission: to sustain the health, diversity, and productivity of the nation's forests and grasslands to meet the needs of present and future generations. Too frequently, the paralysis results in catastrophe.<sup>2</sup>

That "catastrophe" includes uncontrolled fires.

In an attempt to address this predicament, the Administration devised the Healthy Forest Initiative, which was released in August of 2002, and Congress passed the Healthy Forests Restoration Act of 2003, which the President signed into law on December 3, 2003.<sup>3</sup>

The Healthy Forest Initiative sought to improve and expedite the development and implementation of forest-restoration projects through reducing the number of overlapping environmental reviews, developing methods to weigh the short-term risks against the long-term benefits, and developing guidance to consistently apply the National Environmental Policy Act (NEPA).

The Healthy Forests Restoration Act also contains numerous provisions to streamline the process to avoid unnecessary and wasteful delays. It established a pre-decisional administrative review process that serves as the sole means by which a person can seek administrative review regarding an authorized hazardous fuels reduction project on National Forest Service land. It limited the number of alternatives to be addressed during environmental review to three (whereas there were no limits previously). It limited judicial review to only those issues raised during the administrative process and allowed judicial review only after the administrative process was exhausted. It limited the length of preliminary injunctive relief to 60 days, and made projects subject to judicial review only in the U.S. district court for the district in which the federal land to be treated is located.

### **Time of Transition From Old to New System**

With the creation of these new and improved tools to streamline the environmental review and appeals process, land management agencies are in a time of transition. Progress is being made, though the administrative process remains slow and plagued by appeals, litigation delays, and other problems. As of July 2006, the Forest Service has used the new authorities provided in the Act to treat only 77,000 acres,<sup>4</sup> while 20 million acres were targeted for treatment by the Act. However, the rate of treatment under the Act is slowly increasing as land management agencies learn to use the new tools. In 2005, the Forest Service treated 23,000 acres under the HFRA authority; this year, the Forest Service expects to treat 90,000 acres under the new law.<sup>5</sup> Forest restoration efforts conducted under the separate authorities of the

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<sup>2</sup> USDA/Forest Service, June 2002.

<sup>3</sup> Public Law 108-148.

<sup>4</sup> *Billings Gazette*, "Fire Prevention Efforts Too Slow, Senators Say," July 20, 2006.

<sup>5</sup> Dale Bosworth, Chief, U.S. Forest Service, testimony before the Senate Energy and Natural Resources Committee, July 19, 2006. The 2006 numbers were provided by the U.S. Forest Service.



President's Healthy Forest Initiative have also been slow, but improving. In 2005, the Forest Service treated 100,000 acres under the Initiative, and expects to treat 130,000 acres this year.<sup>6</sup>

It is important to remember, though, that hazardous fuels reduction projects are still conducted under the old system that existed, with all its deficiencies, prior to the creation of the new healthy forests tools. In 2005, a total 4.2 million acres were treated, nearly all pursuant to the old system.<sup>7</sup> This is due to the fact that numerous projects are ongoing and were initiated *before* the new healthy forest tools were implemented in 2003; their project-specific environmental reviews have been on the books for years. For example, prescribed burns in the southern United States must be conducted on a yearly basis because of the growth rate of vegetation in the South, and the necessary environmental reviews were completed prior to 2003, and continue to apply. There is no need to conduct another environmental review using the new healthy forest tools. These prescribed burn projects in the South account for about 2 million acres of treatments per year. Other large, multi-year projects that began before 2003 also are conducted under existing project-specific environmental reviews. Once these projects are completed, the environmental reviews will have run their course. All new hazardous fuels reduction projects will have to undergo new environmental reviews, which will be completed using the new, streamlined healthy forests tools.

The new healthy forest authorities are not hindering work from proceeding under other authorities but are augmenting that work and becoming a larger portion of that work each year, as noted above. Each year the total number of acres treated continues to increase, and is projected to reach 4.6 million acres in 2007. The Forest Service also continues to put more acres into the administrative process pipeline. Its current *Healthy Forests Report* shows that there are currently 555,000 acres in the planning stage.<sup>8</sup>

The transition from the old cumbersome system is underway, but the Forest Service is nowhere close to treating the 20 million acres targeted by the Act. The problems that hinder progress are outlined and discussed below.

## **Statutory Impediments to Effective Forest Restoration**

This section will describe the various legal impediments that delay hazardous fuels treatment and propose solutions to these impediments.

### **Continued Litigation Burdens Slow Forest Treatment**

Although the Healthy Forest Initiative and Healthy Forests Restoration Act have provided some relief from burdensome litigation and helped speed up forest restoration, there are still significant delays due in part to lengthy appeals. For example, prior to passage of the Act, the Government Accountability Office found that about 58 percent of appealable decisions were

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<sup>6</sup> Dale Bosworth, July 19, 2006. The 2006 numbers were provided by the U.S. Forest Service. Bosworth stated in his testimony that the Forest Service expected to treat 208,000 acres this year under HFI, but due to a heavy fire season, it had to divert resources to firefighting.

<sup>7</sup> USDA/Forest Service, *Overview of FY 2007 President's Budget*, February 8, 2006 – revised.

<sup>8</sup> USDA, *Healthy Forests Report*, October 1, 2006.

appealed.<sup>9</sup> It appears that the rate has hardly changed. According to Mark Rey, Under Secretary for Natural Resources and Environment at the U.S. Department of Agriculture, half of the projects initiated under the Act are under appeal, significantly slowing hazardous fuels treatments.<sup>10</sup>

Litigation remains a significant problem for another reason – nearly all projects conducted under the laws are mixed projects. In other words, there are several components to each project that fall outside the law’s authority and, instead, are subject to separate cumbersome administrative processes, appeals, and litigation, slowing and even stopping many healthy forest projects. Few projects are pursued only under the Act’s authority, so its reforms have limited reach.

### **Recommendation: Addressing Excessive Litigation – Attorney’s Fees**

Congress can address the burdens of excessive litigation by examining the attorney’s fee provisions that govern this area of law. Taxpayers have paid millions of dollars to environmental groups in recent years due to fee-shifting statutes. For example, the *Sacramento Bee* has reported that, in the 1990s, the federal government paid \$31.6 million in attorney’s fees for 434 environmental cases, and the average award was more than \$70,000 (with some in the millions of dollars).<sup>11</sup> By some reports, there are as many as 7,100 cases being litigated by the Environment and Natural Resources Division of the Justice Department.<sup>12</sup> It is reasonable to assert that the availability of attorney’s fees creates a financial incentive to file lawsuits.

It is important to understand the source of the environmental groups’ “rights” to attorney’s fees. Most citizen lawsuits against the federal government, including those brought under the Administrative Procedures Act (APA), are covered by the fee provisions found in the Equal Access to Justice Act (EAJA). The EAJA provides that “a court shall award to the prevailing party other than the United States fees and other expenses . . . unless the court finds that the position of the United States was substantially justified or that special circumstances make an award unjust.”<sup>13</sup> Thus, to be awarded attorney’s fees, the plaintiff must “prevail,” the government’s position must *not* have been “substantially justified,” and awarding the fees should not be otherwise “unjust.” The EAJA fee provision, especially insofar as it denies fees when the government’s position was “substantially justified,” is designed to prevent the government from litigating in bad faith, mounting absurd or frivolous arguments of its own in order to dissuade citizen lawsuits. But if the government has good arguments — “substantially justified” arguments — then no fees should be awarded.

The APA is not the only source of relief for environmental plaintiffs. Several environmental statutes have even broader fee provisions,<sup>14</sup> most significantly the Endangered

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<sup>9</sup> GAO, *Forest Service: Information on Appeals and Litigation Involving Fuels Reduction Activities*, October 2003.

<sup>10</sup> Mark Rey, testimony before the House Committee on Agriculture, November 15, 2005.

<sup>11</sup> *Sacramento Bee*, “Litigation Central: A Flood of Costly Lawsuits Raises Questions About Motive,” April 24, 2001.

<sup>12</sup> *Caspar Star Tribune*, “Feds to Energy: Help fight these lawsuits,” June 16, 2004.

<sup>13</sup> 28 U.S.C. § 2412(d)(1)(A).

<sup>14</sup> See attorney’s fee provisions for the following statutes: Endangered Species Act 16 U.S.C. § 1540(g)(4); Air Pollution Prevention and Control (Clean Air) Act, 42 U.S.C. § 7604(a); Federal Water Pollution Control (Clean Water) Act, 33 U.S.C. § 1365(a); Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. § 9659(a); Emergency Planning and Community Right to Know Act (EPCRA) 42 U.S.C. §

Species Act (ESA), which provides, “The court . . . may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such award is appropriate.”<sup>15</sup> So, whereas a plaintiff bringing a case under the APA must meet the thresholds described above, a plaintiff suing under the ESA must only convince the court that the award is “appropriate.” This is a lower standard than in the EAJA, and — as the Supreme Court has recognized — realistically means that the party need only achieve “some success” in the litigation, even if the vast majority of the plaintiff’s claims fail on the merits.<sup>16</sup> Nor is there any protection for the taxpayer if the government litigates in good faith, making “substantially justified” arguments. This rule has the practical effect of encouraging plaintiffs to broaden their arguments and ask for far more than the law justifies, slowing the government’s forest protection efforts and driving up costs to taxpayers through litigation.

First, Congress should conform the attorney’s fee provisions of the environmental statutes used to challenge forest projects to those in the EAJA. The broad fee provisions of the ESA (and other environmental statutes) give courts too much discretion, and do not adequately protect tax dollars. The purpose of a fee-shifting provision should be to reward legitimate claims and to force the government to litigate in good faith; it should not have the practical effect of guaranteeing a court challenge to nearly every government action on behalf of the public good. The Equal Access to Justice Act, as written, seeks to strike a balance that is lacking in many the environmental laws.

Second, questions have been raised as to whether the EAJA is enforced properly by the courts. Congress should investigate how the EAJA’s threshold tests — whether the plaintiffs “prevailed,” whether the government’s position was not “substantially justified,” and whether a fee award would be “unjust” — are enforced in court. Of particular concern is the interpretation of the “substantially justified” prong, where some courts appear to be treating a position as not substantially justified simply because it does not prevail in court. An egregious example arose in a 2002 case in the Ninth Circuit, where the court held that the government’s position was not substantially justified even when that position had *prevailed* in the district court before being reversed on appeal.<sup>17</sup> As Judge Alex Kozinski argued in dissent, “After today’s ruling, it’s hard to imagine a case where the government will not have to pay fees after losing. The district court adopted the government’s position, and we reversed only after noting there was no case directly on point. If that’s not substantial justification, what is?”<sup>18</sup> More investigation is necessary to determine whether this is a problem deserving of statutory action. Congress may need to provide greater definition to the terms of the EAJA to prevent courts from misconstruing the law’s text and purpose.

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11046(a)(1); Resource Conservation and Recovery Act (RCRA) 42 U.S.C. § 6972 ; Safe Drinking Water Act, 42 U.S.C. § 300j-8; and the Toxic Substances Control Act, 15 U.S.C. § 2619.

<sup>15</sup> See 16 U.S.C. § 1540(g)(4).

<sup>16</sup> *Ruckelshaus v. Sierra Club*, 463 U.S. 680, 688 (1983) (construing parallel language in the Clean Water Act).

<sup>17</sup> *United States v. Real Property at 2659 Roundhill Dr.*, 283 F.3d 1146 (9<sup>th</sup> Cir. 2002).

<sup>18</sup> *Id.* at 1156 (Kozinski, J., dissenting); see also *United States v. Marolf*, \_\_\_ F.3d \_\_\_, 794 (2002) (Fernandez, J., dissenting) (“turning out to be wrong is not enough to justify an award of fees”).

## **Recommendation: Addressing Excessive Litigation – Bonding**

Another approach to managing the flood of litigation is through bonding requirements. This approach was recently demonstrated by federal judge Donald Molloy, a Clinton-appointed U.S. district judge in Montana. In a lawsuit brought by several environmental groups to stop a timber project in a beetle-infested area in Montana, the judge ordered plaintiffs to post a \$100,000 bond to cover the cost of delaying the project in the event that the project is allowed to go forward. The judge explained that the bond would “ensure meaningful accountability” if the appeals court upheld his ruling that the project served the public interest and should proceed. If the environmental groups lose the case, they lose the money posted.<sup>19</sup> Due to the procedural intricacies of the case, the bond was never actually posted, nor was the required posting of the bond repudiated by a higher court or by Judge Molloy himself.<sup>20</sup>

Bonding requirements will not be appropriate in all cases, but in Judge Molloy’s decision, he recognized that, at times, such measures will be necessary to ensure that litigation is not used as a costless delaying tactic. Given the criticism that greeted Judge Molloy’s ruling, as well as the Ninth Circuit’s generally pro-plaintiff approach in environmental cases, Congress should make clear that nothing in federal law should be construed to prevent federal courts from requiring bonds in appropriate cases. This tool to ensure a just litigation process should remain available to the courts.

## **Use of Categorical Exclusions Threatened**

The National Environmental Protection Act (NEPA) provides for public participation in resource management decisions and their potential environmental impacts. This participation includes a notice, comment, and appeal process, culminating in the creation of an environmental assessment or environmental impact statement. NEPA also provides a mechanism, known as a categorical exclusion, for “a category of actions which do not individually or cumulatively have a significant effect on the human environment . . . and for which, therefore, neither an environmental assessment nor an environmental impact statement is required.”<sup>21</sup> The rationale for these “categorical exclusions” is to avoid a lengthy administrative process for environmentally insignificant projects.

A categorical exclusion is not just something that the Forest Service or other resource agencies can invoke on a whim, but is itself developed through an extensive rulemaking exercise.<sup>22</sup> It begins with the agency gaining experience with certain categories of activities through numerous environmental assessments and hands-on experience and, through that experience, determining that such activities pose no significant environmental impact. At that point, the agency pulls together the data collected from previous environmental assessments and proposes a categorical exclusion, which is then subjected to a public notice and comment period and an administrative appeals period. Individuals or groups can challenge a project as not fitting

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<sup>19</sup> *Native Ecosystems Council vs. Kimbell*, Docket No. CV 05-110-M-DWM in District of Montana. See in particular, order dated 12/20/05. See also, *Associated Press State & Local Wire*, Judge orders environmental groups to post bond in logging case,” December 23, 2005.

<sup>20</sup> *Native Ecosystems Council vs. Kimbell*.

<sup>21</sup> 40 CFR 1508.4.

<sup>22</sup> Rey, November 15, 2005.

within a categorical exclusion or they can challenge the categorical exclusion itself. Thus, public participation is still permitted, but only insofar as the categorical exclusion is concerned; the project itself is not subject to the full administrative process.

The effectiveness of categorical exclusions was threatened recently by a federal court decision of the Ninth Circuit in San Francisco. In *Earth Island Institute vs. Del Pengilly*, environmental groups argued that all projects covered under categorical exclusions are subject to notice, comment, and appeal.<sup>23</sup> The court did not disallow categorical exclusions *per se*, but found that the projects conducted under many of the existing categorical exclusions must be subject to notice, comment, and appeal. This holding effectively eviscerated the usefulness of these categorical exclusions. These activities include, but were not limited to, prescribed burns, thinning, and other activities related to hazardous fuels reductions. The whole point of categorical exclusions was to eliminate the unnecessary burden on the government for environmentally insignificant projects.

The impact of this ruling is that the notice, comment, and appeal process could add up to 135 days to the approval process. If the level of public interest and comment is high, then an appeals period, which could be as long as 105 days, would be required. The Forest Service has determined that, as a result of the *Earth Island Institute* case, more than 800 projects became subject to notice, comment, and appeal, affecting 900,000 acres of hazardous fuels reduction projects for FY2006 alone.<sup>24</sup>

### **Recommendation: Re-establish the effectiveness of categorical exclusions**

To re-establish the effectiveness of categorical exclusions, Congress should explicitly exempt categorical exclusions from the Appeals Reform Act. The House Committee on Agriculture has offered legislation (H.R. 4091) to ratify part 215 of title 36 of the Code of Federal Regulations. The legislation explicitly states that “procedures for legal notice and opportunity to comment do not apply to...projects and activities which are categorically excluded from documentation in an environmental impact statement or environmental assessment...”<sup>25</sup> The bill asserts that this regulation is in full compliance with the public law establishing the Forest Service’s decision-making and appeals process.<sup>26</sup>

### **Barriers to Effective Stewardship Contracting**

Stewardship contracting could be a very useful tool to expedite forest restoration projects. Authorized in the Omnibus Appropriations Act for FY2003, stewardship contracting allows federal agencies charged with managing U.S. forest lands to enter into contracts or agreements with communities, non-profit organizations, or private businesses (referred to as “contractors” in the following discussion) to perform services, such as mechanical thinning, in exchange for forest and rangeland products. Much of the timber product removed during mechanical thinning is of little value, so allowing contractors to remove some valuable timber products helps pay for

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<sup>23</sup> \_\_\_ F.3d \_\_\_, 2006 WL 2291168 (9<sup>th</sup> Cir., Aug. 10, 2006).

<sup>24</sup> Rey, November 15, 2005. Here, Rey is referring to the 2005 district court opinion.

<sup>25</sup> 36 CFR 215.4.

<sup>26</sup>Section 322 of the Department of the Interior and Related Agencies Appropriations Act, 1993 (Public Law 102-381).

the otherwise prohibitive costs of mechanical thinning projects. Stewardship contracting has been used successfully on several forest health projects, but has been limited in scope.

There are several reasons why stewardship contracting is not used as extensively as it could be. Two major impediments are inadequate contract lengths that discourage the participation of potential contractors, and federal regulations that discourage more extensive use of stewardship contracting by the Forest Service.

First, the maximum term of a stewardship contract was set at 10 years in the appropriations act, which is too short to induce many potential contractors to bid on contracts.<sup>27</sup> Many contractors, who might otherwise be interested in entering into a stewardship contract, would not be able to recover their costs even during a 10-year contract length, because their amortization schedules are much longer. For example, manufacturers of engineered wood products (which could put to good use the small-diameter, low-value, lumber produced from mechanical thinning) cannot recover their upfront capital costs in 10 years.<sup>28</sup> Because of high transportation costs, it is often not economical to haul the wood to existing plants, so new plants need to be constructed near the raw resources. By extending the available contract term, more businesses would be willing to enter into stewardship contracts. One contractor has suggested, “A 10-year contract might be feasible if the investors were assured of an automatic renewal for another 10 years if the conditions of the first contract were satisfactorily completed.”<sup>29</sup>

Another reason stewardship contracts are not used more extensively is a costly requirement related to the obligation of agency funds. Multi-year contracts may be subject to cancellation by the federal government, thus federal acquisition regulations require civilian agencies that enter into such contracts to obligate funds to cover the “cancellation costs” of contractors in the event of cancellation. The purpose of the regulation is to protect contractors from the financial risks of project cancellation. The funds “must be sufficient to cover any potential cancellation and/or termination costs...”<sup>30</sup> These costs are based on the agency’s best estimate of the portion of the contractor’s investment that cannot be recouped if the contract is cancelled. This may include the cost of equipment, training, and other sunk costs assumed by contractors.

A Forest Service briefing paper explains that this requirement “serves as a disincentive to a [federal public lands] manager opting to perform stewardship contract work on a multi-year contract basis.”<sup>31</sup> Indeed, as a result of this regulation, of the 206 stewardship contracts the Forest Service entered into, only one is a multi-year contract. The other 205 are one-year contracts and not subject to the same requirement. In the one multi-year stewardship project that the Forest Service has entered into – the White Mountain Stewardship project in the Apache-

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<sup>27</sup> R. Wade Mosby, Senior Vice President, Collins Pine Company, testimony before the House Resources Committee, Subcommittee on Forests and Forest Health, April 27, 2006.

<sup>28</sup> Mosby, April 27, 2006.

<sup>29</sup> Mosby, April 27, 2006.

<sup>30</sup> See Federal Acquisition Regulation 17.104(c).

<sup>31</sup> U.S. Forest Service, Southwest Region, *Contingency Liability Requirements Limit Use of Stewardship Contracting Authority* (undated briefing paper). Also see, U.S. Forest Service, *Stewardship Contracting Assessment*, (prepared by David MacCleary), November 23, 2004 for further reference to the problem with the cancellation ceiling.

Sitgreaves National Forests in Arizona – it had to obligate \$500,000 to cover cancellation costs.<sup>32</sup> That is a half million dollars that was not available for other projects.<sup>33</sup> It is not hard to see that numerous multi-year contracts would have a large budgetary impact on the Forest Service, and explains its preference for one-year contracts.

**Recommendation: Cover cancellation costs from current appropriations**

Because Forest Service budgets are limited, the amount of money that can be tied up in reserve funds to cover cancellation costs is also limited and the number of stewardship contracts that can be entered into is restricted. It has been recommended that the Forest Service’s contingent liability be managed on something other than a project-by-project basis.<sup>34</sup> The Department of Defense, which has engaged in multi-year contracting for decades, is not required to obligate funds to cover the cancellation costs in the event of a project cancellation. The DoD pays the cancellation costs from one of three sources:

- “appropriations originally available for the performance of the contract concerned;
- “appropriations currently available for procurement of the type of property concerned, and not otherwise obligated; or
- “funds appropriated for those payments.”<sup>35</sup>

In other words, the DoD is expected to pay costs to contractors in the event of a project cancellation, but it does not have to set aside money up front to cover those costs. Instead, it is allowed to cover those costs upon cancellation out of current appropriations. Similar language could be adopted for stewardship contracting, especially since project cancellations are rare.<sup>36</sup>

**Recommendation: Reduce obligation to cover cancellation costs**

Another possible solution would be to establish a reserve fund to cover potential cancellation costs of all stewardship contracts on a fractional basis. Since most projects are not cancelled, there is no need to obligate funds to cover the full potential cancellation costs of each project. It should be sufficient to obligate only a fraction of the total potential liability of all projects, based on past cancellation percentages. The Forest Service says that only five percent of stewardship contracts have been cancelled. However, since nearly all stewardship contracts are one-year contracts, this number may not translate to multi-year contracts. Additional analysis of, and experience with, multi-year contracts may be needed to ascertain the correct number. However, DoD’s experience with multi-year contracts (which expose contractors to far greater financial risk) suggests that a similar approach would work well within the context of stewardship contracts.

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<sup>32</sup> This is actually a fairly low number, because the successful offerer (contractor) that was awarded the contract did not have to make any investments in equipment or facilities. Situations where the successful offerer must make large capital investments the reserve fund would have to be much larger for the given project.

<sup>33</sup> U.S. Forest Service, Southwest Region, (undated briefing paper).

<sup>34</sup> U.S. Forest Service, Southwest Region; and Douglas C. Morton, Megan E. Roessing, Ann E. Camp, and Mary E. Tyrrell, *Assessing the Environmental, Social, and Economic Impacts of Wildfire*, Yale University, School of Forestry & Environmental Studies, Global Institute of Sustainable Forestry, May 2003.

<sup>35</sup> 10 U.S.C. 2306b.

<sup>36</sup> According to the Forest Service, about five percent of stewardship contracts are cancelled.

## **Administrative Impediments to Effective Use of Existing Tools**

Federal land management agencies must ensure that existing tools are used effectively to address forest health issues. To the extent necessary, Congress can step in and provide guidance or legislation to aid the agencies in these efforts.

### **Emphasize Treatment over Suppression**

The agencies responsible for managing the nation's forests must give higher priority to fuels treatment over fire suppression, and Congress can encourage this change through appropriations. A new study by researchers at the School of Forestry at Northern Arizona University found that the cost of treatment (hazardous fuels reduction) is less than the costs associated with not reducing hazardous fuels.<sup>37</sup> The study found that, "continuing the current policy of favoring fire suppression over prevention does not represent a rational economic choice. All with-treatment scenarios had lower present-value of costs than the no-treatment alternative."<sup>38</sup> The study also states, "Using conservative economic values, we found that avoided future costs justify spending \$238 to \$601 per acre for hazard reduction treatments in the southwest."<sup>39</sup>

In another study, the Rural Technology Initiative (a partnership between the University of Washington College of Forest Resources, and Washington State University, Department of Natural Resource Sciences and Cooperative Extension) tallied the wildfire costs avoided – including those associated with fire fighting, timber and facilities losses, regeneration and rehabilitation, and others – through hazardous fuels treatments, then subtracted the treatment costs and found that for forests at high risk from wildfire, the net benefits from hazardous fuels treatment is \$1,483 per acre. For moderate-risk forests, the net benefit is \$688.<sup>40</sup> These findings confirm those of other studies showing that treatment costs less than suppression.<sup>41</sup> Yet, the Forest Service's FY2006 enacted level included approximately \$282 million for hazardous fuels treatment versus \$690 million for fire suppression.<sup>42</sup> This funding imbalance displays misplaced priorities.

### **Clarify Confusion Over the Appropriate Use of Performance and Payment Bonds**

Federal land management agencies also need to ensure that they are correctly applying federal acquisition regulations, with regard to performance and payment bonds. For some types

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<sup>37</sup> G.B. Snider and P.J. Daugherty, "The Irrationality of Continued Fire Suppression: An Avoided Cost Analysis of Fire Hazard Reduction Treatments Versus No Treatment," (in review) *Journal of Forestry*. This paper is initially presented at the Ecological Restoration of Southwest Ponderosa Pine and Pinyon-Juniper Ecosystems, a joint meeting of the Southwest and Intermountain Sections of the Society of American Foresters in St. George, UT, May 11-13, 2005.

<sup>38</sup> Snider and Daugherty, (in review).

<sup>39</sup> Snider and Daugherty, (in review).

<sup>40</sup> Larry Mason, Bruce Lippke, and Kevin Zobrist, "Investment in Fuel Removals Avoid Future Public Costs," *RTI Fact Sheet*, May 2004.

<sup>41</sup> See, S.J. Pyne, P.L. Andrews, and R.D. Laven, *Introduction to Wildland Fire*, John Wiley and Sons Inc., New York, 1996; P.J. Daugherty and G.B. Snider, "Ecological and Market Economics," in *Ecological Restoration and Ponderosa Pine Forests*, P. Friederici (ed.), Island Press, Washington, D.C., 2003.

<sup>42</sup> Figures provided by the Office of Management and Budget.



of federal contracts (generally construction contracts), contractors are required to post performance and payment bonds to ensure adequate performance of the contract. In general, performance and payment bonds are not required for service contracts, though there are situations where they may be permitted.<sup>43</sup> There is some confusion on this policy within the Forest Service, as there have been complaints, particularly from smaller operators, that the bonding requirements are too cumbersome and limit their ability to work on Forest Service contracts. According to one contractor, “The Forest Service must modify its contractual requirements to reduce the need for bonds or small businesses will find it difficult to finance work on Forest Service contracts.”<sup>44</sup> The Forest Service needs to ensure that its field managers understand the policy regarding performance and payment bonds to avoid imposing unnecessary requirements on potential contractors.

## **Conclusion**

Millions of acres of U.S. forests continue to be at high risk from catastrophic wildfire, due to overgrowth, disease, insect infestation, and weather-related damage. Administrative and legislative solutions are available to enhance the effectiveness of existing authorities to ensure the restoration of the nation’s valuable forests, and they should be pursued.

RPC Staff Contact: Paul Georgia, Energy and Environment Analyst, 224-2946

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<sup>43</sup> See Federal Acquisition Regulation 28.103.

<sup>44</sup> Gary Erickson, Manager, Bighorn Lumber Company, Inc., testimony before the Senate Committee on Small Business and Entrepreneurship, February 19, 2004.

609201

**Tutwiler, Lucy A.**

**From:** McBrien, Lauren D.  
**Sent:** Wednesday, October 18, 2006 6:45 PM  
**To:** DL-OVP-WW  
**Cc:** Raines, Michele L.; Morgan, Derrick D.  
**Subject:** Updated: Daily Political Notes: 10/18/06

**DAILY POLITICAL NOTES**

October 18, 2006

**TOP ITEMS**

**DNC takes out \$5 to \$10 million loan to transfer to the DSCC** for extra ads in NJ and VA.

*House Race Hotline* reports **NRCC goes up with ads in ID-01** (Open, Sali), **MN-01** (Rep. Gutknecht), **NY-20** (Rep. Sweeney), **PA-04** (Rep. Hart), and **TX-22** (Open, Sekula-Gibbs), while it **pulls ads down from TX-17** (Taylor, challenging Rep. Edwards).

House Intelligence Committee report reveals **former Rep. Cunningham (R, CA-50) used his seat to steer \$70 million in business to contractors who paid him bribes.**

**HOUSE**

**CO-04:** Dem 527 group receives \$1 million donation from two donors for ads supporting Paccione (D) against Rep. Musgrave (R).

**FL-16:** Negron (R) goes up with his first ad, featuring Gov. Bush (R, FL) introducing him as "a man of character" who will "make us proud again."

**KY-03:** Yarmuth's (D) campaign releases poll showing him in a statistical tie with Rep. Northup (R), 44%-45% (+1).

**NY-20:** *Albany Times-Union* reports that Rep. Sweeney (R) took trip to Mariana Islands that was paid for by lobbyist for Jack Abramoff.

**NY-26:** RNC goes up with ads in support of Rep. Reynolds (R).

**PA-07:** *Washington Post* reports FBI is investigating Rep. Weldon's (R) trip to Belgrade to meet with Yugoslav businessman with ties to Slobodan Milosevic.

**SENATE**OVP STAFF  
SECRETARY REG.

**AZ:** Pederson (D) gives another \$700,000 of his own money to his campaign, bringing his total personal contributions to more than \$9 million, and triggering the millionaire's amendment.

**MD:** Steele (R) accuses Rep. Hoyer (D, MD-05) of racism for saying that Steele "has a career of slavishly supporting the Republican Party."

10/19/2006

**MT:** In debate, Sen. Burns (R) says Pres. Bush has plan to win war in Iraq, but "he's not going to tell everyone in the world" what it is.

**NJ:** Kean (R) lends his campaign \$400,000, giving him approx. \$5 million on hand to Sen. Menendez's (D) \$5.5 million.

**OH:** CBS/*New York Times* poll shows Rep. Brown (D) leading Sen. DeWine (R), 49%-35% (-14).

**GOVERNOR**

**CO:** Rep. Beauprez (R) says that it was "an extremely credible informant" who provided him with info. on Ritter's (D) plea bargains with illegal immigrants, and that his campaign didn't break any laws in obtaining the information.

**GA:** Strategic Vision poll shows Gov. Perdue (R) leading Taylor (D), 50%-36% (+14); essentially unchanged from 51%-38% (+13) on 9/24.

**OH:** CBS/*New York Times* poll shows Rep. Strickland (D) leading Blackwell (R), 54%-29% (-25).

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memorandum	From Marty Allen to Board of Trustees, Gerald R. Ford Foundation (3 pages)	10/18/2006	PRM

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

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**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00563

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**FOLDER TITLE:**

October 18, 2006

2014-0011-F  
AYM12

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**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]  
P4 Release would disclose trade secrets or confidential commercial or  
financial information [(a)(4) of the PRA]  
P5 Release would disclose confidential advise between the President  
and his advisors, or between such advisors [(a)(5) of the PRA]  
P6 Release would constitute a clearly unwarranted invasion of  
personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed  
of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C.  
2201(3).

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]  
(b)(2) Release would disclose internal personnel rules and practices of  
an agency [(b)(2) of the FOIA]  
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
(b)(4) Release would disclose trade secrets or confidential or financial  
information [(b)(4) of the FOIA]  
(b)(6) Release would constitute a clearly unwarranted invasion of  
personal privacy [(b)(6) of the FOIA]  
(b)(7) Release would disclose information compiled for law enforcement  
purposes [(b)(7) of the FOIA]  
(b)(8) Release would disclose information concerning the regulation of  
financial institutions [(b)(8) of the FOIA]  
(b)(9) Release would disclose geological or geophysical information  
concerning wells [(b)(9) of the FOIA]

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. letter	Keith Fay to Vice President and Mrs. Cheney (1 page)	10/18/2006	PRM

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- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

**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)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. email	From Elizabeth Denny re: Dinner Honoring Rush Limbaugh [draft] (2 pages)	10/18/2006	P5, P6/(b)(6)

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Miscellaneous Outbox, 2006  
OA/Box Number: 00563

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**FOLDER TITLE:**

October 18, 2006

2014-0011-F  
AYM12

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**RESTRICTION CODES**

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

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*Shaw*

THE WHITE HOUSE

Office of the Vice President

**THE VICE PRESIDENT  
HAS SEEN**

October 18, 2006

INTERVIEW OF THE VICE PRESIDENT  
BY TIME MAGAZINE

Q Mr. Vice President, we really appreciate your making this time in a very busy season. You've had a very energetic, aggressive campaign schedule. I was interested in how it's different campaigning for House and Senate members, as opposed to campaigning for yourself. And when we were out the other day in Kansas and Louisiana, we noticed you didn't have the grandchildren. That was a little change from 2004.

THE VICE PRESIDENT: Well, it is different when you're doing it -- your own name is on the ballot. And of course, I did that, what, I guess six times when I ran in Wyoming, and then twice as Vice President. And I will say that's more fun. I've still got a lot invested in what I'm doing now. But I've done a lot of this over the years. Obviously, when I was in Congress, part of the leadership, I campaigned for colleagues all the time.

After I left the Pentagon in '93, in the '94 cycle, I did a lot of it. But still, it's a chance to get out. It's participating in what I think is one of the unique and distinguishing features of our civilization where we pick our leaders, hold them accountable. And so I've always enjoyed it.

There's the rap on me, occasionally, Cheney doesn't have any fun out on the campaign trail. It's not true. I do enjoy it. And we have oftentimes over the years turned it into a family enterprise. When I ran for Congress the first time was in an RV that my dad drove. Mom cooked. Lynne and I and the girls campaigned.

And when I ran for Vice President twice, it was very much a family enterprise. Daughter Mary was my aide de camp the first time out. Liz did all the debate prep, ran that whole operation for me. Second time around, Mary was in charge of VP operations for the campaign, and Liz did the debate prep again. So it has been an important part of my life, and I've enjoyed it. And I'm enjoying this, although I do look on it as sort of this is the last time I'll go out and do -- what, I think it's 114 campaigns so far.

Q Goodness. And do you miss your grandchildren?

THE VICE PRESIDENT: Yes, you don't have them on the campaign trail this time around. Part of that is it's just a lot tougher; they're in school. There was a legitimate excuse to take them out of school when I was on the ballot -- (laughter) -- and it was truly a family enterprise. And we did a lot. They liked to campaign with us.

The other day, as a matter of fact, Liz drove by the house here with the two older girls, Kate and Elizabeth. And they said, let's stop in and see Grandma and Grandpa. And Liz explained, no, we can't, they're out campaigning.

And their response was, what, without us? (Laughter.) They enjoyed very much being a part of it, loved the crowds and rallies, and so forth.

Q Mr. Vice President, you mentioned the investment that you have in this. What do you think a Democratic House would be like? What do you think a Democratic Senate would be like?

THE VICE PRESIDENT: Well, I don't expect that to happen. I'm optimistic that we're going to hold both the House and the Senate. One of the things I do talk about on the campaign trail is the importance of what we've been able to do with tax policy. How our changes in tax policy -- especially in '03 -- stimulated a recovery that's generated 6.6 million new jobs. Just today, the Dow broke through the 12,000 mark, first time ever for the Dow Jones Industrials. I think a lot of that goes back to what we were able to do with cutting taxes on investments, on dividends and cap gains and so forth. All of that is at risk if there were to be a Democratic Congress.

I talk about the fact that Charlie Rangel, for example, has announced that he doesn't think a single one of the Bush tax cuts ought to be extended. The fact is, of course, it's going to take an affirmative act by Congress to extend those cuts. They're going to be sunsetted here. We'll go back to the old rates unless there is action by the Congress. And I think, clearly, if Charlie Rangel were to be Chairman of the Ways and Means Committee, he would put at risk -- because of his beliefs; he just fundamentally disagrees with those tax policies -- he would put at risk some of the best economic policy this nation has seen in a long time. It has produced phenomenal results for the economy.

Q Mr. Vice President, how badly do you think the Mark Foley scandal has hurt your Republican candidates, House and the Senate?

THE VICE PRESIDENT: I don't think it's hurt our candidates generally. Obviously, it's a terrible situation. I think appropriate action has been taken. Investigations are under way to find out what's happened and so forth. The place where it's likely to have an impact, clearly, would be in Foley's district. He's not running for reelection, and they're trying to work out an arrangement so somebody else can run



for that seat. But beyond that, I don't sense that it's the kind of issue that has an impact on Wyoming or Florida -- it clearly does in Florida, but in Wyoming or California or Texas, for example.

Q Mr. Vice President, while you cited the economic record and certainly the people who would applaud this administration for the success, history will probably judge it on its international accomplishments. How do you think -- or how would you like history to judge this presidency or this administration?

THE VICE PRESIDENT: Well, I think -- my guess is that the judgment will be very favorable. And I say that primarily because of what we've had to deal with, the fact that we inherited a situation, obviously, where the -- all the planning and preparation for 9/11 was underway, and then 9/11 itself sort of, in effect, has shaped the context within which we've governed. It has been -- 9/11 and the aftermath have really been sort of the dominate feature of the landscape, if you will, that we've had to steer our way through during the course of this administration. And I put that within the broader context of the global war on terror.

We went from a situation where in the '90s I think generally terrorist attacks were looked upon as law enforcement problems. And what 9/11 brought home to everybody was, in fact, we were at war. Our adversaries knew it before we did. They declared war on us back in the '90s, but the U.S. didn't really respond on a strategic level until after 9/11.

And with 9/11, we have been very aggressive in terms of both carrying the fight to the enemy, going after the terrorists, going after the state sponsors of terror, going after those who could conceivably equip the terrorists with deadlier technologies than they've used before. The ultimate threat here isn't 19 guys armed with airliners; it's 19 guys in the middle of one of our cities with a nuclear weapon. That's the ultimate threat we have to deal with these days. And all of that was brought home by 9/11.

I think it also needs to be evaluated in terms of what's happened here at home, and the fact that we have now for more than five years successfully prevented another attack on the homeland. But nobody can promise there won't be another one. It's not that kind of proposition. But there is no question but I think any objective observer will look at it and say, on 9/11 we lost 3,000 people to 19 guys who had box cutters and airline tickets and obviously took us by surprise, took the nation by surprise, demonstrated our vulnerability, if you will.

But since then, in spite the fact that there have been attacks around the world, and that there have been numerous attempts here to mount attacks against the United States, through the measures we've taken -- the Terrorist Surveillance Program, the Patriot Act, the detainee program that we run through the CIA -- all of those things have

allowed us to successfully fend off any further attack against the homeland. That's a remarkable achievement.

If you'd have asked in the month after 9/11 what the prospects were for going five years without another attack here at home, I don't think anybody would have been willing to give you very good odds -- expected that there clearly was going to be another attack. So if you put all of that together, I think we've been very successful.

I think if you look at Afghanistan and what it was over five years ago, six years ago, a safe haven for al Qaeda; a location for training camps that trained 20,000 terrorists in the late '90s, that situation has significantly improved -- still got a lot of work to do; still got significant problems there. But the Taliban regime is gone. Karzai is in. There's been democratic elections, a new parliament sworn in, new constitution.

In Iraq, we've made progress, too. It's still very tough going -- without question, but Saddam Hussein is on trial. His government has been taken down. We've had three national elections, a new constitution written. The current government -- which has got a lot of heavy lifting to do -- has only been in power about five months; and so we've still got, say, difficult days ahead. But I think we're far along from where we were, and at the same time, we've been able to successfully defend the homeland against further attacks by al Qaeda. It's a pretty good record.

Q Mr. Vice President, there have been a number of stories about your changing role. Is it shrinking? Is it enlarging? Are you in charge of everything? How has your role in this White House evolved over the past six, seven years? How have your assignments changed?

THE VICE PRESIDENT: They haven't really changed that much, I don't believe. It's a unique kind of role, a different kind of role. When you're Vice President, you don't run anything. Basically, I serve as an advisor to the President. I've got some great people working for him. And one of the things that I think is unique about the way we've operated is that my staff operation is pretty thoroughly integrated with that of the West Wing, and the President.

We've worked hard to make certain you don't get the traditional kind of splits that you will between the White House staff and the vice presidential staff. And part of that is because I've made it clear I'm not running for office myself when this is all over with, that I'm there to serve the President, and because we've worked hard to keep the press operation integrated, and the congressional relations operation integrated and so forth, and my people have been an integral part of the White House staff. That's different than the way it's worked in most White Houses.

Over time, I've spent my time on those things the President wants me to spend time on, or has asked me to. I spend a lot of time on national security matters, which is an interest given my background as Secretary of Defense, on the Intelligence Committee and so forth. And that's clearly where he's spent a lot of his time, as well, too.

I spend a fair amount of time on Hill matters. Part of that is because of my background in the House of Representatives, and part of it because my continuing job as Vice President is in the Senate. Most people don't realize I'm actually on the Senate payroll. That's where my paycheck comes from.

Q You might start spending a lot more time up there.

THE VICE PRESIDENT: No, I don't know about that. (Laughter.) But I enjoy the Congress very much. And at one time thought that's where I was going to spend my career. And so I've been able to do some good up there and pitch in and help whenever I can, whenever it makes sense. I'm an extra set of hands. But I don't see that the role has changed all that much.

Q Mr. Vice President, do you feel like you're less visible or more visible internally than you were when you all started on January 20, 2001?

THE VICE PRESIDENT: Probably less visible now. But when we started, and we went through that -- what was it, 35, 36-day recount period -- and then set up the transition, initially, I had a very visible role because the President asked me to come to Washington and set up the transition, and start that process. We didn't have anybody else on board in terms of any other Cabinet members. So they were all new as we brought them in. And there was, I think, understandably a higher profile when you've only got a few people running around. The administration is just getting formed.

Over time, though, I think everybody settled in pretty well. And there are some things I do that require a certain amount of visibility. Some of what I do, frankly, I do best in private in terms of people I talk with, sometimes negotiations on sensitive matters with members of Congress; the advice I give the President. So I don't talk a lot about the kind of advice I give the President, and sometimes the conversations I have with foreign leaders. I make my input quietly. I don't carry a high profile in the press.

On the other hand, if it's campaign time and I'm out doing 114 campaign events, then obviously that's going to generate a certain amount of visibility.

Q You and the President, this administration seems -- based on public opinion polls -- seem not to get the credit it deserves,

certainly you probably feel that way, for the economy. Why is that? Is it the gas prices? Is it the housing bust? Is it Iraq?

THE VICE PRESIDENT: I think the economy is important, and important from the standpoint of public opinion, and public attitude. My belief is that it will have an impact on the election, and that, in fact, for most people things are pretty good. That doesn't mean it's perfect out there by any means. But I think back over all the years I've been involved in elections -- going back I guess, to the mid 60's -- running, what, eight times as a candidate myself, and involved in a lot of others as staff capacity and so forth, I'm hard put to think of a time when the economy was in better shape than it is right now.

We're in one of the best economies that we've had in recent times. Employment is at an all-time record high. Home ownership is at an all-time record high. Productivity has been phenomenal. The stock market is just hitting new highs. Employment numbers are up again -- 6.6 million jobs in three years. There isn't any way you can look at the economy and not conclude that, in fact, things are going very well. And it's also I think testimony to the resilience of our economy the shocks that we've weathered over that period of time.

We have been at war. We've had to spend a lot of money on defense and homeland security. We did go through the aftermath of 9/11, which dealt a significant blow to the economy. We had a recession when we came in. We had Katrina that was one of the worst natural disasters in history.

And in spite of all that, the economy is ticking along at an all-time high. That's testimony, I think, to the basic fundamental resilience of our system to the entrepreneurial genius of the American people, to the free enterprise system and the extent to which markets work. And ours works very well and very ably, in spite of the body blows that have been delivered to it at various times. And I think also obviously some of it is due to good policy.

Now, do we get enough credit for that? I don't know. I suppose any public figure will tell you we never get the good credit we deserve and probably don't get all the criticism we deserve either. It balances out.

Gasoline prices have had a big impact, but now they're headed in the right direction. And I think that's to our benefit, as well, too. People when they go to the pump a couple times a week and fill up the tank, they see what the price of gasoline is, and that becomes a barometer against which they judge how things are doing. My dad used to be able to tell you the price of a gallon of gasoline at every single filling station in Casper, Wyoming. He knew it, and he always went to the low-cost operator. There's a lot of folks out there like that.

But, of course, gasoline prices are headed in the right direction. They've come down very significantly already. And so I think from the standpoint of the economy, when the American people ask themselves about how we've done, I think it's very good. And I also think if you look forward from the standpoint of policy to the extent that this election is going to have an impact, it is going to be policy. And I do think there's a fundamental difference between the parties on taxes. They know what our record is. They know what we believe. They've seen what we've done with tax policy, and the result it has achieved. And I think they know, as well, what the Democrats believe.

The Democrats didn't vote for those tax cuts that we put in place. They opposed them. And Charlie Rangel has indicated he's opposed to any extension of them at all. So I think it's a pretty clear choice, and I think in order for someone to vote Democratic for Congress this year, they have to say, yes, they're voting for a big tax increase because it will happen -- as I say without any action by the Congress at all because those tax provisions are sunsetted, and we have to extend them if we're going to keep those rates.

Q Mr. Vice President, if we could turn to Iraq. How long do you think it will be before the average American sees going to Iraq as a good idea?

THE VICE PRESIDENT: I think that will all depend upon the final outcome. I think it's difficult to judge, for people to judge week to week. I think we've done the right thing. I think we're doing the right thing now. I firmly believe that. The President firmly believes it. I think the world is better off with Saddam Hussein in jail, on trial than it would be if he were in power, especially in light of the fact that right next door today in Iran, of course, you've got Mr. Ahmadinejad off and running trying to develop nuclear weapons. The only thing that would be more volatile is if you also had Saddam Hussein trying to develop nuclear weapons in Baghdad.

So I think the results we've achieved to date -- establishing a democratic government, getting rid of the old regime, closing down a major state sponsor of terror, shutting off Saddam Hussein's practice of making payments to the families of suicide bombers, et cetera. I think we've done good work to get this far. It has been tough. We've got more to do. It's going to be tough to finish the task, but I think it's very important that we complete the task.

Q Mr. Vice President, do you think that in your lifetime going to Iraq will be seen as visionary -- widely seen as visionary?

THE VICE PRESIDENT: I do. And this is part of the debate we get into about can you look at Iraq without looking at the broader context; and you can't. I don't see any way you can argue, for example, that what happens in Iraq isn't going to have an impact on Musharraf in Pakistan, or Karzai in Afghanistan.

They key to a workable strategy in that part of the world against al Qaeda, and the Islamic radicals that we're at war with, is to get the locals into the fight. They've got to take responsibility for their own governments. They've got to take responsibility for their own security. That's what's happened in Afghanistan and in Pakistan where, obviously, we work closely with President Musharraf, having them come down on the side of combating al Qaeda, and working with us in the intelligence arena and so forth to capture and kill al Qaeda has been absolutely essential -- same thing in Saudi Arabia.

You could imagine what happens if we were to do what some of the Democrats want, withdraw from Iraq, to a man like Karzai or Musharraf, who in effect -- there have been three assassination attempts on Musharraf. He puts his life on the line every day when he goes to work. The hundreds of thousands of men in Afghanistan and Iraq who signed on for the security forces to fight on our side, in effect, against the evil ones; the overall attitude of the millions of people in Afghanistan and Iraq who have gone to the polls and risked their own lives in order to vote and participate in a newly created democracies, and suddenly the United States says, well, gee, it's too tough in Iraq, we're going home -- you cannot separate out Iraq from that broader global war on terror. Bin Laden has made the point repeatedly that Iraq is now the central front in the war on terror.

Q But hasn't he made that point because we're there? If we weren't there, would he be making that point?

THE VICE PRESIDENT: The fact of the matter is we are there, and it is the central struggle at this point. But there's no reason in the world we can't succeed. There's no reason in the world this government -- which has only been in business five months -- can't ultimately be successful. It's our job to stay there as long as we have to help them get it right. But we don't want to stay a day longer than necessary.

But this is just a vital point for us to keep in mind, that this is a global struggle, that the terrorists have bet from the beginning their only strategy is to be able to break our will. They can't beat us in a stand-up fight. They never have. They go back and they cite evidence of Beirut in 1983 and Somalia in 1993, when they killed Americans and then Americans withdrew. They believe based on their experience in the '90s they could strike us with impunity, and that if they killed enough Americans, they could change American policy. They're trying to break our will. They think we don't have the stomach for the fight.

For us to do what the Democrats -- some Democrats -- have suggested in Iraq would simply validate that strategy, would simply say to al Qaeda, you're right. And all it would do is encourage more of the same.

Q Isn't what's happening in Iraq, though, not about al Qaeda principally, but about sectarian war and civil war, the potential for

civil war? Aren't we on the verge in Iraq of occupying a country that's being torn apart in a civil dispute, a civil war?

THE VICE PRESIDENT: There's no question what there is sectarian violence now, but remember how we got to sectarian violence: al Qaeda. That was their strategy to launch attacks against the Shia, to kill Shia until they could generate some kind of a response. And there's no question but what there's sectarian Shia-on-Sunni violence today. But just because it's tough doesn't mean it's not worth doing.

And the lesson we should have learned with 9/11 is that there may have been a time in our history when we could withdraw behind our borders and be safe and secure here at home. That day passed on 9/11. When we saw the damage that a handful of men could do -- trained in Afghanistan in the remote training camps of Afghanistan, aided and abetted -- a planning cell in Hamburg, Germany, and end up here killing 3,000 Americans that morning, and when we think of the ultimate threat of deadlier weapons than they had that day, the idea that we can turn our back on the Middle East and walk away from a state that could conceivably become a safe haven for terrorists or another area where they can train and plot and plan, that went out the window on 9/11. We have to be concerned with what's going on in that part of the world. And going on offense, as we have, I'm convinced is one of the things that has kept us safe here at home.

Q Mr. Vice President, to take your point about the Iraqi people, are you surprised or disappointed that the Iraqi people have not done more, more quickly or been more grateful to the United States?

THE VICE PRESIDENT: Well, I talk to a lot of Iraqis, and the ones I talk with have been very grateful and expressed their gratitude. They also -- I think it's a measure of the extent to which they've been beaten down during Saddam's years in power, especially the Shia, who are the majority -- roughly 60 percent of the population, who are clearly very heavily engaged now in the new government, but who were denied their role all those years Saddam was in power, governed by a Sunni minority, if you will -- and so beaten down, especially after the '91 episode where they rose up against the regime and then were slaughtered in large numbers that it has been hard, I think, for them in some cases to step forward and take on responsibility. But now they're doing it. And it's risky business.

And you look Mr. Hashimi, who is one of the vice presidents, who has lost two brothers and a sister to assassination, just in the last few months. It's very risky business for people to step up over there and take on major political responsibilities. We have to admire them for being willing to do it. We need to help them and support them in that enterprise. And I think ultimately they'll pull it off. They're tough people. They're bright. There's a lot of work that needs to be done. But I have -- I like Maliki. I think he's a good Prime Minister. I think he's got what it takes to make this all work. And I

think we've got a lot invested as a nation in seeing that they're successful. The world is going to be a safer and more secure place, including right here at home in the United States if we get it right in Iraq.

Q Mr. Vice President, what do you want from Secretary James Baker's Iraq Study Group?

THE VICE PRESIDENT: Well, Jim is a good man. He's a close friend. The President and I have a lot of confidence in him. Lee Hamilton is a good man, too. I served with Lee on the House Intelligence Committee back in the '80s. And I think they've got a good panel. My old friend Al Simpson is a member of the group. They've been doing a lot of work to study events in that part of the world, and we'll see what they produce. I haven't seen the report.

Q There's certainly a lot of talk in Washington that this will give -- try to give for an exit strategy after the election.

THE VICE PRESIDENT: I know what the President thinks. I know what I think. And we're not looking for an exit strategy; we're looking for victory. And victory will be the day when the Iraqis solve their political problems and are up and running with respect to their own government, and when they're able to provide for their own security. And how we get to that objective is what we need to keep in mind.

Our strategy hasn't changed. Our tactics change from time to time, and they have to adapt and adjust. And we're eager to have thoughts and ideas from experienced people in terms of how we can move forward in having the Baker-Hamilton group go put fresh eyes on the problem and take a look at it. We think it's a valuable exercise. We'll see what they produce.

Q Mr. Vice President, if you had to take back any one thing you'd said about Iraq, what would it be?

THE VICE PRESIDENT: If I had to take back anything I've said about Iraq? Well, if you think -- thinking in terms of things that I've been surprised by. I thought that the elections that we went through in '05 would have had a bigger impact on the level of violence than they have, I guess, I'd put it in those terms. I would have thought -- well, I expressed the sentiment some time ago that I thought we were over the hump in terms of violence, I think that was premature. I thought the elections would have created that environment. And it hasn't happened yet.

That's the other thing that I'd mention, too, and separate and apart from that, and not really in response to your question. I'm struck by the fact, as well, to come back to this notion that what's being attempted here is to break our will. Friedman has got an interesting piece today on it, if you saw Tom Friedman this morning



talking about the extent to which the enemy in this stage in Iraq aim very much at the American people, and public opinion in the United States very sensitive to how to use the media to gain access through technical means that are available now on the Internet and everything else to create as much violence as possible, as much bloodshed as possible and get that broadcast back into the United States as a way to try to shape opinion and influence the outcome of our debate here at home. And I think some of that is going on, too.

Q Mr. Vice President, are you satisfied with the intelligence you're getting about Iran?

THE VICE PRESIDENT: I'm not going to talk about intelligence. This is generally not a good road to go down. I don't talk about intelligence, and I'm going to pass.

Q How much of your mind share do you think is going to be occupied by Iran in the coming two years?

THE VICE PRESIDENT: Mind share? Is that a -

Q Kids today. (Laughter.)

THE VICE PRESIDENT: You mean what part of my storage unit is going to be devoted to it? (Laughter.) Well, Iran is a very, very important problem, and it's -- my guess is we'll be focused on it as long as we're in office.

Q Do you think we'll have a military draft in your lifetime? Is it possible that we would need one?

THE VICE PRESIDENT: I don't believe so. I'm a great believer in the all-volunteer force. I think that's one of the best things we've done in the last 40 years in this country. It produces a very, very high-caliber military. People are serving because they want to serve.

I was down this week in Fort Campbell, Kentucky, the 101<sup>st</sup>; a couple of weeks ago with the 3rd Division down at Fort Stewart; down at Fort Hood recently, with the 4th ID and the 3rd Armored Cavalry Regiment. These are just remarkable men and women. And the all-volunteer force has fundamentally transformed the services because they went from a posture and organization where they didn't have to pay a lot of attention to personnel policy because they could compel service. The selective service system coughed up troops, and they put them in with the units, and away they went.

When we moved to an all-volunteer force, we had to be able to attract volunteers, and you have to be able to motivate them, and provide them with the kind of opportunity for service, and to meet basic, fundamental requirements, when they've got other options. It fundamentally transforms the way they think about people, the way they

think about the organization. I think it's had an enormous impact on the services, as well. Part of this comes from my time as Secretary of Defense, and I'm a huge believer in the all-volunteer force.

We preserve the selective service system in the event there were to be some catastrophic conflict that would require putting 20 million people in uniform like we did in World War II, but I don't foresee at this stage the likelihood of that.

Q Mr. Vice President, now that you're a wartime Vice President, do you regret not having served in the military?

THE VICE PRESIDENT: No. I don't go back and look at those decisions. I've spent a lot of time over the years on these issues. But I'm 65; I'd like to go back and do it all over again, but I made the choices I made.

Q In light of the North-Korean tests, Mr. Vice President, is the Nuclear Non-Proliferation Treaty system in trouble, and have nuclear arsenals been revalued by countries that we worry about?

THE VICE PRESIDENT: I think we're at a time when there is going to be a major test of the international community's ability and determination to deal with the proliferation problem, and the test obviously is North Korea and Iran. So far, I would say, with respect to North Korea, I've been generally pleased with the way in which the international community has come together in the last week or two after the test by North Korea. The Chinese have been vital in that process, and they clearly have -- I think they've undergone a significant transformation in terms of how they look at the problem. And the unanimous vote in the Security Council, a pretty good set of resolutions, sanctions under Title 7, the U.N. Charter, those are positive signs.

The ultimate test though will be whether or not we can complete the task of the de-nuclearization, if you will, of the Korean Peninsula, and also get the Iranians to come into compliance with their obligations under the NPT and give up their aspirations to build nuclear weapons. And the jury is still out, but this is sort of the ultimate test for the U.N Security Council, or the ability of the international community to come together and devise and put in place sanctions, implement those sanctions, and enforce those sanctions, and achieve a result.

Q And if they fail?

THE VICE PRESIDENT: As the President said, we haven't taken any options of the table.

Q Mr. Vice President, do you worry that North Korea's action and the attention it's gotten will encourage that behavior by other states that you worry about?

THE VICE PRESIDENT: Well, we'll have to see. The main one we focus on clearly is Iran. We've had some success in this area with Libyans getting ready to give up - they did give up their nuclear materials, their centrifuges, weapons design, uranium feedstock. A lot of that I personally feel was directly the result of what we did in Iraq. As we launched into Iraq, they indicated a willingness to talk about their weapons of mass destruction. And right after we dug Saddam Hussein out of his hole, nine months later, then they went forward and announced that they were giving it all up, and they've turned it all over to us, and we've got all that material now.

We also were able to shut down the A.Q. Khan black-market network that provided that, so we've had one great success so far in the proliferation area.

But again, as I said, a lot of that is due directly to what the United States and Britain did in Iraq. And we'll see now whether or not the U.N. Security Council, basically, is willing to step up. And there is a test for that organization. If there's a problem, they ought to be able to deal with this issue, the proliferation of nuclear weapons technology to these regimes that clearly are a threat to their neighbors. I don't know how it's going to come out diplomatically, but we hope we can resolve it diplomatically.

Q Mr. Vice President, do you believe that we'll have a confrontation with Iran before you leave office?

THE VICE PRESIDENT: I am hopeful we can resolve all these differences diplomatically.

Q And may we ask two questions about the future? Mr. Vice President, do you plan to hunt again?

THE VICE PRESIDENT: Yes, I do.

Q Why not run for President? You're younger than John McCain. You look okay.

THE VICE PRESIDENT: I've got a lot of miles on me. (Laughter.)

Q Seriously, I mean is it -- there's nobody who could convince you, you should? Certainly, there are people in the party would like to see it.

THE VICE PRESIDENT: I looked at it very seriously, back in '94, '96 time frame, and I went out on the '94 election cycle, and I set up a PAC. Dave Addington ran the political action committee for me. We raised a bunch of money, and I campaigned all over the country that year helping with the '94 effort. And then -- with the understanding that I'd sit down at the end of that period of time, which I did --

Christmas, that year, and decide whether or not I really wanted to run myself, and I concluded I did not, that I wasn't prepared to do all those things I'd have to do to be a candidate, and that I'd had a great 25 years in public life, and it was time to go pursue private life.

Shortly after that, Halliburton came along, and I enjoyed running Halliburton, spent five years in Dallas. The President persuaded me to come back. I'm glad I did. I don't regret that for a minute, but that's different than making a decision -- ready to jump into the arena out there and run for President. And I really think my -- the value of my service in this administration had been in part because I haven't had my own agenda. I'm not worried about how I'm going to do in the Iowa caucuses in January of '08. I'm focused specifically on what the President wants done and needs to have done. That gives me credibility inside the administration and outside, and with the other players here in Washington, and I think it's been an important ingredient -- what I've been able to do for him.

Q Mr. Vice President, do you imagine going back to the corporate world or what do you think you and Mrs. Cheney will do after you leave office?

THE VICE PRESIDENT: I don't have any idea. I'll be 68. I still have a few good years left, and I expect we'll spend time with family. Still got a lot of rivers I haven't fished.

Q Do you think you and Mrs. Cheney will live in the D.C. area or the Eastern Shore or Wyoming?

THE VICE PRESIDENT: Well, I think maybe all of the above. Grandkids are here, so we spend a lot of time here.

Q Do you imagine being visible, having a public role, or do you think you will be quieter?

THE VICE PRESIDENT: Well, at this stage, I do not envision a public role for me when I leave. It will have been 40 years since I came to Washington, and I came to stay 12 months. And aside from the time I spent in Texas, or the year I spent at home in Wyoming running for Congress, I've been here ever since, and I've loved it. It's been a tremendous life. I've enjoyed it very much, but I think there will come a time to hang it up, say that's it -- and my remaining years will be spent in private life.

Q Question to you on the hunting question. Do you know if Harry Whittington would hunt with you again?

THE VICE PRESIDENT: I haven't asked him. (Laughter.)

Q But you said you're going to go again. Why do you feel confident that you will, and do you think you'll do it before you leave office?

THE VICE PRESIDENT: I do expect I will go again. I'll just leave it at that.

Q Thank you.

END

THE WHITE HOUSE

Office of the Vice President

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October 18, 2006

INTERVIEW OF THE VICE PRESIDENT  
BY TIME MAGAZINE

Q Mr. Vice President, we really appreciate your making this time in a very busy season. You've had a very energetic, aggressive campaign schedule. I was interested in how it's different campaigning for House and Senate members, as opposed to campaigning for yourself. And when we were out the other day in Kansas and Louisiana, we noticed you didn't have the grandchildren. That was a little change from 2004.

THE VICE PRESIDENT: Well, it is different when you're doing it -- your own name is on the ballot. And of course, I did that, what, I guess six times when I ran in Wyoming, and then twice as Vice President. And I will say that's more fun. I've still got a lot invested in what I'm doing now. But I've done a lot of this over the years. Obviously, when I was in Congress, part of the leadership, I campaigned for colleagues all the time.

After I left the Pentagon in '93, in the '94 cycle, I did a lot of it. But still, it's a chance to get out. It's participating in what I think is one of the unique and distinguishing features of our civilization where we pick our leaders, hold them accountable. And so I've always enjoyed it.

There's the rap on me, occasionally, Cheney doesn't have any fun out on the campaign trail. It's not true. I do enjoy it. And we have oftentimes over the years turned it into a family enterprise. When I ran for Congress the first time was in an RV that my dad drove. Mom cooked. Lynne and I and the girls campaigned.

And when I ran for Vice President twice, it was very much a family enterprise. Daughter Mary was my aide de camp the first time out. Liz did all the debate prep, ran that whole operation for me. Second time around, Mary was in charge of VP operations for the campaign, and Liz did the debate prep again. So it has been an important part of my life, and I've enjoyed it. And I'm enjoying this, although I do look on it as sort of this is the last time I'll go out and do -- what, I think it's 114 campaigns so far.

Q Goodness. And do you miss your grandchildren?

THE VICE PRESIDENT: Yes, you don't have them on the campaign trail this time around. Part of that is it's just a lot tougher; they're in school. There was a legitimate excuse to take them out of school when I was on the ballot -- (laughter) -- and it was truly a family enterprise. And we did a lot. They liked to campaign with us.

The other day, as a matter of fact, Liz drove by the house here with the two older girls, Kate and Elizabeth. And they said, let's stop in and see Grandma and Grandpa. And Liz explained, no, we can't, they're out campaigning.

And their response was, what, without us? (Laughter.) They enjoyed very much being a part of it, loved the crowds and rallies, and so forth.

Q Mr. Vice President, you mentioned the investment that you have in this. What do you think a Democratic House would be like? What do you think a Democratic Senate would be like?

THE VICE PRESIDENT: Well, I don't expect that to happen. I'm optimistic that we're going to hold both the House and the Senate. One of the things I do talk about on the campaign trail is the importance of what we've been able to do with tax policy. How our changes in tax policy -- especially in '03 -- stimulated a recovery that's generated 6.6 million new jobs. Just today, the Dow broke through the 12,000 mark, first time ever for the Dow Jones Industrials. I think a lot of that goes back to what we were able to do with cutting taxes on investments, on dividends and cap gains and so forth. All of that is at risk if there were to be a Democratic Congress.

I talk about the fact that Charlie Rangel, for example, has announced that he doesn't think a single one of the Bush tax cuts ought to be extended. The fact is, of course, it's going to take an affirmative act by Congress to extend those cuts. They're going to be sunsetted here. We'll go back to the old rates unless there is action by the Congress. And I think, clearly, if Charlie Rangel were to be Chairman of the Ways and Means Committee, he would put at risk -- because of his beliefs; he just fundamentally disagrees with those tax policies -- he would put at risk some of the best economic policy this nation has seen in a long time. It has produced phenomenal results for the economy.

Q Mr. Vice President, how badly do you think the Mark Foley scandal has hurt your Republican candidates, House and the Senate?

THE VICE PRESIDENT: I don't think it's hurt our candidates generally. Obviously, it's a terrible situation. I think appropriate action has been taken. Investigations are under way to find out what's happened and so forth. The place where it's likely to have an impact, clearly, would be in Foley's district. He's not running for reelection, and they're trying to work out an arrangement so somebody else can run

for that seat. But beyond that, I don't sense that it's the kind of issue that has an impact on Wyoming or Florida -- it clearly does in Florida, but in Wyoming or California or Texas, for example.

Q Mr. Vice President, while you cited the economic record and certainly the people who would applaud this administration for the success, history will probably judge it on its international accomplishments. How do you think -- or how would you like history to judge this presidency or this administration?

THE VICE PRESIDENT: Well, I think -- my guess is that the judgment will be very favorable. And I say that primarily because of what we've had to deal with, the fact that we inherited a situation, obviously, where the -- all the planning and preparation for 9/11 was underway, and then 9/11 itself sort of, in effect, has shaped the context within which we've governed. It has been -- 9/11 and the aftermath have really been sort of the dominate feature of the landscape, if you will, that we've had to steer our way through during the course of this administration. And I put that within the broader context of the global war on terror.

We went from a situation where in the '90s I think generally terrorist attacks were looked upon as law enforcement problems. And what 9/11 brought home to everybody was, in fact, we were at war. Our adversaries knew it before we did. They declared war on us back in the '90s, but the U.S. didn't really respond on a strategic level until after 9/11.

And with 9/11, we have been very aggressive in terms of both carrying the fight to the enemy, going after the terrorists, going after the state sponsors of terror, going after those who could conceivably equip the terrorists with deadlier technologies than they've used before. The ultimate threat here isn't 19 guys armed with airliners; it's 19 guys in the middle of one of our cities with a nuclear weapon. That's the ultimate threat we have to deal with these days. And all of that was brought home by 9/11.

I think it also needs to be evaluated in terms of what's happened here at home, and the fact that we have now for more than five years successfully prevented another attack on the homeland. But nobody can promise there won't be another one. It's not that kind of proposition. But there is no question but I think any objective observer will look at it and say, on 9/11 we lost 3,000 people to 19 guys who had box cutters and airline tickets and obviously took us by surprise, took the nation by surprise, demonstrated our vulnerability, if you will.

But since then, in spite the fact that there have been attacks around the world, and that there have been numerous attempts here to mount attacks against the United States, through the measures we've taken -- the Terrorist Surveillance Program, the Patriot Act, the detainee program that we run through the CIA -- all of those things have



allowed us to successfully fend off any further attack against the homeland. That's a remarkable achievement.

If you'd have asked in the month after 9/11 what the prospects were for going five years without another attack here at home, I don't think anybody would have been willing to give you very good odds -- expected that there clearly was going to be another attack. So if you put all of that together, I think we've been very successful.

I think if you look at Afghanistan and what it was over five years ago, six years ago, a safe haven for al Qaeda; a location for training camps that trained 20,000 terrorists in the late '90s, that situation has significantly improved -- still got a lot of work to do; still got significant problems there. But the Taliban regime is gone. Karzai is in. There's been democratic elections, a new parliament sworn in, new constitution.

In Iraq, we've made progress, too. It's still very tough going -- without question, but Saddam Hussein is on trial. His government has been taken down. We've had three national elections, a new constitution written. The current government -- which has got a lot of heavy lifting to do -- has only been in power about five months; and so we've still got, say, difficult days ahead. But I think we're far along from where we were, and at the same time, we've been able to successfully defend the homeland against further attacks by al Qaeda. It's a pretty good record.

Q Mr. Vice President, there have been a number of stories about your changing role. Is it shrinking? Is it enlarging? Are you in charge of everything? How has your role in this White House evolved over the past six, seven years? How have your assignments changed?

THE VICE PRESIDENT: They haven't really changed that much, I don't believe. It's a unique kind of role, a different kind of role. When you're Vice President, you don't run anything. Basically, I serve as an advisor to the President. I've got some great people working for him. And one of the things that I think is unique about the way we've operated is that my staff operation is pretty thoroughly integrated with that of the West Wing, and the President.

We've worked hard to make certain you don't get the traditional kind of splits that you will between the White House staff and the vice presidential staff. And part of that is because I've made it clear I'm not running for office myself when this is all over with, that I'm there to serve the President, and because we've worked hard to keep the press operation integrated, and the congressional relations operation integrated and so forth, and my people have been an integral part of the White House staff. That's different than the way it's worked in most White Houses.

Over time, I've spent my time on those things the President wants me to spend time on, or has asked me to. I spend a lot of time on national security matters, which is an interest given my background as Secretary of Defense, on the Intelligence Committee and so forth. And that's clearly where he's spent a lot of his time, as well, too.

I spend a fair amount of time on Hill matters. Part of that is because of my background in the House of Representatives, and part of it because my continuing job as Vice President is in the Senate. Most people don't realize I'm actually on the Senate payroll. That's where my paycheck comes from.

Q You might start spending a lot more time up there.

THE VICE PRESIDENT: No, I don't know about that. (Laughter.) But I enjoy the Congress very much. And at one time thought that's where I was going to spend my career. And so I've been able to do some good up there and pitch in and help whenever I can, whenever it makes sense. I'm an extra set of hands. But I don't see that the role has changed all that much.

Q Mr. Vice President, do you feel like you're less visible or more visible internally than you were when you all started on January 20, 2001?

THE VICE PRESIDENT: Probably less visible now. But when we started, and we went through that -- what was it, 35, 36-day recount period -- and then set up the transition, initially, I had a very visible role because the President asked me to come to Washington and set up the transition, and start that process. We didn't have anybody else on board in terms of any other Cabinet members. So they were all new as we brought them in. And there was, I think, understandably a higher profile when you've only got a few people running around. The administration is just getting formed.

Over time, though, I think everybody settled in pretty well. And there are some things I do that require a certain amount of visibility. Some of what I do, frankly, I do best in private in terms of people I talk with, sometimes negotiations on sensitive matters with members of Congress; the advice I give the President. So I don't talk a lot about the kind of advice I give the President, and sometimes the conversations I have with foreign leaders. I make my input quietly. I don't carry a high profile in the press.

On the other hand, if it's campaign time and I'm out doing 114 campaign events, then obviously that's going to generate a certain amount of visibility.

Q You and the President, this administration seems -- based on public opinion polls -- seem not to get the credit it deserves,

certainly you probably feel that way, for the economy. Why is that? Is it the gas prices? Is it the housing bust? Is it Iraq?

THE VICE PRESIDENT: I think the economy is important, and important from the standpoint of public opinion, and public attitude. My belief is that it will have an impact on the election, and that, in fact, for most people things are pretty good. That doesn't mean it's perfect out there by any means. But I think back over all the years I've been involved in elections -- going back I guess, to the mid 60's -- running, what, eight times as a candidate myself, and involved in a lot of others as staff capacity and so forth, I'm hard put to think of a time when the economy was in better shape than it is right now.

We're in one of the best economies that we've had in recent times. Employment is at an all-time record high. Home ownership is at an all-time record high. Productivity has been phenomenal. The stock market is just hitting new highs. Employment numbers are up again -- 6.6 million jobs in three years. There isn't any way you can look at the economy and not conclude that, in fact, things are going very well. And it's also I think testimony to the resilience of our economy the shocks that we've weathered over that period of time.

We have been at war. We've had to spend a lot of money on defense and homeland security. We did go through the aftermath of 9/11, which dealt a significant blow to the economy. We had a recession when we came in. We had Katrina that was one of the worst natural disasters in history.

And in spite of all that, the economy is ticking along at an all-time high. That's testimony, I think, to the basic fundamental resilience of our system to the entrepreneurial genius of the American people, to the free enterprise system and the extent to which markets work. And ours works very well and very ably, in spite of the body blows that have been delivered to it at various times. And I think also obviously some of it is due to good policy.

Now, do we get enough credit for that? I don't know. I suppose any public figure will tell you we never get the good credit we deserve and probably don't get all the criticism we deserve either. It balances out.

Gasoline prices have had a big impact, but now they're headed in the right direction. And I think that's to our benefit, as well, too. People when they go to the pump a couple times a week and fill up the tank, they see what the price of gasoline is, and that becomes a barometer against which they judge how things are doing. My dad used to be able to tell you the price of a gallon of gasoline at every single filling station in Casper, Wyoming. He knew it, and he always went to the low-cost operator. There's a lot of folks out there like that.

But, of course, gasoline prices are headed in the right direction. They've come down very significantly already. And so I think from the standpoint of the economy, when the American people ask themselves about how we've done, I think it's very good. And I also think if you look forward from the standpoint of policy to the extent that this election is going to have an impact, it is going to be policy. And I do think there's a fundamental difference between the parties on taxes. They know what our record is. They know what we believe. They've seen what we've done with tax policy, and the result it has achieved. And I think they know, as well, what the Democrats believe.

The Democrats didn't vote for those tax cuts that we put in place. They opposed them. And Charlie Rangel has indicated he's opposed to any extension of them at all. So I think it's a pretty clear choice, and I think in order for someone to vote Democratic for Congress this year, they have to say, yes, they're voting for a big tax increase because it will happen -- as I say without any action by the Congress at all because those tax provisions are sunsetted, and we have to extend them if we're going to keep those rates.

Q Mr. Vice President, if we could turn to Iraq. How long do you think it will be before the average American sees going to Iraq as a good idea?

THE VICE PRESIDENT: I think that will all depend upon the final outcome. I think it's difficult to judge, for people to judge week to week. I think we've done the right thing. I think we're doing the right thing now. I firmly believe that. The President firmly believes it. I think the world is better off with Saddam Hussein in jail, on trial than it would be if he were in power, especially in light of the fact that right next door today in Iran, of course, you've got Mr. Ahmadinejad off and running trying to develop nuclear weapons. The only thing that would be more volatile is if you also had Saddam Hussein trying to develop nuclear weapons in Baghdad.

So I think the results we've achieved to date -- establishing a democratic government, getting rid of the old regime, closing down a major state sponsor of terror, shutting off Saddam Hussein's practice of making payments to the families of suicide bombers, et cetera. I think we've done good work to get this far. It has been tough. We've got more to do. It's going to be tough to finish the task, but I think it's very important that we complete the task.

Q Mr. Vice President, do you think that in your lifetime going to Iraq will be seen as visionary -- widely seen as visionary?

THE VICE PRESIDENT: I do. And this is part of the debate we get into about can you look at Iraq without looking at the broader context; and you can't. I don't see any way you can argue, for example, that what happens in Iraq isn't going to have an impact on Musharraf in Pakistan, or Karzai in Afghanistan.

They key to a workable strategy in that part of the world against al Qaeda, and the Islamic radicals that we're at war with, is to get the locals into the fight. They've got to take responsibility for their own governments. They've got to take responsibility for their own security. That's what's happened in Afghanistan and in Pakistan where, obviously, we work closely with President Musharraf, having them come down on the side of combating al Qaeda, and working with us in the intelligence arena and so forth to capture and kill al Qaeda has been absolutely essential -- same thing in Saudi Arabia.

You could imagine what happens if we were to do what some of the Democrats want, withdraw from Iraq, to a man like Karzai or Musharraf, who in effect -- there have been three assassination attempts on Musharraf. He puts his life on the line every day when he goes to work. The hundreds of thousands of men in Afghanistan and Iraq who signed on for the security forces to fight on our side, in effect, against the evil ones; the overall attitude of the millions of people in Afghanistan and Iraq who have gone to the polls and risked their own lives in order to vote and participate in a newly created democracies, and suddenly the United States says, well, gee, it's too tough in Iraq, we're going home -- you cannot separate out Iraq from that broader global war on terror. Bin Laden has made the point repeatedly that Iraq is now the central front in the war on terror.

Q But hasn't he made that point because we're there? If we weren't there, would he be making that point?

THE VICE PRESIDENT: The fact of the matter is we are there, and it is the central struggle at this point. But there's no reason in the world we can't succeed. There's no reason in the world this government -- which has only been in business five months -- can't ultimately be successful. It's our job to stay there as long as we have to help them get it right. But we don't want to stay a day longer than necessary.

But this is just a vital point for us to keep in mind, that this is a global struggle, that the terrorists have bet from the beginning their only strategy is to be able to break our will. They can't beat us in a stand-up fight. They never have. They go back and they cite evidence of Beirut in 1983 and Somalia in 1993, when they killed Americans and then Americans withdrew. They believe based on their experience in the '90s they could strike us with impunity, and that if they killed enough Americans, they could change American policy. They're trying to break our will. They think we don't have the stomach for the fight.

For us to do what the Democrats -- some Democrats -- have suggested in Iraq would simply validate that strategy, would simply say to al Qaeda, you're right. And all it would do is encourage more of the same.

Q Isn't what's happening in Iraq, though, not about al Qaeda principally, but about sectarian war and civil war, the potential for

civil war? Aren't we on the verge in Iraq of occupying a country that's being torn apart in a civil dispute, a civil war?

THE VICE PRESIDENT: There's no question what there is sectarian violence now, but remember how we got to sectarian violence: al Qaeda. That was their strategy to launch attacks against the Shia, to kill Shia until they could generate some kind of a response. And there's no question but what there's sectarian Shia-on-Sunni violence today. But just because it's tough doesn't mean it's not worth doing.

And the lesson we should have learned with 9/11 is that there may have been a time in our history when we could withdraw behind our borders and be safe and secure here at home. That day passed on 9/11. When we saw the damage that a handful of men could do -- trained in Afghanistan in the remote training camps of Afghanistan, aided and abetted -- a planning cell in Hamburg, Germany, and end up here killing 3,000 Americans that morning, and when we think of the ultimate threat of deadlier weapons than they had that day, the idea that we can turn our back on the Middle East and walk away from a state that could conceivably become a safe haven for terrorists or another area where they can train and plot and plan, that went out the window on 9/11. We have to be concerned with what's going on in that part of the world. And going on offense, as we have, I'm convinced is one of the things that has kept us safe here at home.

Q Mr. Vice President, to take your point about the Iraqi people, are you surprised or disappointed that the Iraqi people have not done more, more quickly or been more grateful to the United States?

THE VICE PRESIDENT: Well, I talk to a lot of Iraqis, and the ones I talk with have been very grateful and expressed their gratitude. They also -- I think it's a measure of the extent to which they've been beaten down during Saddam's years in power, especially the Shia, who are the majority -- roughly 60 percent of the population, who are clearly very heavily engaged now in the new government, but who were denied their role all those years Saddam was in power, governed by a Sunni minority, if you will -- and so beaten down, especially after the '91 episode where they rose up against the regime and then were slaughtered in large numbers that it has been hard, I think, for them in some cases to step forward and take on responsibility. But now they're doing it. And it's risky business.

And you look Mr. Hashimi, who is one of the vice presidents, who has lost two brothers and a sister to assassination, just in the last few months. It's very risky business for people to step up over there and take on major political responsibilities. We have to admire them for being willing to do it. We need to help them and support them in that enterprise. And I think ultimately they'll pull it off. They're tough people. They're bright. There's a lot of work that needs to be done. But I have -- I like Maliki. I think he's a good Prime Minister. I think he's got what it takes to make this all work. And I

think we've got a lot invested as a nation in seeing that they're successful. The world is going to be a safer and more secure place, including right here at home in the United States if we get it right in Iraq.

Q Mr. Vice President, what do you want from Secretary James Baker's Iraq Study Group?

THE VICE PRESIDENT: Well, Jim is a good man. He's a close friend. The President and I have a lot of confidence in him. Lee Hamilton is a good man, too. I served with Lee on the House Intelligence Committee back in the '80s. And I think they've got a good panel. My old friend Al Simpson is a member of the group. They've been doing a lot of work to study events in that part of the world, and we'll see what they produce. I haven't seen the report.

Q There's certainly a lot of talk in Washington that this will give -- try to give for an exit strategy after the election.

THE VICE PRESIDENT: I know what the President thinks. I know what I think. And we're not looking for an exit strategy; we're looking for victory. And victory will be the day when the Iraqis solve their political problems and are up and running with respect to their own government, and when they're able to provide for their own security. And how we get to that objective is what we need to keep in mind.

Our strategy hasn't changed. Our tactics change from time to time, and they have to adapt and adjust. And we're eager to have thoughts and ideas from experienced people in terms of how we can move forward in having the Baker-Hamilton group go put fresh eyes on the problem and take a look at it. We think it's a valuable exercise. We'll see what they produce.

Q Mr. Vice President, if you had to take back any one thing you'd said about Iraq, what would it be?

THE VICE PRESIDENT: If I had to take back anything I've said about Iraq? Well, if you think -- thinking in terms of things that I've been surprised by. I thought that the elections that we went through in '05 would have had a bigger impact on the level of violence than they have, I guess, I'd put it in those terms. I would have thought -- well, I expressed the sentiment some time ago that I thought we were over the hump in terms of violence, I think that was premature. I thought the elections would have created that environment. And it hasn't happened yet.

That's the other thing that I'd mention, too, and separate and apart from that, and not really in response to your question. I'm struck by the fact, as well, to come back to this notion that what's being attempted here is to break our will. Friedman has got an interesting piece today on it, if you saw Tom Friedman this morning

talking about the extent to which the enemy in this stage in Iraq aim very much at the American people, and public opinion in the United States very sensitive to how to use the media to gain access through technical means that are available now on the Internet and everything else to create as much violence as possible, as much bloodshed as possible and get that broadcast back into the United States as a way to try to shape opinion and influence the outcome of our debate here at home. And I think some of that is going on, too.

Q Mr. Vice President, are you satisfied with the intelligence you're getting about Iran?

THE VICE PRESIDENT: I'm not going to talk about intelligence. This is generally not a good road to go down. I don't talk about intelligence, and I'm going to pass.

Q How much of your mind share do you think is going to be occupied by Iran in the coming two years?

THE VICE PRESIDENT: Mind share? Is that a -

Q Kids today. (Laughter.)

THE VICE PRESIDENT: You mean what part of my storage unit is going to be devoted to it? (Laughter.) Well, Iran is a very, very important problem, and it's -- my guess is we'll be focused on it as long as we're in office.

Q Do you think we'll have a military draft in your lifetime? Is it possible that we would need one?

THE VICE PRESIDENT: I don't believe so. I'm a great believer in the all-volunteer force. I think that's one of the best things we've done in the last 40 years in this country. It produces a very, very high-caliber military. People are serving because they want to serve.

I was down this week in Fort Campbell, Kentucky, the 101<sup>st</sup>; a couple of weeks ago with the 3rd Division down at Fort Stewart; down at Fort Hood recently, with the 4th ID and the 3rd Armored Cavalry Regiment. These are just remarkable men and women. And the all-volunteer force has fundamentally transformed the services because they went from a posture and organization where they didn't have to pay a lot of attention to personnel policy because they could compel service. The selective service system coughed up troops, and they put them in with the units, and away they went.

When we moved to an all-volunteer force, we had to be able to attract volunteers, and you have to be able to motivate them, and provide them with the kind of opportunity for service, and to meet basic, fundamental requirements, when they've got other options. It fundamentally transforms the way they think about people, the way they



think about the organization. I think it's had an enormous impact on the services, as well. Part of this comes from my time as Secretary of Defense, and I'm a huge believer in the all-volunteer force.

We preserve the selective service system in the event there were to be some catastrophic conflict that would require putting 20 million people in uniform like we did in World War II, but I don't foresee at this stage the likelihood of that.

Q Mr. Vice President, now that you're a wartime Vice President, do you regret not having served in the military?

THE VICE PRESIDENT: No. I don't go back and look at those decisions. I've spent a lot of time over the years on these issues. But I'm 65; I'd like to go back and do it all over again, but I made the choices I made.

Q In light of the North-Korean tests, Mr. Vice President, is the Nuclear Non-Proliferation Treaty system in trouble, and have nuclear arsenals been revalued by countries that we worry about?

THE VICE PRESIDENT: I think we're at a time when there is going to be a major test of the international community's ability and determination to deal with the proliferation problem, and the test obviously is North Korea and Iran. So far, I would say, with respect to North Korea, I've been generally pleased with the way in which the international community has come together in the last week or two after the test by North Korea. The Chinese have been vital in that process, and they clearly have -- I think they've undergone a significant transformation in terms of how they look at the problem. And the unanimous vote in the Security Council, a pretty good set of resolutions, sanctions under Title 7, the U.N. Charter, those are positive signs.

The ultimate test though will be whether or not we can complete the task of the de-nuclearization, if you will, of the Korean Peninsula, and also get the Iranians to come into compliance with their obligations under the NPT and give up their aspirations to build nuclear weapons. And the jury is still out, but this is sort of the ultimate test for the U.N Security Council, or the ability of the international community to come together and devise and put in place sanctions, implement those sanctions, and enforce those sanctions, and achieve a result.

Q And if they fail?

THE VICE PRESIDENT: As the President said, we haven't taken any options of the table.

Q Mr. Vice President, do you worry that North Korea's action and the attention it's gotten will encourage that behavior by other states that you worry about?

THE VICE PRESIDENT: Well, we'll have to see. The main one we focus on clearly is Iran. We've had some success in this area with Libyans getting ready to give up - they did give up their nuclear materials, their centrifuges, weapons design, uranium feedstock. A lot of that I personally feel was directly the result of what we did in Iraq. As we launched into Iraq, they indicated a willingness to talk about their weapons of mass destruction. And right after we dug Saddam Hussein out of his hole, nine months later, then they went forward and announced that they were giving it all up, and they've turned it all over to us, and we've got all that material now.

We also were able to shut down the A.Q. Khan black-market network that provided that, so we've had one great success so far in the proliferation area.

But again, as I said, a lot of that is due directly to what the United States and Britain did in Iraq. And we'll see now whether or not the U.N. Security Council, basically, is willing to step up. And there is a test for that organization. If there's a problem, they ought to be able to deal with this issue, the proliferation of nuclear weapons technology to these regimes that clearly are a threat to their neighbors. I don't know how it's going to come out diplomatically, but we hope we can resolve it diplomatically.

Q Mr. Vice President, do you believe that we'll have a confrontation with Iran before you leave office?

THE VICE PRESIDENT: I am hopeful we can resolve all these differences diplomatically.

Q And may we ask two questions about the future? Mr. Vice President, do you plan to hunt again?

THE VICE PRESIDENT: Yes, I do.

Q Why not run for President? You're younger than John McCain. You look okay.

THE VICE PRESIDENT: I've got a lot of miles on me. (Laughter.)

Q Seriously, I mean is it -- there's nobody who could convince you, you should? Certainly, there are people in the party would like to see it.

THE VICE PRESIDENT: I looked at it very seriously, back in '94, '96 time frame, and I went out on the '94 election cycle, and I set up a PAC. Dave Addington ran the political action committee for me. We raised a bunch of money, and I campaigned all over the country that year helping with the '94 effort. And then -- with the understanding that I'd sit down at the end of that period of time, which I did --

Christmas, that year, and decide whether or not I really wanted to run myself, and I concluded I did not, that I wasn't prepared to do all those things I'd have to do to be a candidate, and that I'd had a great 25 years in public life, and it was time to go pursue private life.

Shortly after that, Halliburton came along, and I enjoyed running Halliburton, spent five years in Dallas. The President persuaded me to come back. I'm glad I did. I don't regret that for a minute, but that's different than making a decision -- ready to jump into the arena out there and run for President. And I really think my -- the value of my service in this administration had been in part because I haven't had my own agenda. I'm not worried about how I'm going to do in the Iowa caucuses in January of '08. I'm focused specifically on what the President wants done and needs to have done. That gives me credibility inside the administration and outside, and with the other players here in Washington, and I think it's been an important ingredient -- what I've been able to do for him.

Q Mr. Vice President, do you imagine going back to the corporate world or what do you think you and Mrs. Cheney will do after you leave office?

THE VICE PRESIDENT: I don't have any idea. I'll be 68. I still have a few good years left, and I expect we'll spend time with family. Still got a lot of rivers I haven't fished.

Q Do you think you and Mrs. Cheney will live in the D.C. area or the Eastern Shore or Wyoming?

THE VICE PRESIDENT: Well, I think maybe all of the above. Grandkids are here, so we spend a lot of time here.

Q Do you imagine being visible, having a public role, or do you think you will be quieter?

THE VICE PRESIDENT: Well, at this stage, I do not envision a public role for me when I leave. It will have been 40 years since I came to Washington, and I came to stay 12 months. And aside from the time I spent in Texas, or the year I spent at home in Wyoming running for Congress, I've been here ever since, and I've loved it. It's been a tremendous life. I've enjoyed it very much, but I think there will come a time to hang it up, say that's it -- and my remaining years will be spent in private life.

Q Question to you on the hunting question. Do you know if Harry Whittington would hunt with you again?

THE VICE PRESIDENT: I haven't asked him. (Laughter.)

Q But you said you're going to go again. Why do you feel confident that you will, and do you think you'll do it before you leave office?

THE VICE PRESIDENT: I do expect I will go again. I'll just leave it at that.

Q Thank you.

END

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. report	Partisan Enthusiasm Summary (3 pages)	10/18/2006	PRM

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### COLLECTION:

Cheney Vice Presidential Records  
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### FOLDER TITLE:

October 18, 2006

2014-0011-F  
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### 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]
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Vice President & Mrs Cheney:  
A thank you is not enough. Your  
leadership throughout these past  
(almost) 6 years has been a relief to a nation  
that screams for continuity & security. Like  
parents who must sometimes take a firm stand  
with rebellious children - it is comforting to know  
it is all done for the good of this great nation.  
Thank you for standing strong for what is  
right. Thank you for all you both are doing  
to encourage America... keep in mind - while it  
SEEMS we are silent - your supporters  
are still the MAJORITY!

Our lives, our families,  
and our homes  
are in your safekeeping.  
We trust in your quick response  
and your bravery.  
How comforting it is  
just to know you are there.

Thank You

Jana & Greg Poreh



On Veterans Day, we honor those brave men and women who have served our country so well. Their legacy lives on in every freedom we cherish and in every heart that welcomes peace. To our Veterans, we say, "America is strong and proud because of you."

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**UPDATE**  
609201  
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Collection Code: **VTRACK**

Staff Name:

Document Date: **10/18/2006**

Correspondent:

Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS (UNCLASSIFIED) -- E-MAIL FROM LEA MCBRIDE - ARTICLE FROM THE WASHINGTON TIMES, "ROVE FORESEES GOP VICTORY" BY JOSEPH CURL -- E-MAIL FROM LUCY TUTWILER - ARTICLE FROM THE DALLAS MORNING NEWS, "HUTCHISON: SPLITTING UP IRAQ SHOULD BE CONSIDERED" BY TODD GILLMA ...**

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609201  
✓**Heiden, Debra**

**From:** McGinn, Megan E.  
**Sent:** Wednesday, October 18, 2006 3:56 PM  
**To:** DL-OVP-WW  
**Cc:** Addington, David S.; O'Donnell, Claire M.; Morgan, Derrick D.; Baker, Grey D.; Hennigan, James R.; McBride, Lea A.  
**Subject:** FW: AP - Sen. Burns: Bush has plan for winning, but won't tell what it is

Please print for VP. He is doing regional media tomorrow in MT.

Thanks,

Megan

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**From:** White House News Update [mailto:News.Update@WhiteHouse.Gov]  
**Sent:** Wednesday, October 18, 2006 1:46 PM  
**To:** Raines, Michele L.  
**Subject:** AP - Sen. Burns: Bush has plan for winning, but won't tell what it is

### **Sen. Burns: Bush has plan for winning, but won't tell what it is**

By MATT GOURAS

OVP STAFF  
SECRETARY RECEIVED

HELENA, Mont. (AP) - Sen. Conrad Burns says he believes President Bush has a plan to win the war in Iraq but is keeping it quiet, a statement Democrats pounced on Wednesday as reminiscent of comments made during another divisive war.

Burns, at a debate Monday with Democratic challenger Jon Tester, said he believes Bush has a plan to win - but added: "we're not going to tell you what our plan is."

Burns, who has said repeatedly the country must stay in Iraq as long as it takes to win the war, also seemed to suggest a new path may be needed in Iraq. He pointed to fellow Republican Sen. John Warner of Virginia, who has recently called for a new strategy in Iraq.

"We have to change our tactics with the enemy and how it changes its tactics," Burns said. "And in some cases, we have not been able to do that. I agree with Senator Warner and his assessment. If we don't change, we will pay a heavier price. But we cannot lose it."

Democrats likened Burns' comments to statements by President Nixon that led to news reports that he had a "secret plan" to end or win the war in Vietnam. Like Nixon, Burns never used the word "secret" but made it clear it wasn't in the president's or the country's interest to discuss any plans he has for winning the war.

Matt McKenna, a Tester campaign spokesman, said Burns' comments were eerily similar to Nixon's.

"I think the comparison is two politicians who put their own ambitions above the safety and success of the troops," McKenna said Wednesday.

In a tense exchange with Tester, who has taken a slim lead in recent polls, Burns hammered the Democratic challenger for his call on the president to develop a plan for withdrawing troops from Iraq.

10/18/2006

``He wants everyone to know our plan. That's not smart," Burns said.

``He said our president (doesn't) have a plan. I think he's got one, but he's not going to tell everybody in the world," Burns added. ``If you want to go out and spar for a fight, are you going to tell your enemy what your plan is? I don't think so."

Burns later said: ``There is a plan. We're not going to tell you, Jon."

McKenna said the comments were those of a senator behind in recent polls who wants to keep his job.

``Nobody actually believes that he (Burns) has a plan, or even a seat at the table where plans are made," McKenna said.

Burn's spokesman Jason Klindt, said the senator is adamant that details of a plan to win should not be released, including any deadline for troop withdrawal.

He said he doesn't know if Burns knows any specifics of a Bush administration plan to win the war in Iraq.

``I think he knows the general strategy," Klindt said.

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Collection Code: **VTRACK**

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Document Date: **10/31/2006**

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Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS (UNCLASSIFIED) -- E-MAIL FROM JAMES HENNIGAN - TONY SNOW PRESS BRIEFING -- E-MAIL FROM MICHELE RAINES - NEW CNN/ORC POLLS -- ECONOMIC NEWS SUMMARY FOR OCT 31 06 PREPARED BY OVP DOMESTIC POLICY -- ARTICLE FROM THE STAR TRIBUNE - "GOP POURS IN MONEY FOR C ...**

60924

**Tutwiler, Lucy A.**

**From:** Hennigan, James R.  
**Sent:** Tuesday, October 31, 2006 1:52 PM  
**To:** Addington, David S.; O'Donnell, Claire M.; Raines, Michele L.; Morgan, Derrick D.; Patel, Neil S.; Clem, Jill R.; McGinn, Megan E.; McBride, Lea A.; DL-OVP-WW  
**Subject:** Tony Snow Press Briefing

THE VICE PRESIDENT  
HAS SEEN

## VPOTUS MENTIONS:

Q Tony, since you reacted to Senator Kerry's comments, I wonder -- Charlie Rangel, another powerful Democrat, this morning in The New York Post, is calling the Vice President an SOB, says he is misrepresenting his position on tax cuts or tax increases. I wonder if you will react to that. But, more broadly, since most people are predicting either Democrats take back Congress, or the Republicans keep it with very thin margins, with this kind of rhetoric flying around, what kind of hope does the President have that he's really going to accomplish very much in his final two years when all the dust has settled?

MR. SNOW: Well, I think what's going to happen is when you get a Republican Congress in defiance of all predictions, Democrats are going to have to ask themselves the question, which is, do you want to play a constructive role? In many ways, the strategy has been to create a failed government by obstructing everything the President wants to do, with a couple of noble exceptions like the ports bill, which was important. But there has been a deliberate obstructionist approach on the part of Democratic leaders in both Houses.

As far as Charlie calling names of the President --

Q The Vice President.

MR. SNOW: -- the Vice President -- I'm sorry -- in a year in which, again, on these key issues, the Democrats don't have a plan, it does appear that they have an anger management problem. But on the other hand, I asked the Vice President about it today and he had a big hearty laugh. He knows Charlie.

\*\*\*\*\*

Q In his campaign speech, he's being very clear about kind of linking a vote for the Democrats to the insurgents and how important it is, therefore, to vote for the Republicans. And in a TV interview in the last couple of days, Vice President Cheney was even more blunt about this. Is it the position of the President that, in fact, the Democratic Party is the party of the insurgents and the party of al Qaeda?

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MR. SNOW: No, it's the position of the President that the Democratic policies -- he doesn't think for a minute the Democrats are sitting around saying, "go, bin Laden." People understand -- but what he does think is that the policies are simply flat wrong. And if you think through them, you come to the conclusion that the idea, for instance, of withdrawal without any recognition of conditions on the ground, withdrawal without an assurance of victory in Iraq is a recipe for the kind of disaster I outlined before. That's an important distinction to make.

In that sense, yes, it would be good for terrorists because they would have safe haven in Iraq. On the other hand, what he's not saying -- and I'm glad you asked the question -- he's certainly not going to accuse people of running around with "I love bin Laden" t-shirts. It's important to know that people -- you can be patriotic, but you can also be wrong on something very important. And the President hasn't questioned the patriotism of Democrats, and he's certainly not going to accuse them of climbing in bed with bin Laden. But he will be clear that if you follow these policies, or, as I've been saying, really the lack of a policy to its logical conclusion, it could get you in real trouble.

Q Tony, when the President and Vice President talk about how insurgents and volatile forces are watching this election, is there an inference there that they would hope Democrats prevail?

MR. SNOW: Well, I don't -- you know, I'll let you draw your own conclusions on that. He's not trying to --

Q Are you guys polling in the Tora Bora Mountains or -- seriously.

MR. SNOW: That's a good line. That's cute. That's why I didn't answer the question. I don't have a clue. I mean, I've said many times I'm not going to know the thoughts of them, which is why I didn't take that extra leap, Dick.

Q But if you assert they're influencing -- influencing to what end?

MR. SNOW: Influencing?

Q The election process. You've said it. The President and the Vice President have said it.

MR. SNOW: Now you're getting into a separate issue here, which is terrorists who have committed certain acts of terror may try to influence elections by, among other things, shaping media coverage, so that we have a concentration not on what American men and women

have been achieving in Iraq, but instead, acts of violence that give the appearance of defeat at a time when, again, to repeat what General Casey said, they have not lost a single engagement, and there has been -- at least according to the Prime Minister, considerable progress within Iraq, which is why the war is more popular in Iraq than it is in the United States. So to that -- in terms of a -- but that's as much a discussion of propoganda as a tool in a time of war is anything else. Go ahead.

---

**From:** Suntum, Margaret M.  
**Sent:** Tuesday, October 31, 2006 1:47 PM  
**Subject:** snow press brief, #51

THE WHITE HOUSE  
Office of the Press Secretary

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For Immediate Release

2006

October 31,

PRESS BRIEFING  
BY TONY SNOW

White House Conference Center Briefing Room

10:43 A.M. EST

MR. SNOW: On today's schedule, the President had a phone call at 7:45 a.m. this morning with President Lula da Silva of Brazil -- a brief conversation, about five minutes, very friendly, the President congratulating President Lula on his recent election victory. The two of them also talked about issues of mutual interest, which include energy, biofuels, and trade. And they both said that they'd like to get together sometime soon. So, more on that when that is put together.

He's had his normal briefings, obviously the meeting with the envoy to the Sudan, Andrew Natsios. At 11:05 a.m., he's going to be doing an interview with regional television media: Alison Burns of Cox Broadcasting; Morris Jones of Sinclair Broadcast Group; and Melissa Charbonneau of the Christian Broadcasting Network.

He departs the White House to Perry, Georgia. At 5:00 p.m. Eastern time he'll be making remarks at the Georgia Victory 2006 rally. Governor Sonny Perdue will do the introductions. It's also going to be in support of congressional candidate Mac Collins, and he'll return to the White House at 8:10 p.m.

10/31/2006



In addition, to help with your planning, the President will travel to Missouri and Iowa on Friday for campaign rallies. Details TBA. And I think that -- questions.

Q Did the United States offer to roll back sanctions on North Korea for money laundering and counterfeiting in order to get North Korea to come back to these talks?

MR. SNOW: No. As Secretary Rice said, issues like that may be discuss-able at some future time, but, no, there have been no offers. But let me also say that the President -- what you've got here with the North Koreans agreeing to return to the six-party talks is a vindication of the strategy the President has adopted. You'll notice who made the announcement -- the Chinese.

The President has said, against criticism from those who have said you just need to engage on one-on-one talks with the North Koreans -- said, no, you have to bring in the people who have the most leverage and influence over the North Koreans and their behavior. The Chinese, having talks with the North Koreans, have persuaded them to come back to the six-party talks. But it would not have been possible for the additional unity and determination supplied by the Japanese, the Russians, and the South Koreans.

I'm sorry, I just saw these. These are -- (laughter.) Here I am talking matters of war and peace and I'm looking at these things.

Q That would be for staff.

MR. SNOW: I'll hand those out to you. Go ahead, I'm sorry.

Q What did we tell them about the sanctions?

MR. SNOW: We didn't tell them anything. We're not negotiating with them at this point. What we're doing is -- now that you've got the process ready for the six-party talks, the President has said, look, we're happy that the six-party talks are going to resume; it's important to ensure that the North Koreans abide by U.N. Security Council resolutions and treaty obligations.

This is very good news. This is a real step forward. And also what it does, one hopes, in the fullness of time, is that the North Koreans will renounce all nuclear programs in a verifiable way; you'll avoid the threat of an arms race in the region; you'll avoid the threat of having a destabilized Korean Peninsula. You're going to have the opportunity for the North Koreans to take advantage of economic, political, and cultural offerings that have been made by the other parties to the talks. There's a way forward now and we're going to continue to move --

Q That's been there for a long time.

MR. SNOW: It's been there for a long time, but --

Q So what's new?

MR. SNOW: What's new is that the North --

Q Is there a carrot that brought them back?

MR. SNOW: No, I think what the carrot is that the Chinese made it pretty clear that they're very unhappy with the way the North Koreans have been behaving. Now, I don't want to tell you what went on behind closed doors because I don't know. The Chinese have been engaged in the negotiations. The good news is that the North Koreans have agreed to what we've been talking about all along, which is a return to the six-party talks. And Secretary Rice has said that she hopes that that commences before the end of the year.

Q But what are we going to make of the Japanese Prime Minister -- I guess the quote is that Tokyo "does not intend to accept North Korea's return to the talks on the premise that it possesses nuclear weapons." Is that an accurate quote?

MR. SNOW: Well, I don't know if it's an accurate quote, and I'd just have to refer that to diplomats. You raise that with State; I don't know.

Q But is it your sense, what you understand, that everyone is on board with the six-party talks?

MR. SNOW: Well, that's the way it works, so --

Q Well, I mean, apparently, there's --

MR. SNOW: Well, again, that's why -- you've got a fractional news story that I haven't seen, so I'd just be making it up, and I don't want to do that. I'll try to find some direction for you. Or give Sean McCormack and the guys at State a call, they may have better guidance.

Q One quick follow-up. Tomorrow the President has no public events at all? There's not going to be any addition to the schedule?

MR. SNOW: Well, again, the President has got some ongoing meetings that are obviously very important. And we'll read out any public events that may occur later.

Q Sounds like something is cooking there.

MR. SNOW: No, not really.

Q Tony, on Iraq, can you wrap up Steve Hadley's trip, what was accomplished, and address the continuing part of the story that there's a possible rift between the President and Maliki?

MR. SNOW: I don't know. Let me start with the second half first. Let's see, we've now had the Prime Minister saying there's no rift, the President saying there's no rift, the National Security Advisor of Iraq saying there's no rift, the U.S. Ambassador to Iraq saying there's no rift, the U.S. National Security Advisor saying there's no rift, and my telling you, on the basis of my observation of the secure conference call the other day, that there's no rift. So there's no rift. Now, I mean, I don't know how many more people you can marshal, but it seems that all the people who've been in the room and have been in critical positions are saying that.

What Steve is doing is paying a visit and assessing the situation, also talking with the Prime Minister.

I think -- again, let me stress the thing that has been most impressive to us, which is the assertiveness of the Prime Minister when it comes to wanting to take over important security operations within Iraq. We could not be happier that we've got a Prime Minister who is a man of action and man who is making decisions. That is absolutely essential for the future of Iraq.

And he's not simply doing it on the security side. He's been very aggressive in recent weeks, as I've pointed out on the political side, reaching out both to Shia and to Sunni. He's been very aggressive on the economic front, and he was giving a readout of economic success in the country. So he understands that to be a Prime Minister means more than simply having to be a commander-in-chief. It means to be a unifying force in a country where a lot of people are yearning to have a free and democratic society. They expressed that with their votes last year.

So, far from having a rift between the two sides, what you have is precisely what the President hoped he would see when he first met the Prime Minister, which is somebody who is willing to make hard decisions, who is willing to lead, who is assertive and also pretty clear-eyed about the challenges that await him.

Q If I could follow up, on the campaign trail, Senator Kerry was in Los Angeles and speaking to some students, saying if they were able to navigate the education system, they could get comfortable jobs, but "if you don't, you get stuck in Iraq." Can you react to that?

MR. SNOW: Yes, I'll actually give you a fuller quote. He

said: "You know education, if you make the most of it, you study hard and you do your homework and you make an effort to be smart, you can do well. And if you don't, you get stuck in Iraq."

It sort of fits a pattern. You may recall that last year Senator Kerry -- on CBS's "Face the Nation" -- accused U.S. soldiers of terrorizing kids and children in Iraq; and recently also described troop concentrations in Baghdad as "having failed miserably."

What Senator Kerry ought to do first is apologize to the troops. The clear implication here is if you flunk out, if you don't study hard, if you don't do your homework, if you don't make an effort to be smart and you don't do well, you "get stuck in Iraq." But an extraordinary thing has happened since September 11th, which is a lot of people -- America's finest -- have willingly agreed to volunteer their services in a mission that they know is dangerous, but is also important. And Senator Kerry not only owes an apology to those who are serving, but also to the families of those who have given their lives in this.

This is an absolute insult. And I'm a little astonished that he didn't figure it out already. I mean, you know, if I were Senator Kerry -- I mean, you've seen me, I say something stupid, I apologize as quickly as possible. And this is something for which he ought to apologize. Meanwhile, it's probably reasonable to ask some of the Democrats -- ask a Jim Webb or a Tammy Duckworth, both of whom are citing their military record -- okay, what do you think about it, what do you think about this quote? Do you agree with him? He was your presidential nominee. And as for the notion that you can say this sort of thing about the troops and say you support them, it's interesting.

Helen.

Q Does the President owe the Democrats an apology for saying that the terrorists -- that they will appease the terrorists?

MR. SNOW: No. Let's take -- you know what's interesting, Helen, and I've said this before --

Q How bellicose was he?

MR. SNOW: I don't think it's bellicose. Look, let's listen to what the Democrats -- or let's think about what Democrats are doing in this election campaign. When it comes to winning the war on terror, what is their plan? They've not said. They have talked about withdrawal --

Q -- 101 in Iraq --

MR. SNOW: -- they've talked about a whole series of things, in terms of complaining -- looking back over their shoulders and complaining about past decisions. But when it comes to the key issue, how do you achieve victory -- they say they want to achieve it, but they won't tell you how. They will tell you what they oppose what the President is doing. They oppose the Patriot Act; they have opposed the Terrorist Surveillance Program; they oppose the program by which we detain, question and bring to justice the worst of the terrorists. So they have opposed all of those things, so we know what they oppose, but we don't know what they're going to do.

Q How does the President propose to win? How does the President -- 101 in October dying --

MR. SNOW: The President understands that it is difficult. This is a man who signs each and every condolence note. He is absolutely aware of the human cost. And he grieves for every family and every person that we've lost. But on the other hand, he also knows two things. First, as General Casey said last week, there is not a single military engagement that we have not won, and we don't give our soldiers credit for that.

Secondly, he also understands that if we were to walk away short of victory it would give terrorists the opportunity to turn Iraq into a stronghold in which they would have access to the world's second largest reserves of petroleum; that they would be able to use oil as a political weapon against the United States, Europe, Asia, could pit the industrialized nations against one another; they could also work in concert with Iran and Syria, which have been active supporters of terror; they no doubt would try to go after Israel, after the Arabian peninsula, perhaps after Egypt.

In other words, the consequences of walking out and leaving a failed state are absolutely catastrophic, and the President understands that. But he also understands the promise of a democratic Iraq. And if you take a look at what's happened -- the Prime Minister, being assertive about what he wants to achieve -- and there has been progress, economically and politically, throughout much of Iraq, not ignoring the difficulties especially around Baghdad and the fierce fighting -- you take a look at that, the promise is if you have a democracy, and when you have a democracy that stands up in Iraq, that sends a powerful message.

Helen, you and I have been students of the region long enough to know that everybody is watching -- everybody is watching. And the way they see it in the region is either terrorists win or democracy wins. And the President is absolutely determined that democracy wins.

Q How would you judge the Maliki government's decision to

remove the checkpoints in the al Sadr neighborhood in Baghdad, which, as you know, is a very troubled place where the militia of Muqtada al Sadr is viewed as having more strength than perhaps the U.S. forces and the Iraqi forces? Is that not a setback today?

MR. SNOW: No, because, again, checkpoints -- to deal with checkpoints does not necessarily change the situation in terms of how you deal with Sadr City. The Prime Minister has also said on a number of occasions, if you look at Sadr City, in his opinion, 90 to 95 percent are people who support the mission and they're opposed to terrorism. And so he has also said that the Iraqis, themselves, are going to be most capable of gathering intelligence going after them.

There are a number of things going on in Sadr City. What he did not say is, let's not continue going after terrorist organizations. As a matter of fact, the other day, when he was walking through and describing his own view of his responsibilities as commander-and-chief -- and I want to quote it correctly -- he made it clear that a fundamental part of that is fighting terror, including militias and including separatist terror groups. He said that "joint efforts continue to pursue terrorists and outlaws who expose the lives of citizens to killings, abductions, and explosions." Abductions also would include a U.S. serviceman.

So the Prime Minister, now on -- I don't know -- three or four occasions at least in the last week, in talking about security, has made it clear that sectarian violence, whether it be through militias or whether it be through Saddam loyalists or others, is not something he's going to accept. As a matter of fact, what he said in a conference call the other day is that he wants the ability to respond more swiftly and more precisely to things as they come.

Q Tony, more on this non-rift with Maliki.

MR. SNOW: Yes.

Q How can you say there's not a rift at all? I mean, that's the impression you're leaving -- when, as Kelly points out, he has one opinion about how to conduct operations in Sadr City, U.S. commanders have another opinion about how to conduct operations in Sadr City -- why is that not a rift?

MR. SNOW: Because -- is every time somebody has a discussion about how best to proceed, is that a rift, or is that a -- actually, a discussion about how best to proceed? I mean, I think what you're trying to do --

Q Well, it's words, not actions. I mean, are his actions what you want?

MR. SNOW: Yes, his actions -- again, the Prime Minister, if you take a look at what he's been doing, he's been very assertive and aggressive. For instance, I've already mentioned a number of times the demobilization of a Shia police battalion --

Q I understand that, but I'm going to go back to a question I've had in the past -- are you completely satisfied with what Mr. Maliki is doing as far as actions in Iraq?

MR. SNOW: Look, what do you mean by completely satisfied? Every single act at every single time --

Q Well, you say there's no rift --

MR. SNOW: I'm not going to get into the rift creation business. As you understand and the President said, and President Maliki understands, there may be times when, on small details -- this is the Prime Minister's words -- on details they may disagree. But on the overall plan for proceeding and how they do it, they do agree. Now, there are going to be times when they disagree on particular actions. For instance, last week, when you had the strike in Sadr City, which he had approved of, which he had known about, but he was not informed at the time that the action took place -- he was unhappy, and he should have been. It wasn't a rift, but it was one of those things where you work together and you try to fix it.

Q Well, are you in this difficult position where you do want to make sure that Maliki doesn't, as the President said, dawdle, and yet you don't want to hit him too hard? I mean, can you explain sort of what position you are?

MR. SNOW: The position is we're actually gratified that you've got an Iraqi Prime Minister who is being very assertive about this stuff. I mean, I really think -- look, for instance, over the weekend, or maybe it was yesterday, there were a whole series of stories that were citing somebody "close to the Prime Minister" who, in fact, wasn't part of any of the discussions about how we're proceeding. And he was painting a dire picture of how the Prime Minister was standing up to the Americans. It's not true. The fact is, if you talk to General Casey -- I've listed all the people who've talked about this -- they're working closely together and they get more closely knitted together with each and every day because they've got the shared mission and they also understand the importance of winning in Baghdad and eventually creating that Iraq that can sustain, defend, and govern itself.

Q So he gets final word? I know it's a sovereign nation. If the military decides they want to put checkpoints up in Sadr City to make things better for the people of Sadr City, but Maliki says, no, no, no -- it's his final decision?

MR. SNOW: No, you operate cooperatively. As you know, under the U.N. agreement right now, the multinational forces in Iraq make military decisions. But they're certainly going to do those in concert with Prime Minister Maliki.

Q That's not a military decision, is it?

MR. SNOW: That's a military decision, but I'm not aware that people have dug in their heels on it.

Q Back on North Korea for a second.

MR. SNOW: Yes.

Q You've been portraying this announcement today as a big step forward, a big move. But why should anybody believe that this time around North Korea will be any more serious about doing something about its nuclear program?

MR. SNOW: Well, the President --

Q Have you received any indication of what they said about why they're coming back to the talks?

MR. SNOW: No. Look, it's pretty clear -- when your number-one trading partner and your number-one supplier of energy comes to you and has a frank discussion, the contents of which I don't know, and out of that comes an agreement to engage in the six-party talks, you'll have to draw your own conclusions.

Here's what the President said. I think it's reasonable to say trust, but verify, because he has said that he wanted to thank the Chinese for encouraging the meeting that got the agreement to the six-party talks -- to get the six-party talks restarted. But he also says, we'll be sending teams to the region to work with our partners to make sure that the current United Nations Security Council Resolution is enforced, but also to make sure that the talks are effective, that we achieve the results we want, which is a North Korea that abandons nuclear weapons programs.

So, look, this is a step forward. Is it an absolute, lock-dead guarantee? We'll find out if the North Koreans are going to make good on their word. What you're doing, of course, is expressing the very kind of skepticism we've had in the past, which is why we've talked about the importance of having verifiable activities on the part of the North Korean government. That has always been one of the preconditions for six-party talks. And again, this is -- this I think is a very important reaffirmation of the way the President went about it.



Q There were also, a couple of weeks ago, reports that people were seeing some movements over in North Korea that might indicate that they were going to do another nuclear test. Have you heard anything more lately about that, whether they've stopped?

MR. SNOW: That would be certainly inconsistent with an agreement to return to the six-party talks.

Q Have you heard anything, though, in terms of whether that activity has stopped?

MR. SNOW: Even if I had -- look, we don't talk intelligence. Come on, you know that, Toby.

Q Tony, since you reacted to Senator Kerry's comments, I wonder -- Charlie Rangel, another powerful Democrat, this morning in The New York Post, is calling the Vice President an SOB, says he is misrepresenting his position on tax cuts or tax increases. I wonder if you will react to that. But, more broadly, since most people are predicting either Democrats take back Congress, or the Republicans keep it with very thin margins, with this kind of rhetoric flying around, what kind of hope does the President have that he's really going to accomplish very much in his final two years when all the dust has settled?

MR. SNOW: Well, I think what's going to happen is when you get a Republican Congress in defiance of all predictions, Democrats are going to have to ask themselves the question, which is, do you want to play a constructive role? In many ways, the strategy has been to create a failed government by obstructing everything the President wants to do, with a couple of noble exceptions like the ports bill, which was important. But there has been a deliberate obstructionist approach on the part of Democratic leaders in both Houses.

As far as Charlie calling names of the President --

Q The Vice President.

MR. SNOW: -- the Vice President -- I'm sorry -- in a year in which, again, on these key issues, the Democrats don't have a plan, it does appear that they have an anger management problem. But on the other hand, I asked the Vice President about it today and he had a big hearty laugh. He knows Charlie.

Q You said earlier in response to Bret's question that you thought Senator Kerry should apologize to troops.

MR. SNOW: Yes.

Q I wondered, do you have the same feeling about -- in Illinois, when Pete Roscam told Tammy Duckworth, who, as you know, had lost her legs in Iraq, that she would cut and run from Iraq, and then apologized when he realized that she physically couldn't run? Should he apologize to her? And should -- in Pennsylvania, when Sherwood told Chris Carney, who had worked, as you know, in the Pentagon pre-war, that he had helped make a false case for war, directly criticizing his military service -- should Sherwood and should Roscam also apologize?

MR. SNOW: What you're trying to do on the Tammy Duckworth case -- and first, the President thanks everybody who served, and that would include Tammy Duckworth. What you're doing is you're trying to take a common figure of speech and twist it into a personal insult, and I don't think it fits in that case. And I don't know about the Sherwood thing. I mean I just can't help you with that.

Go ahead.

Q What happened -- to what extent will what happens next Tuesday be a referendum on the President and specifically the war?

MR. SNOW: I think you're going to find out it will be interesting, Peter. Look, what you've got -- in any congressional election you have 435 referenda on House seats, and you've got 33 referenda or 34 on given years on Senate seats. We're going to find out. I think -- I'll tell you -- let me put it this way: The President has made clear and will continue to make clear his determination to win the war on terror of which Iraq is the central front. And I think people are -- again, they're going to ask themselves, what are you going to do? You ask Democrats a simple question: What's your plan? Okay, you complain. What's your plan? What are you going to do to win?

It's an important contrast to make. But on the other hand the President also has the positive message on the other side because he says, here's the plan to win, and here's what's going to happen when we do win. And it creates an entirely changed nature of the region, because democracy will, in fact, catch on in the region and you will have closer relations. Democracies, by their natures, not only are not warlike, but are more inclined to work together on cooperative efforts like free trade and so on. So I think it's -- I'll tell you what, let's ask the question on Wednesday, and we'll try to do the after-action reports. But I --

Q Well, you've been --

MR. SNOW: Yes, and you know what's interesting is -- of course, look, I'm dealing with self-selected audiences. I've talked to Republican faithful, so these are obviously people who support the

President. But I will tell you that their enthusiasm for finishing the job in Iraq -- people understand that it's tough; they understand that it calls upon a nation's patience and its willingness to sacrifice in a faraway place. It has always been hard business, and in every war in American history, the public has recoiled, understandably, at the cost of engagement, especially far away. But they understand also the importance of finishing the job.

And on other issues -- I mean, when it comes to taxes, going back to the Charlie Rangel question -- I mean, Charlie, a month ago, had given the impression that continuing the tax cuts was off the table, and apparently took a different position over the weekend. But those are legitimate issues. Ask yourself, do you really think -- are Democrats going to extend -- are they going to put a permanent end to the marriage penalty? Are they going to get rid of the death tax? Are they going to deal with a number of taxes that have been trimmed under this presidency? Or are they going to let them just sort of pop up again in the dead of night with no vote from Congress?

Those are important issues, and the President is certainly willing not only to take his position on it, but to clarify the differences between the parties.

Q When the President makes a comment on Iraq like the one he made last night in Texas, doesn't he, in effect, make it a referendum on the war? Despite those 435 --

MR. SNOW: Well, I don't know. Look, it's interesting because it may be it will also -- Democrats have obviously made it a key issue for them. And having made it a key issue, you would think that they would tell you what they plan to do. And they haven't. And that also is an issue. So it may be a referendum on the Democrats approach to the most important issue in terms of our strategic interests.

Q Yesterday, Prime Minister Tony Blair said that basically if there's not an international collaboration on changing global warming, there will not only be irreversible environmental damage, there will also be economic damage to the extent -- I think he called it devastating -- to the scale of -- or what happens in world wars. So my question is, does the administration still maintain that its climate change policy is based on not only sound science, but sound economics?

MR. SNOW: Yes, and as a matter of fact, also aggressive activity on the environment. Let me recite a little bit. In 2002, in February, the President committed to cutting greenhouse gas intensity, how much we emit per unit of economy activity by 18 percent. Well, guess what. The intensity declined 2 percent in

2003, and another 2.5 percent in 2004. They're ahead of goals. We're cutting back.

One of the things the President has been talking about, and you've heard a lot of times, Paula, is getting rid of America's "addiction to oil." Well, how do you do that? Well, you innovate your way out by finding energy sources that, in fact, do not contribute to climate change, that cannot be construed as contributing to global warming. He's talked about ethanol, he's talked about nuclear, he's talked about biodiesel, and he's talked about the importance of being aggressive in terms of innovating our way out of it.

You've had the Energy Policy Act of 2005; \$5 billion in tax incentives for clean energy systems and highly efficient vehicles. You've had the Advanced Energy Initiative -- that's a 22 percent increase in Department of Energy research funding. You increase CAFE standards for SUVs. There is \$25 billion on climate change programs, by far the most in the world, that include: Climate Science Program, \$2 billion a year; Climate Technology Program, \$3 billion a year; Climate Vision, 15 industry sectors cutting emissions; you have climate leaders -- more than 70 companies cutting emissions. And what's interesting is we've also been working with our allies on ways to do the same sort of thing.

So the President has, in fact, contrary to stereotype, been actively engaged in trying to fight climate change and will continue to do so.

Q One area that is notably absent and that even Shell Oil and other major players are calling for is global mandatory emissions -- trade program, that unless you do this on an international basis, it's not in the long-term economic interest of the United States, which seems to be one of your arguments, that somehow it benefits the United States in the long-term.

MR. SNOW: Well, actually, what the United States has done is we've actually taken the lead on those kinds of innovations, such as the Asia Pacific Partnership on Clean Development and Climate, which involves working together with China, India, Korea -- South Korea -- Japan and Australia. You've got a methane program, 17 countries working to capture 50 million tons of methane emissions. You've got an international partnership for hydrogen energy. You've got Carbon Sequestration Leadership Forum, which deals directly with what you're talking about. And there's also a global nuclear energy partnership.

So, look, the President is eager to find any ways and obviously believes in market-based solutions, because what they end up doing is making use of people's natural incentives for doing well by doing the right things.

Q One last follow-up. With respect to oil and the addiction you say the United States has for oil, in the months leading up to the war and afterwards, when asked if this war was all about oil, the administration always denied that was the case, but now, inserting into a lot of these speeches, the President is emphasizing the need to preserve the oil reserves over there and that not to do so would be a very devastating impact on Iraq. But wouldn't it also be a devastating impact on the United States, which relies on oil?

MR. SNOW: not necessarily, because Iraq is not a significant source of oil production for the United States right now. The reason the President talks about the importance of maintaining the Iraqi oil fields is that it offers an opportunity for literally a common pool of wealth that will be used -- he encourages it being distributed among all Iraqis so that they're all going to have a shared economic and financial interest in the success of the country. He looks upon this as a common resource for the Iraqi people. And he makes the very reasonable point that you want the Iraqis to be fully invested, again, literally and figuratively, in making sure that democracy works. And that's a very powerful way to do it.

April.

Q Two things, one on North Korea and the other on Sudan. When did the President decide to pull apart the issue of nuclear weapons and counterfeiting? Because from that podium, he said they were issues that went together. And now you're saying that he's going to deal with the issue of money laundering later.

MR. SNOW: No, I said if it comes up -- Secretary Rice said it could come up at a future date in a forum at the six-party talks. It has not been severed. What's your second question?

Q So if they go into these talks, these upcoming talks that you're looking at, they will deal with both issues at the same time?

MR. SNOW: I don't know how they're going to stage it. That's a question, really, that you need to ask State. They're going to be able to answer that technical question; I can't.

Q And on the Sudan, Muslim peacekeeping forces, did the President and Natsios talk about that at all?

MR. SNOW: You know what, I wasn't in the meeting and I didn't get a more detailed readout. I'll find out for you. Do me a favor and just ping me on it, so I do remember. Actually, can we take a note here?

Q But, also, some of the critics have said that if there is,

indeed, an all-Muslim peacekeeping force, that it would be biased towards Khartoum. What is your thought about that?

MR. SNOW: Well, the one thing that the President made clear -- and let me just pull up some of the comments he made when he was speaking with Ambassador Natsios -- is that the government in Khartoum needs to understand how serious we are about getting peace for the people in Darfur. He said, "The people who have suffered in Darfur need to know the United States will work with others to help solve the problem." And, "The government of Sudan must understand that we're serious -- when you deliver a message to them on behalf of our government" -- he was saying to Andrew Natsios -- "that we're earnest and serious about their necessity to step up and work with the international community." This talks about, the President also had mentioned a credible international peacekeeping force. As you know, he just got back and what he said is that Andrew Natsios has been there for 10 days. And unfortunately, but to nobody's surprise, there is a grim report about the human condition there. And the President is outraged about it and he believes the international community needs to step up, and he believes that the government of Sudan needs to do it, as well.

Q Tony, you mentioned that the President will go to Missouri on Friday. Will he do anything with Senator Talent?

MR. SNOW: I don't know. He's certainly going to be campaigning for him. I'll find out.

Q But it's intended to be for his Senate campaign?

MR. SNOW: Yes. Obviously, for all candidates, but a close and highly watched race down there is Jim Talent. I was campaigning for him there yesterday.

Q Does the President have a feeling about the Michael J. Fox ad, which has been so much in the news in that race and in others?

MR. SNOW: No, I have not heard him talk about it. But it's interesting, let's make a couple of important points when it comes to stem cell research. Any stem cell research that takes place in the United States today is a result of a decision the President made in 2001, to be the first to make available 60 then-existing stem cell lines involving embryonic stem cells. He said at the time also that he believed that those stem cells, the collection of such cells involved the taking of a human life. He did not think it would be appropriate for the federal government to engage in something morally controversial, but he would not outlaw it, and in fact, would permit private investment, which is going on in some places.

Meanwhile, the United States has the most robust program in

investigating the promise of adult and blood cord stem cells, which so far have demonstrated far more promise in dealing with real conditions than embryonic stem cells, which to date at least have not yielded the results that many people would like to see them produce. So when it comes to the issue of stem cell research, there has been no party and no President who has stepped up and made possible more research and encouraged more research than George W. Bush.

Q But beyond that, does he feel that the Fox ads are inappropriate?

MR. SNOW: Again, he just -- I haven't heard him talk about it, don't expect to hear him talk about it.

Q Will he talk about stem cell research if he campaigns with Jim Talent?

MR. SNOW: Well, we'll find out. It's -- look, it's an issue, and I've just given you the position. And also the question is, will you talk about the record of the administration in trying to assess the truth or the veracity of charges that are leveled against members of the Senate --

Q -- going to talk about the record, I would say that those 60 lines didn't materialize.

MR. SNOW: Well, no, at least 21 of them are involved in active research right now, and you know it.

Q Tony, what's the decision-making process on where the President is going to go, leading to Election Day? Why is he going where he's going? And second, have we seen the stump speech, or is it going to continue to evolve and perhaps become even more aggressive?

MR. SNOW: We don't believe in staying in the same place, so the President will continue to sharpen his message. He's going to places where he can make a difference. You know, for all the, "President Bush is not going to go to contested districts" -- well, let's see, he's in Mike Sodrel's district, which is a very close district. He's going down to Mac Collins's district, a close race, today. He was in Texas yesterday, close district. He's going to be in Missouri, you've got a close Senate race.

The President knows that when he gets there -- and some of you have been there. I think there were a lot of people maybe astonished by the boisterousness of the responses that he's seen in Statesboro and in Indiana and elsewhere. Where people see the President, his passion, his commitment, and his determination, it does make a difference, and it sends a powerful message not merely to Republican

partisans, but also independent voters. And more people are going into the undecided category these days because they're scratching their heads and asking the question, who is going to be serious about the future?

So these are going to be events that will be important for those candidates, but it also sends a message nationwide about a President who has a very aggressive view not merely of the next seven days, but the next two years.

Q Is his schedule going to be heavy on contested districts and states?

MR. SNOW: I think so. I mean, I can't give you a full readout of the districts, but so far, yes.

Q There are reports out of Colorado that he'll be there over the weekend. Can you confirm that?

MR. SNOW: No, I can't. Again, I'm still -- look, a number of these things are still in process and we're nailing down final details on a number of them. When I'm in a position to do it --

Q Tell us a little more about that process.

MR. SNOW: You're going to have to call the political office. They're the guys who are working a lot of that out.

Q Has any candidate told him to stay away?

MR. SNOW: Not that I'm aware of.

Q In his campaign speech, he's being very clear about kind of linking a vote for the Democrats to the insurgents and how important it is, therefore, to vote for the Republicans. And in a TV interview in the last couple of days, Vice President Cheney was even more blunt about this. Is it the position of the President that, in fact, the Democratic Party is the party of the insurgents and the party of al Qaeda?

MR. SNOW: No, it's the position of the President that the Democratic policies -- he doesn't think for a minute the Democrats are sitting around saying, "go, bin Laden." People understand -- but what he does think is that the policies are simply flat wrong. And if you think through them, you come to the conclusion that the idea, for instance, of withdrawal without any recognition of conditions on the ground, withdrawal without an assurance of victory in Iraq is a recipe for the kind of disaster I outlined before. That's an important distinction to make.



In that sense, yes, it would be good for terrorists because they would have safe haven in Iraq. On the other hand, what he's not saying -- and I'm glad you asked the question -- he's certainly not going to accuse people of running around with "I love bin Laden" t-shirts. It's important to know that people -- you can be patriotic, but you can also be wrong on something very important. And the President hasn't questioned the patriotism of Democrats, and he's certainly not going to accuse them of climbing in bed with bin Laden. But he will be clear that if you follow these policies, or, as I've been saying, really the lack of a policy to its logical conclusion, it could get you in real trouble.

Q Tony, when the President and Vice President talk about how insurgents and volatile forces are watching this election, is there an inference there that they would hope Democrats prevail?

MR. SNOW: Well, I don't -- you know, I'll let you draw your own conclusions on that. He's not trying to --

Q Are you guys polling in the Tora Bora Mountains or -- seriously.

MR. SNOW: That's a good line. That's cute. That's why I didn't answer the question. I don't have a clue. I mean, I've said many times I'm not going to know the thoughts of them, which is why I didn't take that extra leap, Dick.

Q But if you assert they're influencing -- influencing to what end?

MR. SNOW: Influencing?

Q The election process. You've said it. The President and the Vice President have said it.

MR. SNOW: Now you're getting into a separate issue here, which is terrorists who have committed certain acts of terror may try to influence elections by, among other things, shaping media coverage, so that we have a concentration not on what American men and women have been achieving in Iraq, but instead, acts of violence that give the appearance of defeat at a time when, again, to repeat what General Casey said, they have not lost a single engagement, and there has been -- at least according to the Prime Minister, considerable progress within Iraq, which is why the war is more popular in Iraq than it is in the United States. So to that -- in terms of a -- but that's as much a discussion of propaganda as a tool in a time of war is anything else. Go ahead.

Q A tool to what end, though? Are you suggesting by discussing this now over a period of days that that influence is

intended to unseat Republicans?

MR. SNOW: No, I'm suggesting that that influence is designed to try to weaken American will to finish the job. It's a separate and unrelated item in that sense. But what is -- what I'm also saying is, don't you think Democrats -- and a number of you have written stories about this -- don't you think, on this issue that they consider of such paramount importance, that they ought to be able to get their act together long enough to come up with a plan? If it's that important, you got to figure out what you're going to do?

Q -- the President have a plan?

Q Tony, let me just ask your plan about this idea of -- I believe it was called withdrawal without assurance of victory in Iraq, which I think was the summary of the Democrats' position. And it gets back to this notion of this being a referendum, because isn't what the President putting forward -- is to stay without an assurance of victory in Iraq?

MR. SNOW: No, it's to stay with a determination of victory.

Q There's no assurance of victory in Iraq.

MR. SNOW: Well, Jim, are you saying that you don't think our troops are going to be able to complete the job?

Q I'm not saying -- it doesn't matter what I'm saying. It only matters what you folks are saying.

MR. SNOW: Okay, here's -- let me put it this way. If you'd asked the same question in World War II, people would have looked at you like you were crazy, because even when times looked toughest, there was a national determination to win. And there is a national determination to win in Iraq. And so the assurance I'm giving you is based on the quality and determination not only of U.S. forces, but also the Iraqis who are fighting with them. And the question is not if, but when.

Q But why isn't it a fair reading of this, if the President is going to throw the idea out that what Democrats are doing is advocating leaving without an assurance of victory, why isn't it a fair reading of the situation to say, on one hand, you have leaving without assurance, and on the other hand, you have staying without an assurance?

MR. SNOW: Because to leave is to create a vacuum and there is really not much doubt of what the result is going to be. To stay, with victory as your determination, ensures that you're going to have the ability over time to do what you want to achieve. It seems to me

that you're trying to draw -- let me get to the back rows a little bit first, and then we'll get back up here.

Q Thank you, Tony. Several members of Congress I spoke to on the Republican side say whether or not they retain the majority in the House, Speaker Hastert will not remain in his position. And they said the Speaker has talked about being the next ambassador to Japan. Has the White House had any discussions with him about that?

MR. SNOW: Not that I'm aware of. That's the first I've heard about it. Yes, I'm speechless. That's a new one on me, John.

Go ahead.

Q Tony, two questions. On Sunday, Tim Russert asked Maryland's Republican U.S. Senate nominee Michael Steele, are you running as a proud Bush Republican? Steele replied, and this is a quote, "I'm running as a proud Republican." My question: What is the reaction of the head of the Republican Party to this deletion of him by nominee Steele, who had no such deletion regarding his endorsements by Don King and Mike Tyson?

MR. SNOW: What you -- you forgot Russell Simmons. (Laughter.) You got to finish your endorsement. Look, I'll tell you what -- a couple of things. Number one, the President understands politics and he also wants Michael Steele to be the next senator from Maryland and he's confident he's going to be it. I'm campaigning for Michael tomorrow. So it's not like we're doing anything we can to hide our support for him.

Q The Chairman of the Senate Democratic Campaign said he is confident of a Democratic takeover of the Senate on November the 7th, and the election is a referendum on George Bush. How does the President react to this chairman's predictions?

MR. SNOW: With anticipation of November 8th.

Q On North Korea, you also noted that the President said today he'll be sending teams to the region.

MR. SNOW: Yes.

Q What are the role of those teams and how early could they be sent?

MR. SNOW: We'll be making appropriate announcements at the appropriate time.

Q There are reports that it may be in a month.

MR. SNOW: Well, it's -- look, the Secretary of State has said that she'd like to see talks commence before the end of the year. That's two months. So, I mean, we're working quickly to try to get the process back up and going.

One in the back and then we'll go ahead and --

Q Is the President concerned about the close ties between Prime Minister Maliki and Muqtada al Sadr might hinder a tough stance against the militias, especially the Mahdi Army?

MR. SNOW: No, the President understands, first, that Muqtada al Sadr is part of the government; secondly, that the Prime Minister has made clear the necessity of dealing with key players on both sides. As you know, he met with Muqtada al Sadr and Ali al Sistani a little more than a week ago; they had a reconciliation conference with Sunnis in Saudi Arabia. And furthermore, the Prime Minister has also met with a hundred Sunni leaders, tribal leaders, working on the issue.

If you're going to be the leader of Iraq, and you're going to deal with sectarian issues, and you're going to deal with militias, you're going to have to do the sort of things that Prime Minister Maliki has been doing. I think it shows that you've got a politician who's realistic about how to proceed.

Martha.

Q Tony, some of Senator Kerry's people are saying that Senator Kerry was not talking about the soldiers when he made that comment, but, in fact, was talking about the President.

MR. SNOW: We're deporting high school students to get stuck in Iraq?

Q I'm just telling you what Senator Kerry's people are saying, that he was talking about the President, not the soldiers -- that if he had done his homework, we wouldn't be stuck in Iraq.

MR. SNOW: Okay. A, he -- I'm sorry. Tell them to try version 2.0.

Q When you were talking to Jim about assurance, the Democrats don't have assurance of victory, that implies you can assure victor in Iraq.

MR. SNOW: Let me put it this way. The President is confident of victory. Look, in a time of war -- I love this. Would you have asked, would somebody have said, Lincoln, will you assure victory; Roosevelt, will you assure victory?

Q You just said the Democrats can't assure victory.

MR. SNOW: No, what I'm saying is the Democrats -- by saying that their primary mission is to withdraw from Iraq without an assurance of victory means that you set in place conditions that could create absolute chaos in the region and around the world. The President is determined, knowing the quality and the courage and the ingenuity and the ability of American forces working with the Iraqis, who become more capable with each passing day, that they're going to get the job done. He knows it's going to be tough. But on the other hand, the way you win is you stay determined and steadfast to the goal. And at the same time, as we've been through many times in recent weeks, you remain nimble about the changing conditions on the battlefield.

Q Well, we've also been through many times that the assurances from the administration at the very beginning of the war were that it would be -- we'd be greeted as liberators in Iraq, that it would be almost a cake walk, and that didn't turn out to be true. Isn't that why people have questions about your assurances now? You're assurances at the beginning of the war have not come true.

MR. SNOW: Let me make the point again. If you leave without victory, you create conditions for defeat. If you stay and you're determined to win -- I'll let you ask the question. Have some of your guys in Baghdad ask our forces, do you think you're going to be able to finish the job? My guess is their answer is going to be, yes. And beyond that, we're engaging in chin pulling that's going to get us chasing around a tree for the rest of the --

Q -- Democrats like Murtha have said they feel -- actually, they praise the soldiers and say that they've done their job, but that the rest of it in terms of the strife among Iraqis can't --

MR. SNOW: Again, I've asked you to ask the soldiers what their view is. A lot of these people have re-upped two and three times because they think they're involved in something special. And I dare say CNN gets the kind of mail that we get, which are a lot of people frustrated because their side doesn't get told. We get pictures of people getting killed, but we don't get pictures of people doing their jobs.

Thank you.

END

11:29 A.M.

EST

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10/31/2006

THE VICE PRESIDENT  
HAS SEEN *WOPRKH*

**Tutwiler, Lucy A.**

**From:** Raines, Michele L.  
**Sent:** Tuesday, October 31, 2006 7:48 AM  
**To:** DL-OVP-WW; Addington, David S.; Morgan, Derrick D.; Becker, Brenda L.; McBride, Lea A.; Coffin, Shannen W.  
**Cc:** McBrien, Lauren D.  
**Subject:** New CNN/ORC Polls

FYI, from Hotline On Call -- series of CNN polls shows Menendez, Brown, Webb all leading. Corker ahead of Ford by eight points; Talent and McCaskill tied.

A new round of CNN/Opinion Research polls in five states show Dems leading in 3 of 5 top races and tied in one. Looks like Missouri is the Dems' 51st seat and the GOPers' firewall. The results, of between 500-600 LVs per state (margin of error +/- 4.4% to 4%):

**MISSOURI**

Sen. **Jim Talent** (R) 49%  
Aud. **Claire McCaskill** (D) 49

**NEW JERSEY**

Sen. **Bob Menendez** (D) 51%  
State Sen. **Tom Kean** (R) 44

**OHIO**

Rep. **Sherrod Brown** (D) 54%  
Sen. **Mike DeWine** (R) 43

**TENNESSEE**

Ex-Chattanooga Mayor **Bob Corker** (R) 52%  
Rep. **Harold Ford** (D) 44

**VIRGINIA**

Ex-Navy Sec. **Jim Webb** (D) 50%  
Sen. **George Allen** (R) 46

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## Policy

**U.S. Drops Bid Over Royalties From Chevron (NYT)** The Interior Department has dropped claims that the Chevron Corporation systematically underpaid the government for natural gas produced in the Gulf of Mexico, a decision that could allow energy companies to avoid paying hundreds of millions of dollars in royalties. The agency had ordered Chevron to pay \$6 million in additional royalties but could have sought tens of millions more had it prevailed. The decision also sets a precedent that could make it easier for oil and gas companies to lower the value of what they pump each year from federal property and thus their payments to the government. Interior officials said on Friday that they had no choice but to drop their order to Chevron because a department appeals board had ruled against auditors in a separate case.

**A Proposal for Federal Protection From Catastrophe Divides Insurers (NYT)** Even as profits on home insurance are soaring, some of the nation's big insurers are turning to Washington in a bid to gain protection against future catastrophic losses. The two biggest companies, Allstate and State Farm, which provide nearly 35% of the insurance on American homes, are seeking legislation that would offer the same kind of program for hurricanes and other natural disasters as the government now promises to provide to commercial insurers in a future terrorism attack. The details are still being worked out, but the insurers and their supporters in Congress are talking about state and federal support kicking in after the industry has paid the first \$4.5 billion in damage, compared with the first \$25 billion in a terror attack. Three Florida lawmakers — two Republicans and a Democrat — have introduced federal legislation that would greatly reduce the risk for home insurers and, they say, make insurance on homes in vulnerable areas more affordable and more available. ... [O]pponents, including a number of other insurance companies, say that the government should not be in the business of bailing out insurance companies for their losses and that any such program would mostly benefit homeowners along the Atlantic and Gulf Coasts at the expense of residents elsewhere in the country. They argue that lowering premiums may send the wrong signal to people on the coasts and encourage further construction in vulnerable areas, resulting in higher payouts for insurance and disaster relief.

**Employers, Insurers Push Generics Harder (WSJ)** [A] growing number of companies are trying harder to push generic drugs on their employees. At prices often 80% cheaper than those of brand-name medicines, generics have become a key tool for health insurers and employers trying to hold back soaring medical costs. There's hardly a health plan today that doesn't use higher copayments on branded drugs as a way to nudge employees toward less-expensive copycat versions. ... The concerted push comes in part because the availability of generics is fast reaching a critical mass -- and as health-care costs continue to soar, employers and insurers are eager to take full advantage of the generics' lower prices. Over the past 12 months, four of the biggest blockbuster medicines -- the cholesterol drug Zocor, the antidepressant Zoloft, the antibiotic Zithromax and the nasal spray Flonase -- have gone generic. Patents for at least 11 more top-selling medicines are expected to expire within the next two years. All told, nearly half of the 60 most commonly prescribed drugs will become available generically over the next four years, at prices that could save health plans and consumers a potential \$49 billion by 2010.

## Opinion

**Management 101 for Our Public Schools (WSJ, Moe)** The Department of Education recently announced its first grants in a new \$94-million program to fund incentive-pay plans for teachers. ... [T]he idea -- that a teacher's pay should depend in part on how much his students actually learn -- is revolutionary. It is also common sense. ... Beyond a brief probationary period, teachers have lifetime job security (tenure) and are virtually impossible to dismiss even if their students learn absolutely nothing year after year. Their pay, moreover, is based entirely on a salary schedule defined by seniority and credentials, and takes no account of whether their students are learning anything. All teachers, good and bad, are rewarded equally -- a truly dumb idea. ... In any organization, the key to effective performance lies in getting the incentives right. Rewards need to be structured in such a way that people with the right talents and skills are attracted to the organization, employees are motivated to be as productive as possible, and unproductive employees have incentives to leave. ... [P]ublic schools, unlike most government organizations, do have a quantifiable bottom line -- namely, student achievement, which can be measured quite reliably through standardized tests. Under NCLB and state accountability systems, students are already being tested regularly. It is a natural next step to connect the dots to teachers: measuring the learning that takes place in each classroom, and creating an incentive system that rewards teachers on that basis.

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THE VICE PRESIDENT  
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10-31 Wyoming News

GASPER  
**Star Tribune**  
*Wyoming's News Source*

**GOP pours in money for Cubin**

By NOELLE STRAUB

*Star-Tribune Washington bureau with wire reports*

WASHINGTON -- Facing the prospect of losing their majority in Congress and increasingly uneasy about Rep. Barbara Cubin's re-election chances, national Republicans are pouring nearly \$250,000 into Wyoming to run TV ads against Democratic challenger Gary Trauner.

Also hoping to boost Cubin's chances, Vice President Dick Cheney will make a return campaign appearance in Wyoming on Saturday. But the Republican incumbent must also now contend with a new Wyoming group called Republicans for Trauner.

Cubin was one of 34 House candidates across the country that the National Republican Congressional Committee most recently spent money on, according to Federal Election Commission reports. The committee on Friday spent \$241,078 to run ads that call Trauner "dead wrong for Wyoming."

That was the first time the NRCC spent any money on the Wyoming race, according to the report. The committee spent more than \$200,000 each on just 14 of the 34 contests, including Cubin's, in its latest buy.

The money shows Republicans are worried about Cubin's chances, said Nathan Gonzales, political editor of the nonpartisan Rothenberg Political Report, an independent newsletter that analyzes races across the country.

"Every penny is precious to the NRCC, and I think them investing some money into the race is in indication they're not happy with where she's polling right now," Gonzales said. "It's a very Republican district, but she's under 50 percent in the polls, so that's not a great position to be in a week before election day."

Gonzales said the national committee doesn't have enough money to become active in every competitive race right now. "They're looking at the most efficient way to spend money and somehow hold onto the majority," he said.

He added that the NRCC could see Cubin's race as an attractive contest to put dollars behind because Republican voters outnumber Democrats in the state and the party can try to rally its base.

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Cubin's difficulties stem from a combination of how she has run her campaign and the national political environment, Gonzales said. Her recent confrontation with a disabled Libertarian candidate didn't help but is not the main cause of her re-election woes, he added.

"She had been underperforming well before she decided to stick her foot in her mouth," Gonzales said.

Cubin said the late ad buy is a reflection of troubles faced by the GOP nationally with the House page scandal, Iraq and other issues and not because of any problems with her campaign.

"I was down, as were most Republicans in the state, around 10 points just by virtue of being a Republican," Cubin said Sunday in an interview with The Associated Press. "And it's been that way across the country."

But Republican pollster Jon McHenry said when a national committee is putting money into a race like Cubin's, it means the party has some concerns about it.

"They want to make sure they don't let one slip away," said McHenry, with the GOP polling firm of Ayres, McHenry and Associates Inc., based in Virginia just outside the nation's capital.

A race in a normally Republican stronghold such as Wyoming is not one Republicans would typically look out for, he said. "But it's shaped up to be that kind of year where Republicans are defending more territory than they usually have to," he said.

No benefit would come from money left over after the election, McHenry noted, so both Democratic and Republican campaign committees are looking closely at all races where the two candidates are within five points in the polls.

This year Republicans are thinking, "We don't want this to get over 230 Democratic seats; if we ought to win this race, let's put in the money and make sure we do win it," he said.

Cubin is seeking a seventh term against Trauner -- a newcomer on the Wyoming political scene -- and Libertarian Thomas Rankin. Last week the nonpartisan Cook Political Report moved Cubin's re-election chances to a more vulnerable category, from "likely Republican" to "lean Republican."

The latest poll in the race showed that Cubin and Trauner were running about even. The poll sponsored by the Wyoming Tribune-Eagle found 44 percent support for Cubin and a little over 40 percent for Trauner, within the poll's margin of error of plus or minus 4 percentage points. Rankin had 5 percent, and 8 percent were undecided.

National GOP officials will not publicly acknowledge that they fear for Cubin's chances.

The NRCC is running the ads to inform voters about Trauner's stand on taxes and the fact that he had lived in New York before he moving to Wyoming 16 years ago, said NRCC spokesman Ed Patru.

“We want to make sure (Cubin) wins with a decisive margin to discourage other pro-tax, carpetbagging liberals from running against her in the future,” Patru said. “She’ll get back in Congress after election day... We’re not concerned we’re going to lose the race, absolutely not.”

Cheney, who also plans to stump for GOP candidates in Montana and Colorado this week, will make a second trip to Wyoming to campaign on Saturday in Laramie. He also spoke at a rally for Cubin at the Casper Events Center on Oct. 2.

Meanwhile, Cody attorney Stephen Simonton and two others have co-founded a Thermopolis-based group called Republicans for Trauner.

The 64-year-old Simonton, who says he has been a Republican since he reached voting age, believes Cubin has become a “puppet” for the GOP instead of standing for the state. He said he had never met Trauner before he started the group, which he got the idea to form the group when Cubin won her primary election with just 61 percent of the vote.

“I came to realize there were probably a lot of Republicans who feel like I do and have for quite a while,” he said. “It’s very clear that that 40 percent of the Republicans who voted against her are ... pretty upset that she is out of touch with Wyoming.”

Simonton said he has been “amazed” by the people supporting him, which he said make up the vast majority of those he comes into contact with. But he acknowledged that he has run into some conservatives who are “kind of disappointed” he is taking this tack.

The group put out 22,000 fliers that should be delivered to the doors of Republicans across the state this week, he said. They are preparing to run a couple of statewide newspapers ads as well.

## **Poll: Freudenthal has huge lead over Hunkins**

CHEYENNE, Wyo. - Gov. Dave Freudenthal enjoys a huge lead over Republican challenger Ray Hunkins, according to a new poll.

The telephone survey conducted Oct. 18-25 by Aspen Media and Market Research for the Wyoming Tribune-Eagle found 69 percent of likely voters said they would back the Democratic governor, with only 18 percent saying they backed Hunkins. Ten percent of respondents were undecided, 2 percent refused to answer and 1 percent said they supported neither candidate on the ballot.

The poll surveyed 539 people and had a margin of error of plus or minus 4 percentage points.

Oliver Walter, a political science professor and dean of the University of Wyoming's College of Arts and Sciences, said it would be almost inconceivable that Hunkins could overcome the governor's lead before the Nov. 7 election.

"Well, it would be an absolute miracle. Nobody, in my memory, has ever made up that kind of deficit," Walter said. "You would have to have a cataclysmic event to turn something around that big."

Hunkins had a different read on the numbers.

"Well, my reaction is I think the Tribune-Eagle polling firm forgot to call my supporters," he said while on a campaign stop in Thayne.

Ryan Lance, a spokesman for Freudenthal's campaign, said the campaign wouldn't rest until Election Day.

"While the numbers are heartening, we still have some work to do," Lance said.

A Mason-Dixon Polling & Research poll conducted earlier in October for the Casper Star-Tribune showed Freudenthal with a 63-30 lead over Hunkins, with 7 percent undecided. That poll also had a margin of error of 4 percentage points.

The Tribune-Eagle's poll also asked respondents who they thought would better handle a variety of issues facing the state. On each question, Freudenthal came out ahead:

\_ On fighting methamphetamine, 45 percent said Freudenthal would do a better job, with 18 percent favoring Hunkins.

\_ Asked who would do a better job reining in state government, 57 percent said Freudenthal and 19 percent said Hunkins.

\_ Just over half, 53 percent, said Freudenthal would do a better job addressing moral and ethical issues; 20 percent said Hunkins would do better.

\_ Overall, 73 percent said the state is going in the right direction.

"The governor has a very unique breadth and scope of knowledge, and I think the voters appreciate that and trust his ability to handle those issues," Lance said.

Hunkins interpreted the numbers differently. "It tells me that there has been a big effort to try and convince the people of this state that the state is on the right track," he said.

Walter said Freudenthal has benefited from the state's booming economy.

Dan Hoffman, senior director of Aspen Media, headquartered in Boulder, Colo., agreed with Walter that a Hunkins comeback at this point would be unlikely.

"When we look at this polling data right now, there is only 10 percent who are unsure," Hoffman said. "It would have to take some really startling news about the governor for him to lose this race."

609214

THE VICE  
HAG**Tutwiler, Lucy A.**

**From:** Raines, Michele L.  
**Sent:** Tuesday, October 31, 2006 11:19 AM  
**To:** DL-OVP-WW; Addington, David S.; Morgan, Derrick D.; Becker, Brenda L.; McBride, Lea A.; Coffin, Shannen W.  
**Cc:** McBrien, Lauren D.  
**Subject:** New CO-05 Poll

New Mason-Dixon poll (10/24-10/27) shows Lamborn leading 47%-40% (+7); Mason-Dixon had previously shown the race tied at 37%.

## Republican rally in 5<sup>th</sup>

*Poll suggests backlash to Dem publicity*

By George Merritt and Karen E. Crummy  
 Denver Post Staff Writers

Republican Doug Lamborn has opened a lead in the surprisingly contested race for Colorado's 5th Congressional District, signaling a possible backlash to projections of a big year for Democrats.

Lamborn leads Democrat Jay Fawcett 47 percent to 40 percent in a poll of 400 likely voters conducted by Mason-Dixon Polling & Research Inc. for The Denver Post.

The race for the Republican- dominated 5th District drew national attention earlier this month when a Denver Post poll showed the candidates tied at 37 percent each. No Democrat has held the seat since it was created in 1972.

The Democratic Congressional Campaign Committee has since prioritized the 5th as a "red to blue" race. But all the attention may instead be helping Lamborn, said Colorado College political science professor Bob Loevy. "I've detected in Colorado and across the country a bit of a circle-the-wagons attitude on the part of Republicans, and I think this may be helping Lam born at this point," Loevy said.

"I think all of this publicity about 'it's going to be a big Democratic year' has caused a lot of Republicans who might otherwise have voted Democratic ... to develop a psychology of 'my party needs me.'"

On Friday, Vice President Dick Cheney will be in Colorado Springs to help boost Lamborn and other Republicans.

Despite Lamborn's lead, Loevy said it is impressive that Fawcett is even in the conversation - much less challenging for the seat - in a district where registered Republicans outnumber registered Democrats by 2-to-1.

"This, after all, is a district created by Democrats to use up Republican votes, not to elect Democrats to the U.S. House of Representatives," Loevy said.

Fawcett is wooing unaffiliated voters with 52 percent to Lamborn's 34 percent.

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10/31/2006

Fawcett's high polling numbers mirror races in states such as Nebraska, Kansas, Wyoming and California's central valley, where there are similar political demographics, said Amy Walter, senior editor of the nonpartisan Cook Political Report.

"It's a pattern we're seeing. It's not 100 percent unique to the 5th District in Colorado," said Walter, who tracks the nation's congressional races. "Compounding the problem in Colorado is that there is nothing at the top of the ticket pulling Republicans to vote ... and Lamborn can't coalesce the base."

This district historically is the base, but a brutal, six-way primary left Lamborn on shaky ground. Rep. Joel Hefley, who is retiring from the seat after 20 years, has refused to endorse Lamborn, calling his primary campaign "sleazy" and "dishonest."

The poll was conducted last week and has a margin of sampling error of plus or minus 5 percentage points.

Each of the campaigns took the results as positive news Monday.

Fawcett campaign manager Wanda James said it is a bad sign for Lamborn that he does not have 50 percent of the vote despite being so well-known in the largely Republican district. But she acknowledged the backlash.

"I think the Republican Party has done a good job of rallying its base," she said. And she noted that local Republican advertising has focused on national implications rather than the local race.

"What it has been is, 'If you are voting for Jay Fawcett, you are voting for (Rep.) Nancy Pelosi (D-Calif.)' ... If you can find me one Republican who thinks Lamborn is actually the best man for the job, I'll buy you a steak dinner."

Lamborn agreed that Republicans have responded to national implications.

"When Republicans look at what is at stake nationally, they are prone to become good team players," he said. "The last thing they want is a Speaker Pelosi."

That held true for James Wettwer, a registered Republican from Buena Vista. He said he has already voted for Lamborn.

"I'm just concerned about what is going on this election and what the Democrats will do if they take over," Wettwer said.

But John Page, an independent voter from Colorado Springs, said he plans to vote for Fawcett.

"I was really impressed with him at the debate," Page said. "And frankly, I really was not impressed with Doug Lamborn."

*Staff writer George Merritt can be reached at 303-954-1657 or [gmerritt@denverpost.com](mailto:gmerritt@denverpost.com).*

609214

**Durkin, Charles P.**

**From:** Craige, Christopher E LtCol USAF OVP  
**Sent:** Tuesday, October 31, 2006 12:55 PM  
**To:** Durkin, Charles P.  
**Cc:** Craige, Christopher E LtCol USAF OVP  
**Subject:** Admiral Keating Invite  
**Attachments:** Bio\_Adm\_Keating.doc

THE VICE PRESIDENT  
HAS SEEN

Charlie,

Here is the information for the invitation:

WHO: Admiral Timothy J. Keating NORAD/NORTHCOM Commander

WHAT: Dinner invitation for the VP at Commander's house

WHERE: Colorado Springs, Private House, suspect located on Peterson AFB, CO (this is where we will fly into and can/will confirm)

WHEN: Friday, 3 Nov, Time TBD based on boss' schedule

I spoke briefly to the Exec for ADM Keating, but got cutoff and working to recontact (they are currently traveling). Exec is CAPT Greg Nosal, (719) 235-1823.

I will relay to him that the VP already has plans, but I will inform him that the invitation is going to the VP's staff for consideration based on scheduling.

Also attached electronic version of Admiral's bio.

V/R  
Chris

Lt Col Christopher E. Craige, USAF  
Military Aide to the Vice President  
202-757-7569

<<Bio\_Adm\_Keating.doc>>

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# NORTH AMERICAN AEROSPACE DEFENSE COMMAND And UNITED STATES NORTHERN COMMAND Biography



Directorate of Public Affairs, Headquarters, NORAD/U.S. Northern Command,  
250 Vandenberg, Suite B016, Peterson AFB, CO 80914-3808  
Phone: (719) 554-6889 DSN: 692-6889

## Admiral Timothy J. Keating UNITED STATES NAVY



Admiral Timothy J. Keating is the Commander, North American Aerospace Defense Command and United States Northern Command at Peterson Air Force Base, Colo.

Admiral Keating, a native of Dayton, Ohio, graduated from the United States Naval Academy in 1971. Following duty aboard *USS Mason* (DD 852) in the western Pacific, he completed flight training in August 1973. He was ordered to VA-82, deploying twice to the Mediterranean aboard *USS Nimitz* (CVN 68). In September 1978, he reported to VA-122, NAS Lemoore, Calif., and subsequently served with Commander, Carrier Air Wing Fifteen as Staff Landing Signal Officer, deploying to the western Pacific/Indian Ocean aboard *USS Kitty Hawk* (CV 63). From May 1982 to July 1984, as Administrative Officer, Operations Officer and Maintenance Officer with VA-94, he deployed twice to the western Pacific aboard *USS Enterprise* (CVN 65). His next assignment was Aide and Flag Lieutenant to the Commander in Chief, U.S. Pacific Command.

In May 1987, Admiral Keating assumed command of VFA-87 and deployed with CVW-8 aboard *USS Theodore Roosevelt* (CVN 71) to the North Atlantic and to the Mediterranean. After his tour with VFA-87, he was assigned to the Naval Military Personnel Command in Washington, D.C., where he served as Head of the Aviation Junior Officer Assignments Branch. He reported as Deputy Commander, Carrier Air Wing Seventeen in January 1991, participating in combat operations in support of *Operation Desert Storm* from *USS Saratoga* (CV 60).

Admiral Keating next served as a Chief of Naval Operations Fellow with the Strategic Studies Group in Newport, R.I. Following duty with the Joint Task Force Southwest Asia in Riyadh, Saudi Arabia, he deployed as Deputy Commander, Carrier Air Wing Nine aboard *USS Nimitz* (CVN 68) to the Arabian Gulf. He assumed command of CVW-9 in July 1993. In November 1994, Admiral Keating reported to NAS Fallon, Nev., as Commander, Naval Strike Warfare Center.

Admiral Keating returned to the Naval Military Personnel Command in September 1995 as Director, Aviation Officer Distribution Division. He served as the Deputy Director for Operations (Current Operations/J33), Operations Directorate, the Joint Staff, Washington, from August 1996 until June 1998. He assumed command of Carrier Group Five home ported in Yokosuka, Japan, in June 1998. In September 2000, Admiral Keating reported to OPNAV in Washington as Deputy Chief of Naval Operations for Plans, Policy and Operations (N3/N5). In February 2002, he assumed command of U.S. Naval Forces Central Command and U.S. Fifth Fleet. From October 13, 2003 to October 21, 2004, Admiral Keating served as the Director, Joint Staff. Admiral Keating assumed command of North American Aerospace Defense Command and United States Northern Command on November 5, 2004.

His awards include the Defense Distinguished Service Medal with two Oak Leaf Clusters, Distinguished Service Medal with Gold Star, Legion of Merit with three Gold Stars, Defense Meritorious Service Medal, Meritorious Service Medal with Gold Star, three Air Medals, Navy Commendation Medal with two Gold Stars and Combat "V" and various unit and campaign awards. He has over 5,000 flight hours and 1,200 arrested landings.

**(Current as of May 2005)**



609214

**Heiden, Debra**

**From:** McBride, Lea A.  
**Sent:** Tuesday, October 31, 2006 3:09 PM  
**To:** DL-OVP-WW; Addington, David S.; Becker, Brenda L.; O'Donnell, Claire M.; McConnell, John P.; Morgan, Derrick D.  
**Subject:** FW: AP - Rangel Regrets Directing Curse At Cheney -- But Not Too Much

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HAS SEEN

**From:** Fang Intern, Stephen  
**Sent:** Tuesday, October 31, 2006 3:07 PM  
**To:** McBride, Lea A.  
**Cc:** McGinn, Megan E.; Hennigan, James R.; McBrien, Lauren D.; Raines, Michele L.; Speicher, William R.  
**Subject:** AP - Rangel Regrets Directing Curse At Cheney -- But Not Too Much

**Rangel Regrets Directing Curse At Cheney -- But Not Too Much**

AP – October 31, 2006

WASHINGTON -- Rep. Charles Rangel feels bad about directing a curse word at Vice President Dick Cheney -- but not too bad.

Rangel, a Harlem Democrat who regularly exchanges verbal volleys with his one-time House colleague Cheney, called the vice president a "son of a bitch" Monday when asked by the New York Post about comments Cheney made about him in a television interview.

"He is a son of a bitch, but I shouldn't have said it," Rangel told The Associated Press Tuesday.

"I thought that he should be flattered, there's certainly no animosity in it," said Rangel, saying that he had been making an observation about Cheney. "Some people just have that as part of their personality."

Rangel's name is invoked daily by Republicans seeking to hold onto control of the House of Representatives. Democrats must gain 15 seats to become the majority party, and if they do, Rangel would become the chairman of the powerful tax-writing Ways & Means Committee.

GOP leaders argue a Rangel-led committee would immediately start working to undo the Bush administration tax cuts now set to expire in 2010.

Rangel said the charge is ridiculous, and he has not made any decisions about it.

"They can't get me to say I'm going to extend it. I say that just makes good economic sense to see what the status is of our economy before we start projecting what tax cuts we'll have in the future," said Rangel, the dean of New York's congressional delegation.

Rangel reacted to Cheney's comments in TV interviews Monday in which he told CNBC that Rangel wouldn't keep "a single one" of Bush's tax cuts, and later told Fox News Channel: "Charlie doesn't understand how the economy works."

As much as the two men dislike each other, they clearly love feuding.

More than a year ago, Rangel said he would like to think Cheney is "sick rather than just mean and evil," prompting Cheney to answer: "Charlie is losing it, I guess."

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10/31/2006

**Durkin, Charles P.**

60924

**From:** Becker, Brenda L.  
**Sent:** Tuesday, October 31, 2006 12:28 PM  
**To:** Durkin, Charles P.  
**Subject:** Fw: Statement - (Sen. Kerry) Responding to Republican Distortions, Pathetic Tony Snow Diversions and Distractions

Kerry fighting back

VICE PRESIDENT  
HAS SEEN

Brenda Becker  
Office of Vice President Cheney  
456-6774

-----Original Message-----

**From:** White House News Update  
**To:** Becker, Brenda L.  
**Sent:** Tue Oct 31 12:13:42 2006  
**Subject:** Statement - (Sen. Kerry) Responding to Republican Distortions, Pathetic Tony Snow Diversions and Distractions

FOR IMMEDIATE RELEASE

CONTACT: Liz Richardson 978-257-7424

October 31, 2006

Statement of John Kerry Responding to Republican Distortions, Pathetic Tony Snow  
Diversions and Distractions

Washington - Senator John Kerry issued the following statement in response to White House Press Secretary Tony Snow, assorted right wing nut-jobs, and right wing talk show hosts desperately distorting Kerry's comments about President Bush to divert attention from their disastrous record:

"If anyone thinks a veteran would criticize the more than 140,000 heroes serving in Iraq and not the president who got us stuck there, they're crazy. This is the classic G.O.P. playbook. I'm sick and tired of these despicable Republican attacks that always seem to come from those who never can be found to serve in war, but love to attack those who did.

I'm not going to be lectured by a stuffed suit White House mouthpiece standing behind a podium, or doughy Rush Limbaugh, who no doubt today will take a break from belittling Michael J. Fox's Parkinson's disease to start lying about me just as they have lied about Iraq. It disgusts me that these Republican hacks, who have never worn the uniform of our country lie and distort so blatantly and carelessly about those who have.

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The people who owe our troops an apology are George W. Bush and Dick Cheney who misled America into war and have given us a Katrina foreign policy that has betrayed our ideals, killed and maimed our soldiers, and widened the terrorist threat instead of defeating it. These Republicans are afraid to debate veterans who live and breathe the concerns of our troops, not the empty slogans of an Administration that sent our brave troops to war without body armor.

Bottom line, these Republicans want to debate straw men because they're afraid to debate real men. And this time it won't work because we're going to stay in their face with the truth and deny them even a sliver of light for their distortions. No Democrat will be

bullied by an administration that has a cut and run policy in Afghanistan and a stand still and lose strategy in Iraq."

# # #

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You are currently subscribed to News Update (wires) as: Brenda\_L.\_Becker@ovp.eop.gov.  
To unsubscribe send a blank email to leave-whitehouse-news-wires-1000163H@list.whitehouse.gov

609214

**Tutwiler, Lucy A.**

**From:** Raines, Michele L.  
**Sent:** Tuesday, October 31, 2006 5:03 PM  
**To:** DL-OVP-WW; Morgan, Derrick D.  
**Cc:** McBrien, Lauren D.  
**Subject:** Daily Political Notes: 10/31/06



THE VICE PRESIDENT  
HAS SEEN

**DAILY POLITICAL NOTES**

October 31, 2006

**TOP ITEMS**

**NRCC goes up with new ads in KY-02** (Rep. Lewis, R); **DCCC goes up with ads in KY-03** (Rep. Northup, R) and **NE-03** (Open, R).

**POTUS attends 6,500-person rally for GA Victory** in Perry, GA.

**FLOTUS attends rallies for NC Victory** in Fletcher, **NC and TN Victory** in Kingsport, TN and Franklin, TN.

**HOUSE**

**CO-05:** Mason-Dixon poll shows Lamborn (R) ahead of Fawcett (D), 47%-40% (+7); in early Oct., they were tied at 37%.

**CT-05:** Research 2000 poll shows Murphy (D) leading Rep. Johnson (R), 46%-43% (-3).

**IN-03:** Research 2000 poll shows Rep. Souder (R) ahead of Hayhurst (D), 52%-40% (+12).

**PA-07:** *New York Times* reports that Rep. Weldon (R)'s daughter was hired as lobbyist for Italian company that he helped win gov't contracts.

**PA-08:** *Allentown Morning Call* poll shows Rep. Fitzpatrick (R) leading Murphy (D), 47%-42% (+5).

**SENATE**

**MD:** NRSC independent expenditure buys \$470,000 of TV time in Baltimore and Salisbury markets.

Former PG County Exec. Wayne Curry (D) endorses Steele (R).

**MO:** CNN/Opinion Research poll shows Sen. Talent (R) tied with McCaskill (D) at 49%.

**NJ:** CNN/Opinion Research poll shows Sen. Menendez (D) leading Kean (R), 51%-44% (-7).

Quinnipiac poll shows Menendez ahead of Kean 49%-44% (-5).

Strategic Vision poll shows the race essentially tied, with Menendez at 43% and Kean at 42% (-1).

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SECRETARY RECEIVED

10/31/2006

**OH:** CNN/Opinion Research poll shows Rep. Brown (D) ahead of Sen. DeWine (R), 54%-43% (-11).

**TN:** CNN/Opinion Research poll shows Corker (R) leading Rep. Ford (D), 52%-44% (+8).

**VA:** CNN/Opinion Research poll shows Webb (D) leading Allen (R), 50%-46% (-4).

**WA:** Strategic Vision poll shows Sen. Cantwell (D) leading McGavick (R), 52%-44% (-8).

**GOVERNOR**

**CO:** Rep. Beauprez (R) loans his campaign \$142,000.

**GA:** Mason-Dixon poll for the *Atlanta Journal-Constitution* shows Gov. Perdue (R) leading Taylor (D), 53%-36% (+17).

**IL:** *Chicago Tribune* poll shows Gov. Blagojevich (D) leading Topinka (R), 44%-29% (-15), with Whitney (G) at 13%.

**MN:** Univ. of Minn. Poll shows Hatch (D) leading Gov. Pawlenty (R), 45%-39% (-6), with 9% for Hutchinson (IP).

**OH:** CNN/Opinion Research poll shows Rep. Strickland (D) leading Blackwell (R), 59%-36% (-23).

**WI:** Strategic Vision poll shows Rep. Green (R) in statistical tie with Gov. Doyle (D), 45%-47% (-2).



EXECUTIVE OFFICE OF THE PRESIDENT  
 COUNCIL OF ECONOMIC ADVISERS  
 WASHINGTON, D.C. 20502  
 October 31, 2006

109214 ✓  
 THE VICE PRESIDENT HAS SEEN

MEMORANDUM FOR THE PRESIDENT

FROM: KEITH HALL *[Signature]*  
 SUBJECT: **ISM Manufacturing Report for October (★★★)**  
 Public Release: 10:00 am, Wednesday (Institute for Supply Management)

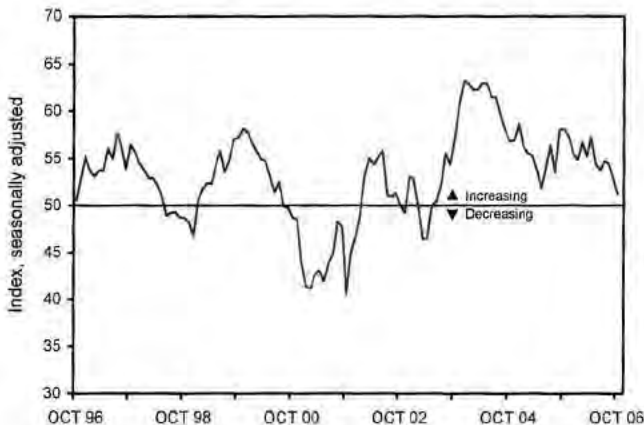
**Manufacturing purchasing managers report continued growth in October, but at a reduced pace**

**Purchasing Managers' Index (Manufacturing)  
 October**

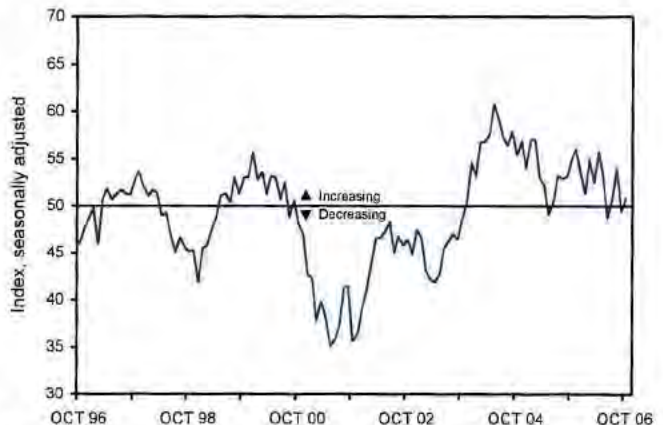
Actual	Expected
51.2	53.0
(-1.7 pts. from September)	

- **The Purchasing Managers' Index suggests that manufacturing activity grew at a slower pace in October**, with the deceleration largely due to slowing growth in production and new orders. The composite index, at 51.2, remained above the break-even level of 50, but was below market expectations. Of the 18 manufacturing industries in the survey, 8 reported increased activity.
- **The manufacturing sector has now grown for 41 consecutive months according to the ISM data.** The Federal Reserve's index of industrial production for manufacturing has not increased as steadily, rising in 32 months over this same period (data available through September 2006).
- **Four of the five component indexes were above 50 (indicating growth) in October:** new orders (52.1), production (51.9), employment (50.8), and supplier deliveries (50.2). However, the inventories index (49.4) remained below 50.
- **The survey's director commented that,** "In October, the manufacturing sector fell to its lowest level of growth since June 2003... There was particularly good news on the pricing front as the prices index fell 14 points, signaling some relief for buyers for the first time in 15 months."

ISM PURCHASING MANAGERS' INDEX



ISM EMPLOYMENT INDEX



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THE VICE PRESIDENT  
HAS SEEN

609214

**Tutwiler, Lucy A.**

**From:** Hennigan, James R.  
**Sent:** Tuesday, October 31, 2006 7:19 AM  
**To:** DL-OVP-WW  
**Cc:** Addington, David S.; O'Donnell, Claire M.; Raines, Michele L.; Becker, Brenda L.; McConnell, John P.; Patel, Neil S.; Morgan, Derrick D.; McGinn, Megan E.; McBride, Lea A.  
**Subject:** NYP: RANGEL & VEEP IN ALL-OUT WAR

For the Vice President.  
 This article was not included in today's clip package.

**RANGEL & VEEP IN ALL-OUT WAR  
 REP. RIPS 'S.O.B.' AFTER TAX ASSAULT**  
 By GEOFF EARLE - *New York Post*

October 31, 2006 -- WASHINGTON - Rep. Charles Rangel yesterday blasted Dick Cheney as a "son of a bitch" after the vice president said the Harlem lawmaker would raise taxes and destroy the economy if Democrats take control of the House.

The bitter war of words escalated to the point where the bombastic Rangel even questioned whether the tightly wound Cheney needed professional treatment - and mocked him for accidentally shooting his hunting buddy earlier this year.

Cheney fired the first shot when he predicted that Rangel - who is poised to chair the powerful House Ways and Means Committee if the Democrats seize the House next week - wouldn't continue "a single one" of President Bush's tax cuts.

"I think that would be bad for the economy," Cheney said on CNBC News. "I don't know if the stock market would like it."

He then got in a major hit, saying on the Fox News Channel, "Charlie doesn't understand how the economy works."

Many of Bush's 2001 tax cuts are set to expire in 2011 - meaning rates would jump back up again, boosting taxes by well over \$1 trillion, unless Congress acts to continue the cuts.

"So if a man like Charlie Rangel were to be chairman of the committee, and sitting there with the gavel, all he has to do is not act, just don't call up the legislation, and there'll be a big tax increase," Cheney said.

The vice president's stinging comments were the latest in a series of White House statements intended to raise fears about Rangel, as well as other prominent Democrats, as a way to convince voters to stop them from taking over the House.

Contacted by The Post for a response, Rangel unloaded.

"He's such a real son of a bitch, he just enjoys a confrontation," Rangel fumed, describing himself as "warm and personable." Rangel said Cheney may need to go to "rehab" for "whatever personality deficit he may have suffered."

"When you have those sorts of problems, you're supposed to seek help," Rangel advised. "He acknowledged that he has problems with communication."

Asked whether he was resurrecting over-the-top charges he made last year that he believes Cheney is mentally ill, Rangel cracked, "I don't think he's shot anyone in the face lately, so I'll give him the benefit of the doubt."

10/31/2006

CLIP STAFF  
 LISTEN BY RECEIVED

The vice president accidentally shot his hunting companion, then-78-year-old Harry Whittington, with a shotgun early this year.

Rangel's digs on Cheney recalled his statements last year that the vice president, who has had four heart attacks, was too sick to work.

"I would like to believe he's sick rather just mean and evil," Rangel, 76, told cable channel NY1.

"Sometimes I don't even think Cheney is awake enough to know what's going on. [Defense Secretary Donald] Rumsfeld is the guy in Washington . . . running the country."

Cheney, 65, responded then, "I'm frankly surprised at his comments . . . They were so out of line it almost struck me that . . . Charlie was having some problem. Charlie is losing it, I guess."

Cheney spokeswoman Lea Anne McBride wouldn't respond directly to Rangel's latest broadsides.

"The vice president has been discussing tax policy, the fundamental difference in Republican and Democrat views on how to keep taxes low and the American economy growing," she said.

Cheney once famously told Sen. Patrick Leahy (D-Vt.) on the Senate floor to "go f- - yourself" while Rangel once had a confrontation with Ways and Means Committee Chairman Bill Thomas (R-Calif.) where the Capitol Police were called in.

Rangel said he is focused on Social Security, tax simplification and the Alternative Minimum Tax that is squeezing even some middle-income families - not what to do in 2011, when the Bush tax cuts expire.

"The president's not going to be around in 2010. I may not be on the committee," said Rangel, who recently said he'd quit Congress if the Democrats don't win control of the House.

"It's quite possible that I might want to extend the tax cuts," he said, without naming any specific tax cut that might continue.



60924

**Heiden, Debra**

VICE PRESIDENT  
HAS SEEN

**From:** Gunther, Anne Marie  
**Sent:** Tuesday, October 31, 2006 5:09 PM  
**To:** DL-OVP-Scheduling; DL-OVP-WW; Denny, Elizabeth A.; Mascolo, Heather C.  
**Cc:** Boyer, Cecelia ; Rodriguez, David J.  
**Subject:** vpr reception april 27

Mrs. Cheney has agreed to have Mr. James Ballinger, Director of the Sybil Harrington, and a group of art collectors and trustees to the VPR to look at the artwork on Friday, April 27, 2007. The VP and Mrs. Cheney will NOT attend the reception and will likely be out at the eastern shore that weekend. Liz will act as the hostess. i'm putting this in italics on her block, just as an fyi.

Liz, Mr. Ballinger will call you tomorrow to work out the details.

OVP STAFF  
SECRETARY RECEIVED

009214

**Durkin, Charles P.**

**From:** Becker, Brenda L.  
**Sent:** Tuesday, October 31, 2006 12:31 PM  
**To:** Durkin, Charles P.  
**Subject:** Fw: Boehner statement: Kerry Should Apologize for Insulting Troops

**Attachments:** image001.jpg

They are taking off the gloves.

THE VICE PRESIDENT  
HAS BEEN SEEN

Brenda Becker  
Office of Vice President Cheney  
456-6774

-----Original Message-----

**From:** Madden, Kevin  
**To:** kmadden@freedomproject.org  
**Sent:** Tue Oct 31 13:27:04 2006  
**Subject:** Boehner statement: Kerry Should Apologize for Insulting Troops



image001.jpg (17 KB)

FOR IMMEDIATE RELEASE

October 27, 2006

CONTACT:

Kevin Madden at (202) 863-8818 or Kevin Smith at (202) 863-8622

OVP 51  
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Boehner Says Kerry Should Apologize for Insulting America's Men and Women in Uniform

New York, NY - House Majority Leader John Boehner (R-OH) called on Senator John Kerry (D-MA) to apologize to the men and women serving in the U.S. military for the insulting and disparaging comments he made yesterday. Boehner issued the following statement:

"Senator Kerry's comments were disrespectful and insulting to the men and women serving in our military. These Americans who are risking their lives in the fight against terrorism in Iraq deserve better than to have their service demeaned by a United States Senator. Our soldiers need John Kerry's support, yet John Kerry offers nothing more than disparaging commentary.

"John Kerry should apologize and Democrat candidates across the country should publicly

denounce them and demand that Senator Kerry apologize to the men and women of the U.S. Armed Forces serving in Iraq."

Yesterday, Kerry belittled the educational level of American troops when he told a gathering of students: "You know education, if you make the most of it, you study hard, you do your homework, and you make an effort to be smart, you can do well. And if you don't you get stuck in Iraq."

The Majority Project

202.863.8818

<<http://www.freedomproject.org/>> [www.freedomproject.org](http://www.freedomproject.org)

Kevin Madden

The Majority Project

<<http://www.freedomproject.org>> [www.freedomproject.org](http://www.freedomproject.org)

00924

**Heiden, Debra**

**From:** Addington, David S.

**Sent:** Tuesday, October 31, 2006 3:04 PM

**To:** Heiden, Debra

**Cc:** Durkin, Charles P.; Tutwiler, Lucy A.; Hannah, John P.

THE VICE PRESIDENT  
HAS SEEN

Debbie:

Please put in Vice President's read file for his information:

\*\*\*\*\*

The Joint Typhoon Warning Center at Naval Station Pearl Harbor predicts that Typhoon Cimaron will hit Hong Kong in about 48 hours. Current sustained winds are at 97 mph, gusting to 120 mph. Current wave height is 28 feet.

OVP STAFF  
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THE VICE PRESIDENT HAS SEEN

10/31/06

**Tutwiler, Lucy A.**

**From:** McBrien, Lauren D.  
**Sent:** Tuesday, October 31, 2006 8:15 AM  
**To:** DL-OVP-WW  
**Cc:** Raines, Michele L.; Morgan, Derrick D.  
**Subject:** Daily Political Notes: 10/30/06

**DAILY POLITICAL NOTES**

October 30, 2006

**TOP ITEMS**

**NRCC goes up with ads in CO-05** (Open), **WY-AL** (Rep. Cubin, R); **DCCC goes up with ads in KS-02** (Rep. Ryun, R) and **KY-02** (Rep. Lewis, R).

**Rep. Duncan Hunter (R, CA-52) announces he will form an exploratory committee to run for president in 2008.**

**POTUS attends rallies for Burns (R, GA-08) and Sekula Gibbs (R, TX-22).**

**FLOTUS attends rallies for PA Victory and NH Victory.**

**Tony Snow raises \$35,000 for Rep. Sodrel (R, IN-09); raises \$50,000 for Sen. Talent (R, MO) in St. Louis.**

**Newsweek poll shows POTUS approval at 37%**, up from 35%. Generic ballot at -14, unchanged.

**HOUSE**

**CT-04:** Research 2000 poll shows Rep. Shays (R) trailing Farrell (D), 43%-47% (-4).

**CT-05:** *Hartford Courant* publishes Univ. of CT poll showing Rep. Johnson (R) trailing Murphy (D), 42%-46% (-4).

**FL-13:** Buchanan (R) contributes another \$975,000 of his own money, bringing his total personal donations to \$5.4 million.

**ID-01:** Mason-Dixon poll shows the race in a statistical tie, with Sali (R) at 39% and Grant (D) at 37% (+2).

**IL-06:** *Daily Herald* poll has Roskam (R) narrowly ahead of Duckworth (D), 46%-42% (+4).

**IL-08:** *Daily Herald* poll has McSweeney (R) in virtual tie with Rep. Bean (D), 39%-42% (-3).

**KY-03:** *Louisville Courier-Journal* Bluegrass Poll shows Rep. Northup (R) ahead of Yarmuth (D), 48%-42% (+6).

**NV-02:** Research 2000 poll shows Heller (R) leading Derby (D) 48%-40% (+8).

**PA-10:** Lycoming College poll shows Rep. Sherwood (R) trailing Carney (D), 38%-47% (-9).

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10/31/2006

**WI-08:** St. Norbert College poll has Gard (R) and Kagen (D) tied at 43%.

**SENATE**

**MT:** NRSC goes up on the air with a \$300,000 ad buy; the committee had not run ads in support of Sen. Burns (R) since 8/06.

**NV:** Research 2000 poll shows Sen. Ensign (R) leading Carter (D), 55%-41% (+14).

**PA:** West Chester Univ. poll shows Casey (D) leading Sen. Santorum (R), 50%-39% (-11).

**TN:** Rep. Ford's (D) campaign releases poll showing him leading Corker (R), 48%-43% (-5).

**GOVERNOR**

**CO:** Mason-Dixon poll for *Denver Post* shows Ritter (D) leading Beauprez (R), 50%-38% (-12).

**ID:** Mason-Dixon poll shows Rep. Otter (R) in a statistical tie with Brady (D), 44%-43% (+1).

**WI:** Rep. Green (R) says he will not use \$468,000 in contributions the State Election Board ordered him to return while his appeal to State Supreme Court is pending.

WBH

**Tues 10/31/06, 0945 ET**

## **U.S. obeys order to abandon checkpoints**

By SINAN SALAHEDDIN, Associated Press Writer, 20 minutes ago

BAGHDAD, Iraq - U.S. troops on Tuesday abandoned checkpoints around the Shiite militia stronghold of Sadr City on orders from Prime Minister Nouri al-Maliki, the latest in a series of moves by the Iraqi leader to assert his authority with the U.S. administration.

The U.S. military announced the deaths of two soldiers in fighting in the Baghdad area on Monday, one from small arms fire, the other from a roadside bomb. Those brought the number of troops killed in Iraq this month to 103.

U.S. forces disappeared from the checkpoints within hours of the order to remove the around-the-clock barriers by 5:00 p.m. (1400 GMT), setting off celebrations among civilians and armed men gathered on the edge of the sprawling slum that is under the control of the Mahdi Army militia run by radical anti-American cleric Muqtada al-Sadr.

Iraqi troops loaded coils of barbed wire and red traffic cones onto pickup trucks, while small groups of men and children danced in circles chanting slogans praising al-Sadr, who earlier Tuesday had ordered the area closed to the Iraqi government until U.S. troops lifted what he called their "siege" of the neighborhood.

Extra checkpoints were set up last week as U.S. troops launched an intensive search for a missing soldier, who has yet to be found.

Shortly after leaving Sadr city, U.S. troops dismantled other checkpoints in the downtown Karradah neighborhood where the soldier had been abducted, loading barbed wire coils onto their Stryker armored vehicles.

Al-Maliki's statement said U.S.-manned checkpoints "should not be taken except during nighttime curfew hours and emergencies."

"Joint efforts continue to pursue terrorists and outlaws who expose the lives of citizens to killings, abductions and explosions," said the statement, issued in al-Maliki's name in his capacity both as prime minister and commander of the Iraqi armed forces.

U.S. troops have increased their presence on Baghdad streets as part of a two-month-old security crackdown. However, they rarely man checkpoints in populated areas where they risk coming under attack or angering residents by conducting vehicle and body searches.

Al-Maliki's order underscored the his government's reliance of Shiite support and sensitivity to their concerns.

Besides al-Sadr, the largest Shiite coalition in the 275-member parliament, the United Iraqi Alliance, had also condemned the checkpoints for inflicting what it described as "collective punishment" against residents of Baghdad's Shiite neighborhoods.

"Kidnapping a man can't be a pretext for laying siege to these neighborhoods," Sheik Jalal Eddin al-Sagheer, a prominent Shiite lawmaker, said at a news conference.

Al-Maliki's threatened to further roil relations with the U.S. that hit a rough patch last week after Al-Maliki issued a string of bitter complaints — at one point saying he was not "America's man in Iraq."

Al-Maliki had apparently been angered by a statement from U.S. Ambassador Zalmay Khalilzad that the prime minister had agreed to set a timeline for progress on reaching security and political goals — something al-Maliki denied. He also angrily rebuked the U.S. for a raid on Sadr city targeting an alleged death squad leader in which 10 people were killed.

U.S. concern over the relationship was signaled when National Security Adviser

**Stephen Hadley** showed up unannounced in Baghdad on Monday to meet with al-Maliki and his security chief, Mouwafak al-Rubaie, telling them he "wanted to reinforce some of the things you have heard from our president."

Al-Rubaie told the AP late Monday that Hadley was here to discuss the work of a five-man committee that al-Maliki and Bush agreed to Saturday.

Hadley also presented some proposals concerning the training and equipping of Iraqi security forces as well as security plans. U.S. spokesmen could not immediately be reached on Tuesday and it wasn't known whether Hadley had yet returned to Washington.

American voter support for the war at a low point as the Nov. 7 congressional election approaches, and a top aide to al-Maliki said the Iraqi leader was using the Republicans' vulnerability on the issue to leverage concessions from the White House — particularly the speedy withdrawal of American forces from Iraqi cities to U.S. bases in the country.

Al-Maliki has said he believes that the continued presence of American forces in Iraq's population centers is partly behind the surge in violence.

His government depends heavily on the backing of a pair of Shiite political organizations and has resisted concerted American pressure to eradicate their private armies — al-Sadr's Mahdi Army and the Badr Brigade, the military wing of Iraq's most powerful Shiite political bloc, the Supreme Council for the Islamic Revolution in Iraq, or SCIRI.

Three people were killed and five injured by a car bomb in Sadr City early Tuesday, a day after 33 were killed in a similar attack in the district targeting day laborers lining up for jobs.

Both attacks were carried out despite the U.S. security cordon, bringing accusations from residents that the checkpoints had decreased security by restricting the movement of Mahdi fighters.

At least three Iraqi policemen were also reported killed on Tuesday morning in Baghdad and the volatile western city of Fallujah, police said.



The bodies five unidentified people, including a woman, were found dumped early Tuesday morning in eastern Baghdad, police Maj. Mahir Hamid Mussa said. Those killed had been tied up and blindfolded, with their bodies showing signs of torture, Mussa said.

Five more bodies in similar condition were floating in the Tigris River near Suwayrah, 40 kilometers (25 miles) south of Baghdad, a clerk at the town morgue, Hadi al-Etabi, said.

Further south, the morgue in the town of Kut reported receiving 10 bodies, including those of five people allegedly killed by U.S. forces in a raid on a house in the Shejeriyah area, 30 kilometers (18 miles) south of Baghdad, said Maamoun Ajil al-Robaeie, a morgue employee.

New violence was also reported in Baqouba, a chaotic city north of Baghdad where police and militants fought bloody gunbattles last week.

Unidentified gunmen killed three people in a downtown market and attacked a police patrol, killing one officer and injuring two others, according to a spokesman for the Diyala provincial police.

Five bodies were found in the Abu Seida district, 25 kilometers (10 hectares) northeast of the city, said the police spokesman, who spoke on condition of anonymity for fear of reprisals.

Gunmen killed Sheik Raed Naeem al-Juheishi, the head of a non-governmental organization dedicated to tracing the fate of victims of the former regime of

**Saddam Hussein**, in a drive-by-shooting Monday night in Baghdad's chaotic Dora district, Col. Mohammed Ali said.

Saddam and seven co-defendants — including a half brother — have been on trial since Oct. 19, 2005 for their alleged roles in the deaths of about 150 Shiites in Dujail following an assassination attempt against the president in 1982.

A second trial — for genocide against the Kurds — began in August and more are expected to follow.

The military said U.S. troops killed five suspected insurgents and detained one on Tuesday morning during a raid in Baghdad targeting suspected associates of a senior of the al-Qaida in Iraq terrorist group.

# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memorandum	Memorandum for the Vice President from Neil Patel and Marie Fishpaw (1 page)	10/31/2006	P5

**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

### COLLECTION:

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00567

### FOLDER TITLE:

October 31, 2006

2014-0011-F  
AYM13

### 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]  
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]  
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]  
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.  
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]  
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]  
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]  
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]  
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]  
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]  
(b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



429  
10/31/06  
609214  
THE VICE PRESIDENT HAS SEEN

OFFICE OF THE VICE PRESIDENT  
WASHINGTON

October 31, 2006

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Rose Folsom, Director of Correspondence

SUBJECT: INFORMATION: Mail Analysis; 2nd Quarter, April – June, 2006  
3rd Quarter, July – September 2006

2<sup>nd</sup> Quarter

As is typical for the spring quarter, there was an overall increase in requests for congratulations letters for graduation, retirements, weddings and Eagle Scout award ceremonies. In addition, incoming email volume increased dramatically with correspondence about immigration, the war in Iraq, taxes, and gas prices.

Incoming mail by category

Issue mail (energy, foreign policy, environment etc.)	30%
Eagle Scout greeting requests	25%
General mail (fan letters, information, kids' letters etc.)	20%
Academy nomination requests	10%
Casework	10%
Invitations	5%

3<sup>rd</sup> Quarter

Eagle Scout commendations were the largest mail category. Correspondence topics included immigration, gas prices and Iraq. There has been an increase in mail supportive of the Vice President since September 11, 2006.

Incoming mail by category

Eagle Scout commendation requests	30%
General mail (information, advice, kids' letters etc.)	20%
Issue mail (breakdown on next page)	20%
Academy nomination requests	15%
Casework	10%
Invitations	5%

OVP SECRETARY

<b>Breakdown of Outgoing Mail</b>	<b>2<sup>nd</sup> Quarter 2006</b>	<b>3<sup>rd</sup> Quarter 2006</b>	<b>Year to Date 2006</b>
VP resume referrals (VP digital signature)	0	4	4
Personal letters (hand-written signature)	120	60	397
Photos (signed lithos)	513	1850	3395
Autographs (autopen or hand-written signature)	54	10	66
Casework letters (staff digital signature)	978	916	2917
Thank You letters (VP digital signature)			
Gifts	113	42	268
Trip thank yous	330	357	1197
Medical Information	5	0	5
Support	191	201	1790
Children's letters (VP digital signature)	685	150	1674
Greetings: (VP digital signature)			
Eagle Scout	5280	2862	12276
Birthday	83	95	258
Anniversary	46	30	103
Baby	14	16	51
Graduation	104	5	109
Wedding	39	21	73
Retirement	59	35	133
Charitable Event	120	70	219
Condolence	37	25	118
Christmas greetings	0	1	526
Policy Letters (staff digital signature)	1855	1289	6280
<b>Total</b>	<b>11753</b>	<b>7191</b>	<b>31402</b>

Issues in descending order of frequency:

- Border control / immigration (Republican base is upset)
- Iraq / war on terrorism (“bring our troops home” 50 %; “complete the mission” 50 %)
- Gas prices (letters dropped off with lower prices)
- U.S. involvement with UN (anti-UN; pro John Bolton)
- Humane treatment of detainees
- Advice: winning elections; controlling the border; fighting terrorism
- Difficulty for elderly and disabled to afford necessities

<b>Casework</b>	<b>2<sup>nd</sup> Quarter 2006</b>	<b>3<sup>rd</sup> Quarter 2006</b>
Cases Opened	1215	861
Cases Closed	856	925

<b>Top Agency Referrals</b>	<b>2<sup>nd</sup> Quarter 2006</b>	<b>3<sup>rd</sup> Quarter 2006</b>
<b>HHS</b> (Financial / medical help, child custody)	173	176
<b>DHS</b> (Citizenship / visa issues)	161	162
<b>DOD</b> (Men wanting to enlist, assignments, work conditions)	132	144
<b>SSA</b> (Disability claims)	73	98

#### **E-mail**

- The Vice President receives around 1200 e-mails per day; 95% junk mail; 5% issue mail and requests for help.

**NICHOLS\_C**

**609214**

FG038

**Barcode Scanning Sheet**



Collection Code: **VTRACK**

Staff Name:

Document Date: **10/31/2006**

Correspondent:

Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS (UNCLASSIFIED) -- E-MAIL FROM JAMES HENNIGAN - TONY SNOW PRESS BRIEFING -- E-MAIL FROM MICHELE RAINES - NEW CNN/ORC POLLS -- ECONOMIC NEWS SUMMARY FOR OCT 31 06 PREPARED BY OVP DOMESTIC POLICY -- ARTICLE FROM THE STAR TRIBUNE - "GOP POURS IN MONEY FOR C ...**

60924

**WHITE HOUSE AIRLIFT**  
**EEOB/Rm #95**  
**Washington, DC 20502**  
**(202) 757-1203/1211**

12/4/2006

**PLEASE NOTE: DO NOT SEND  
CHECKS VIA US POST OFFICE.**

GREY BAKER  
OVP STAFF

10/31/2006	Balance forward		0.00
11/08/2006	INV #79388. 01-04 NOV 06 AF-2/ADW TO KALISPELL, MT TO JH, WY TO COLORADO SPRINGS, CO TO LARAMIE, WY TO ADW	27.60	27.60
			Amount Due
			\$27.60

UNCLASSIFIED

609214

THE WHITE HOUSE  
WASHINGTON  
THE VICE PRESIDENT  
HAS SEEN

SITUATION ROOM EVENING SUMMARY

October 31, 2006

UNCLASSIFIED

NEAR EAST/NORTH AFRICA

IRAQ: Prime Minister Maliki ordered lifting of checkpoints set up in Sadr City last week during search for missing U.S. Soldier...statement from Maliki's office said such measures "should not be taken except during nighttime curfew hours and emergencies." Separately, militants ambushed minibuses traveling to Baghdad from Tikrit and kidnapped more than 40 Iraqis.

(U) AP e0406; Reuters r5696

ASIA

SIX-PARTY TALKS: Pyongyang agreed to rejoin Six-Party Talks after discussions between North Korean, Chinese, and U.S. envoys...South Korean Foreign Ministry spokesman stated, "The government hopes that the Six-Party Talks will resume at an early date as agreed"...Russian Deputy Foreign Minister Alexeyev said Moscow views North Korea's decision as "extremely positive"... Japanese Foreign Minister Aso said Tokyo "does not intend to accept North Korea's return to the talks on the premise that it possesses nuclear weapons," and that resumption of talks "is conditional on North Korea not possessing nuclear weapons." Separately, North Korea warned South Korea of "catastrophic consequences" if it participates in stopping and searching ships suspected of carrying weapons of mass destruction under Proliferation Security Initiative. (U) AP e0563, a0449

AFRICA

SOUTH AFRICA: Former President Botha died at age 90...Botha governed South Africa from 1978 to 1989. (U) AP a0661

RECEIVED  
NOV 1 2006  
OVP STAFF  
SECRETARY RECEIVED

UNCLASSIFIED

UNCLASSIFIED





**Baker, Grey D.**

---

**From:** McKaig, Brian P.  
**Sent:** Tuesday, October 31, 2006 11:13 AM  
**To:** Baker, Grey D.; Sox, Daniel  
**Subject:** A SecurID card for Grey Baker is ready  
**Follow Up Flag:** Follow up  
**Flag Status:** Green

The card may be picked up at **1800 G Street, 10th Floor, Information Assurance.**

When you enter the building, go to the front desk, show them your badge and tell them you need to go to the 10th Floor. They will give you a temporary pass and a fob that you'll use to select the 10th Floor in the elevator and also to open the doors once you're on the 10th Floor.

# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the Presidential Materials Division.**

<b>Collection:</b>	Cheney Vice Presidential records			
<b>Office of Origin:</b>	Staff Secretary			
<b>Series:</b>				
<b>Subseries:</b>	Misc. Outbox, 2006			
<b>OA/ID Number:</b>	00567			
<b>Folder Title:</b>	November 5, 2006			
<b>Stack:</b>	<b>Row:</b>	<b>Section:</b>	<b>Shelf:</b>	<b>Position:</b>
20W4	5	23	5	1

**FOIAed Under:**

# Withdrawal/Redaction Sheet

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Brenda Becker to David Addington and Claire O'Donnell (1 page)	11/05/2006	P6/(b)(6)

### COLLECTION:

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00567

### FOLDER TITLE:

November 5, 2006

2014-0011-F  
AYM14

### 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]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- (b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

NICHOLS\_C

609626

FG038

### Barcode Scanning Sheet



Collection Code: **VTRACK**

Staff Name:

Document Date: **11/5/2006**

Correspondent:

Subject/Description: **2006 MISCELLANEOUS OUT BOX MATERIALS (UNCLASSIFIED) -- E-MAIL FROM LEA MCBRIDE - ASSOCIATED PRESS - VP'S HUNTING TRIP ON ELECTION DAY -- E-MAIL - MONDAY INTEL BRIEFING -- E-MAIL FROM BRENDA BECKER - JEFF HAS SURGERY TOMORROW -- NEWSPAPER CLIPPING FROM THE NEW YORK TIMES - RACES TO WATCH: C ...**

SCANNED  
BY  
CJM

Heiden, Debra

10/9/06

From: McBride, Lea A.  
Sent: Sunday, November 05, 2006 4:26 PM  
To: Tutwiler, Lucy A.; Durkin, Charles P.; Heiden, Debra  
Cc: O'Donnell, Claire M.; Addington, David S.  
Subject: FYI

VICE PRESIDENT  
HAS SEEN

ASSOCIATED PRESS

WASHINGTON (AP) — Vice President Dick Cheney will spend Election Day on his first hunting trip since he accidentally shot a companion last February while aiming at a covey of quail on a private Texas ranch.

The vice president, after working at the White House on Monday morning, will head to South Dakota to spend several days at a private hunting lodge near Pierre. Lea Anne McBride, his press secretary, said it was an annual hunting outing and said Cheney spent Election Day in 2002 at the same lodge.

He will be accompanied by his daughter, Mary, and his political director, Mel Raines, who will help him keep track of the election returns, McBride said.

On a Feb. 11 hunting trip in Texas, Cheney shot attorney Harry Whittington in the torso, neck and face when he pulled the trigger on his 28-gauge shotgun. The vice president later called it "one of the worst days of my life" and said, "The image of him falling is something I'll never ever be able to get out of my mind."

The shooting was ruled an accident. Whittington was hospitalized for six days.

OVP TOUR  
SECRETARY RECEIVED

10/16/26

To: Aylward, Patrick S.; Bennett, Melissa S.; Dick, Denise Y.; DL-NSC-APNSA; DL-NSC-WHSR; Dryden, Logan E.; Durkin, Charles P.; Heiden, Debra; Houston, LaRhonda M.; Keller, Karen E.; Kleppe, Elizabeth W.; Larranaga, Elyssa Hijazi; Newton, Julia K.; Sherzer, David; Tutwiler, Lucy A.; Weinstein, Jared B.; Wilmoth, Benton M.  
CC: Keller, Karen E.  
Sent: Fri Nov 03 17:40:24 2006  
Subject: Monday Intel Briefing

At this point, we are NOT planning on doing Intel via SVTS on Monday 11/6. That is subject to change, and if it does, I will alert those on this distribution over the weekend.

Thank you.

# Withdrawal/Redaction Marker

## Presidential Materials Division

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**This marker identifies the original location of the withdrawn item listed above.  
For a complete list of items withdrawn from this folder, see the  
Withdrawal/Redaction Sheet at the front of the folder.**

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**COLLECTION:**

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2006  
OA/Box Number: 00567

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**FOLDER TITLE:**

November 5, 2006

2014-0011-F  
AYM14

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

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**Freedom of Information Act - [5 U.S.C. 552(b)]**

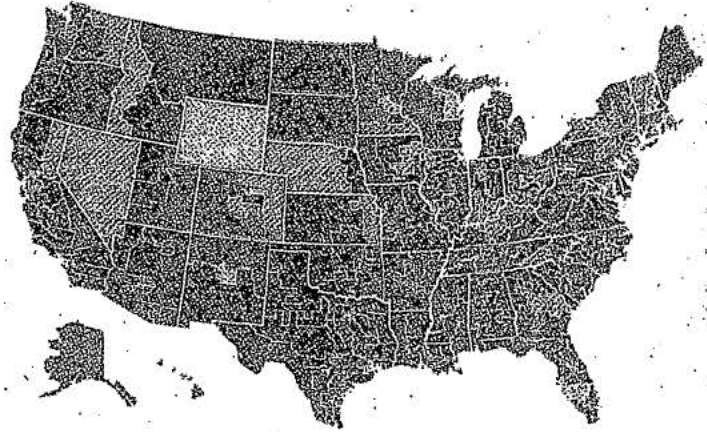
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THE 2006 CAMPAIGN: The Battlegrounds

# Races to Watch: Congre

## The House

Democrats stand their best chance in a decade of recapturing control of the House. To do so, they need to take 15 more seats than they have now. Below is a sampling of races to watch. It represents not necessarily the closest races, or those that will decide the outcome. Rather, it is a cross section of races from different parts of the country that are of interest for a variety of reasons. Cumulatively, they will provide a sense of how the election is unfolding on Tuesday night.



**DEMOCRAT**    **REPUBLICAN**

*Incumbents are in italics, with 2004 margin of victory in percentage points*

ARIZONA'S FIFTH DISTRICT

**Harry Mitchell**

*J.D. Hayworth*  
21.3 pct. pt.



Mr. Hayworth, a six-term conservative Republican, has argued in favor of sealing the United States border, an issue that plays well in this Republican-dominated district. If Mr. Mitchell, a former mayor of Tempe, can take the seat, it will be an indicator of just how far the Democrats have come in traditionally Republican areas of the West.

CALIFORNIA'S 11TH DISTRICT

**Gerald McNerney**

*Richard W. Pombo*  
22.5



Mr. Pombo, a seven-term incumbent, has been dogged by the scandal surrounding the lobbyist Jack Abramoff, who contributed to his campaigns and his political action committee. Mr. McNerney has also benefited this year from the Democratic Party's attention to the race and from a redrawn district that includes more Democrats.

CONNECTICUT'S FOURTH DISTRICT

**Diane Farrell**

*Christopher Shays*  
4.9



A rematch in which Mr. Shays, a nine-term incumbent, faces Ms. Farrell, whom he defeated in 2004. This year, Ms. Farrell has criticized Mr. Shays' support for the Iraq war, but Mr. Shays, a political moderate, has been more critical of the administration on Iraq than many other Republicans.

FLORIDA'S 13TH DISTRICT

**Christine Jennings**

**Vern Buchanan**



The 13th District is a highly symbolic House seat for Democrats, as it is held by Katherine Harris, the Republican who presided over the recount of presidential ballots in Florida in 2000. Ms. Harris is giving up the seat to run for the Senate. The race, between two political newcomers, has been one of the most expensive House races this year.

FLORIDA'S 16TH DISTRICT

**Timothy Mahoney**

**Joe Negron**



Mr. Mahoney was given virtually no chance to beat Representative Mark Foley. But after Mr. Foley resigned in disgrace in late September, Mr. Mahoney's chances appeared excellent. More recently, Republicans have rallied around Mr. Negron, a state representative chosen by party leaders to run for the seat.

FLORIDA'S 22ND DISTRICT

**Ron Klein**

*E. Clay Shaw Jr.*  
27.5



Mr. Shaw, a 13-term incumbent, emphasizes his long tenure in the House and his possibility of leading the powerful Ways and Means Committee. Mr. Klein, a state senator, casts Mr. Shaw's seniority as a liability. The district has more registered Republican voters than Democrats, but it favored John Kerry in the 2004 presidential election.

GEORGIA'S EIGHTH DISTRICT

**Jim Marshall**  
25.8

**Mac Collins**



After redistricting, Mr. Marshall finds himself in a much more Republican district. The race with Mr. Collins, a former member of the House, has been expensive and nasty. Republicans hope to pick up a House seat here, and President Bush has campaigned for Mr. Collins twice in recent weeks.



# ssional Election Preview

Safe Dem. **198** Leaning Dem. **16** Tossup **16** Leaning Rep. **25** Safe Rep. **180**

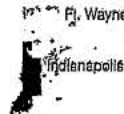
Analysis of races as of 6 p.m. Saturday.

218 SEATS

**DEMOCRAT    REPUBLICAN**

INDIANA'S EIGHTH DISTRICT

**Brad Ellsworth**      **John Hostettler**  
8.8 pct. pt.



Mr. Hostettler, a six-term incumbent, faces a tough challenge from Mr. Ellsworth, the sheriff of Vanderburgh County and a Democrat whose stance on social issues is conservative for his party. Mr. Hostettler, nonetheless, paints Mr. Ellsworth as "far to the left" and made the possibility of Nancy Pelosi becoming speaker a campaign issue.

KANSAS' SECOND DISTRICT

**Nancy Boyda**      **Jim Ryun**  
14.9



Mr. Ryun, a former track star and five-term incumbent, was considered a few weeks ago to be a nearly certain winner here. But Ms. Boyda, who lost to Mr. Ryun in 2004, has made gains to put the outcome in doubt. As a sign of the race's closeness, President Bush is scheduled to pay a visit to campaign on Mr. Ryun's behalf today.

KENTUCKY'S FOURTH DISTRICT

**Ken Lucas**      **Geoff Davis**  
10.5



This race is a rematch of the 2002 election, in which Mr. Lucas, then an incumbent, beat Mr. Davis. Two years later, Mr. Davis came back to take the seat after Mr. Lucas retired. With three House seats still in play in the state, Kentucky has become a late battleground in the fight for control.

NEW MEXICO'S FIRST DISTRICT

**Patricia Madrid**      **Heather A. Wilson**  
8.9



Ms. Madrid, the state attorney general, is trying to unseat Ms. Wilson, who is on the House Intelligence Committee, in a race largely driven by the war in Iraq and the intelligence failures that preceded it. But as in virtually all Southwestern races, immigration and border control are also prominent.

NEW YORK'S 26TH DISTRICT

**Jack Davis**      **Thomas M. Reynolds**  
11.3



The shadow of the Foley scandal is long over this western New York district. Mr. Reynolds, a powerful Republican, faces Mr. Davis, a 73-year-old businessman who is largely financing his own campaign. Mr. Davis trailed substantially until Mr. Reynolds's role in the Foley case came under scrutiny; now the race is in play.

NORTH CAROLINA'S 11TH DISTRICT

**Heath Shuler**      **Charles H. Taylor**  
9.8



The ability of conservative Democrats to make inroads in socially conservative districts may be measured in this western North Carolina district, where Mr. Shuler, a conservative Democrat and former National Football League quarterback, takes on Mr. Taylor, an eight-term incumbent.

OHIO'S 15TH DISTRICT

**Mary Jo Kilroy**      **Deborah Pryce**  
20.0



Ms. Pryce, a seven-term incumbent, has suffered from the Foley case. Just weeks before Mr. Foley's conduct became known, Ms. Pryce had listed him among five people she considered friends in Washington. Ms. Kilroy has focused on the issue, hoping it will swing votes in her direction or lead some conservatives not to vote at all.

OHIO'S 18TH DISTRICT

**Zack Space**      **Joy Padgett**



The fallout of Republicans' ethics troubles is on display in the fight over the seat being vacated by Bob Ney. Mr. Ney, a Republican, pleaded guilty to taking illegal gifts from the lobbyist Jack Abramoff. Mr. Space, a lawyer, faces Ms. Padgett, a state senator in this historically Democratic, but more recently Republican, district.

TEXAS' 22ND DISTRICT

**Nick Lampson**      **Shelley Sekula-Gibbs**



Mr. Lampson, a former representative who lost his seat to redistricting in 2003, faces Ms. Sekula-Gibbs, a dermatologist and Houston City Council member, to fill the vacant seat previously held by Tom DeLay, the former majority leader. Taking the seat would be a point of pride for Democrats.

Tammy Duckworth

Peter J. Roskam

Peoria  
Springfield

Duckworth, a Democratic Iraq war veteran who lost her legs in combat, is locked in a dead heat with Mr. Roskam. Ms. Duckworth has been particularly outspoken in her criticism of the war in Iraq, while Mr. Roskam has focused on taxes and immigration.

## The Senate

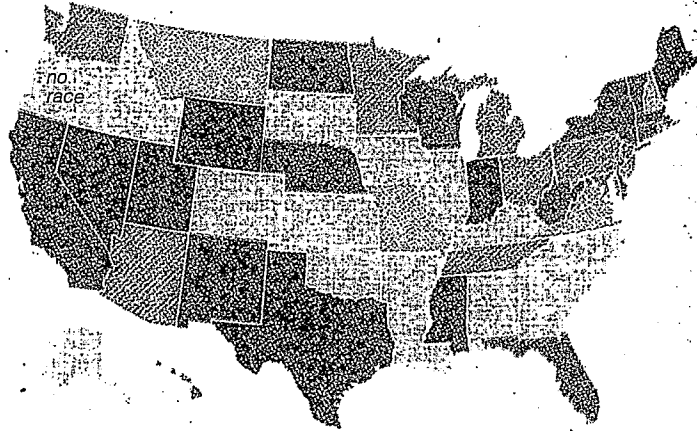
In the Senate, the Republicans will retain control unless the Democrats take six seats more than they currently hold. The races listed below are some of the Democrats' best chances to capture Republican seats. Also included is New Jersey, where Republicans believe they have a chance to take the seat held by Robert Menendez, a Democrat.

Sources for Senate race polls:

\*CNN § Rutgers-Eagleton

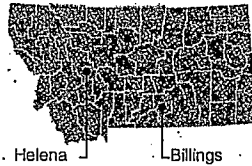
†Mason-Dixon ††Muhlenberg College

Based on telephone polls conducted among likely voters. Likely voters are identified in different ways by different polling organizations. The margin of sampling error for all the polls is plus or minus 4 percentage points.



DEMOCRAT REPUBLICAN Incumbents are in *italics*

### Montana



Maps show 2000 Senate results in each county, except where noted



Jon Tester



Conrad Burns

MARGIN OF VICTORY, 2000

BURNS  
**3.3** percentage points

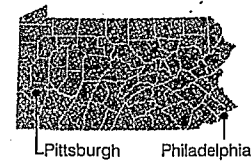
RECENT POLL

Oct. 31. - Nov. 21

TESTER BURNS  
**47% 47%**

Mr. Burns, an 18-year incumbent, has not helped his chances for re-election with numerous verbal gaffes, including his telling a group of forest firefighters that they just "sit around." Mr. Tester, a state senator and farmer, has portrayed Mr. Burns as out of touch with Montana. Mr. Burns has also suffered from his association with the disgraced lobbyist Jack Abramoff. But Mr. Burns has raised far more money than Mr. Tester, and President Bush made a last-minute stop in the state in an effort to help Mr. Burns. Recent polls show a dead heat.

### Pennsylvania



Bob Casey



Rick Santorum

MARGIN OF VICTORY, 2000

SANTORUM  
**6.9** percentage points

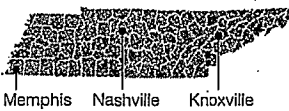
RECENT POLL

Oct. 29 - Nov. 11

CASEY SANTORUM  
**51% 43%**

Mr. Santorum appears increasingly likely to lose the seat he first won in 1994 to Mr. Casey, the state treasurer and son of a popular former governor. Mr. Santorum, the third-ranking Republican senator, has returned to national security as a central theme in the final stretch of the campaign. But Mr. Casey, a social conservative, has steadfastly campaigned on issues of central concern to the middle class, like health care and education, while relying on the unpopularity of the Iraq war to limit the effectiveness of Mr. Santorum's message.

### Tennessee



Harold E. Ford Jr.



Bob Corker

MARGIN OF VICTORY, 2000

BILL FRIST (R)  
**12.8** percentage points

RECENT POLL

Oct. 26-29\*

FORD CORKER  
**44% 52%**

Mr. Ford, a fifth-term House member, takes on Mr. Corker, a former mayor of Chattanooga, in a fierce race for the seat being vacated by Bill Frist. The race's most memorable moment was a Republican Party-financed advertisement in which a white actress says she met Mr. Ford, who is black, at a Playboy party. The spot was criticized as injecting race into the campaign. In recent days, Mr. Corker appears to have pulled ahead.

Sources: Congressional Quarterly Voting and Elections Collection; The Almanac of American Politics 2006; Associated Press; analysis of races by The New York Times

Gary Trauner

Barbara Cubin

13.4



WEEKS after an incident in which she took a paraplegic candidate in a wheelchair that he deserved to be slapped because of comments he made in a debate. If Mr. Trauner wins, it will be a sign of just how poorly the election has gone for Republicans: this seat was once held by Vice President Dick Cheney.

Safe Dem. 40\* Leaning Dem. 8 Tossup 3 Leaning Rep. 2 Safe Rep. 47

\*Senator Joseph I. Lieberman of Connecticut, running as an independent, has said he will vote with the Democrats.

50 SEATS

Safe seats include those for which there is no election this year.

DEMOCRAT REPUBLICAN Incumbents are in italics



Claire C. McCaskill



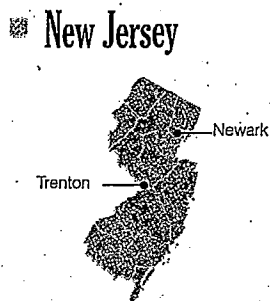
Jim Talent

MARGIN OF VICTORY, 2002  
TALENT  
1.1 percentage points

RECENT POLL Oct. 26-29\*  
MCCASKILL TALENT  
49% 49%

Ms. McCaskill, the state auditor, is battling to take back a seat that once belonged to Mel Carnahan, a Democrat who died in a plane crash while campaigning in October 2000. Mr. Talent, who won the seat from Mr. Carnahan's widow in a special election in 2002, has been a reliably conservative voter. Ms. McCaskill has made stem cell research a central part of her campaign, running an advertisement with the actor Michael J. Fox, who has Parkinson's disease, that became one of the most-talked-about of the season.

2002 results



Robert Menendez

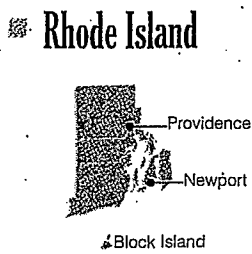


Thomas H. Kean Jr.

MARGIN OF VICTORY, 2000  
JON S. CORZINE (D)  
3.0 percentage points

RECENT POLL Oct. 29-31\$  
MENENDEZ KEAN  
46% 42%

The New Jersey tradition of no-holds-barred politics continues in the race between Mr. Menendez, the incumbent who was appointed when Jon S. Corzine left the seat to become New Jersey governor, and Mr. Kean, a state senator and son of the former New Jersey governor. Mr. Menendez has portrayed Mr. Kean as a close follower of President Bush, while Mr. Kean has repeatedly run advertisements questioning the ethics of Mr. Menendez. The race is the best chance for Republicans to take a seat held by a Democrat.



Sheldon Whitehouse

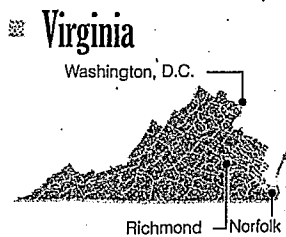


Lincoln Chafee

MARGIN OF VICTORY, 2000  
CHAFEE  
15.7 percentage points

RECENT POLL Oct. 18-20†  
WHITEHOUSE CHAFEE  
48% 43%

Mr. Chafee, a moderate Republican in a strongly Democratic state, is struggling to turn aside a strong challenge from Mr. Whitehouse, a former state attorney general. Mr. Chafee is among the few Republicans who voted against the Iraq war, and he has distanced himself from the administration on the war and other issues. Democrats are counting on picking up the seat; polls show Mr. Whitehouse ahead, but Mr. Chafee, the son of a longtime senator, has the benefit of being extremely well known in the state.



Jim Webb



George Allen

MARGIN OF VICTORY, 2000  
ALLEN  
4.6 percentage points

RECENT POLL Oct. 26-29\*  
WEBB ALLEN  
50% 46%

Mr. Allen, a first-term incumbent, faces a stiff fight from Mr. Webb, a writer and former secretary of the Navy under President Ronald Reagan. Mr. Allen was expected to retain his seat until a series of gaffes in the late summer, including using the word "macaca" to describe a Democratic operative of Indian descent. More recently, the Allen campaign has tried to portray Mr. Webb as hostile to women, using passages from military novels written by Mr. Webb.

CAMPAIGN 2006 | *The Nation*

# Dissatisfaction With GOP Fuels Democratic Lead

ELECTION, From A1

demacy. Republicans had hoped that the partisan gerrymandering of most House districts would protect their majority, but the number of competitive seats has continued to grow throughout the year, increasing the likelihood of a Democratic takeover.

Rep. Rahm Emanuel (D-Ill.), chairman of the Democratic Congressional Campaign Committee, stopped short of predicting that Democrats will take the House, but said: "I'm playing defense in one or two districts and offense in 46. I like those odds. I'd rather be us than them."

Republican National Committee Chairman Ken Mehlman predicted his party will retain majorities in both the House and Senate. "The Senate is in a better place than it was a week ago," he said, noting that GOP candidates in several of the closest races have improved their positions. "I think that the House remains very competitive," he added, pointing to a strong turnout operation that could save many incumbents in tossup races.

Republicans are fighting three forces: opposition to the war in Iraq, declining approval of the president, and historically low ratings for a Congress that struggled to produce notable achievements and that was often mired in partisanship.

The Democratic swing in the House is most evident in states east of the Mississippi River, where scandals, retirements and disaffection with the war have combined to put almost three dozen Republican-held seats at risk.

Ohio, the swing state that assured Bush's second-term victory, has turned into a Republican killing field. Republicans face the loss of the governorship and a Senate seat, and five GOP House districts are in danger of switching. Republicans fear the loss of other statewide races and at least one house of the state legislature.

Other GOP danger areas include Pennsylvania, where a Senate seat and five House incumbents are at risk, and Indiana, where Democrats could pick up three House seats. In New York, where Sen. Hillary Rodham Clinton (D) and gubernatorial

by Republicans. The lone Democratic-held tossup is in Georgia.

The House has not changed hands without the Senate following suit since the popular election of senators began early in the 20th century. But the odds are steeper for the Democrats in their bid to take over the Senate, because they must win at least four states that Bush carried in 2000 and 2004, three of them with incumbent Republicans.

Democrats are favored to defeat Pennsylvania Sen. Rick Santorum with state Treasurer Robert P. Casey Jr. and Ohio Sen. Mike DeWine with Rep. Sherrod Brown. Rhode Island Sen. Lincoln D. Chafee (R) has been trailing former attorney general Sheldon Whitehouse (D) in a state where Bush's popularity numbers are among the lowest in the nation.

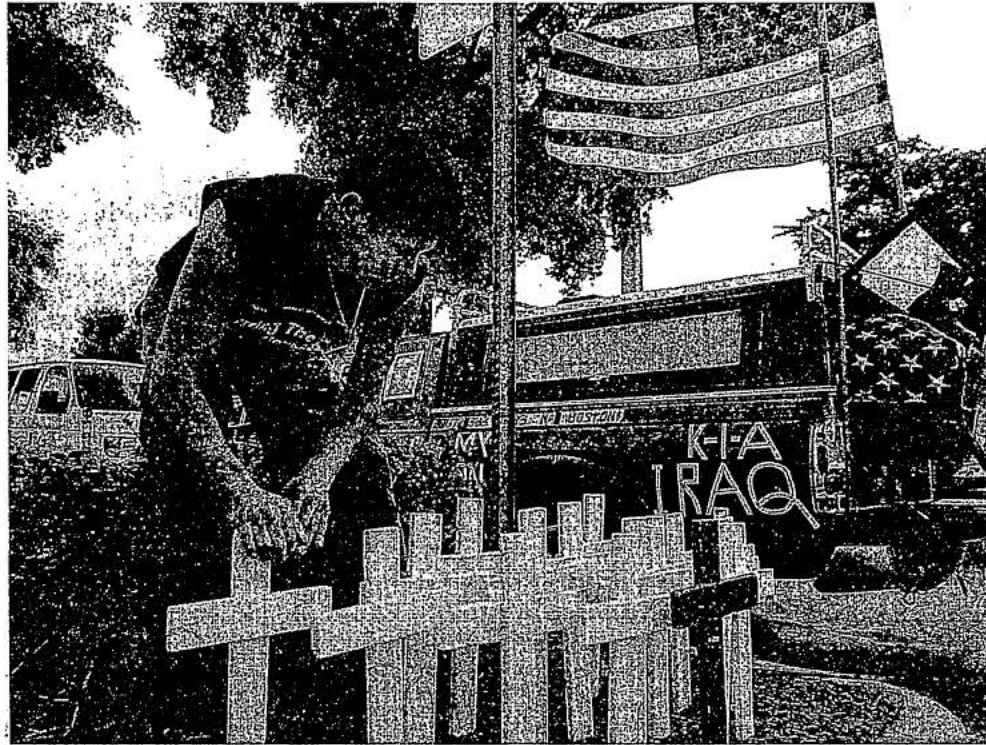
Democrats have counted Montana Sen. Conrad Burns (R) as the fourth likeliest pickup, but his race against state Senate Co-President Jon Tester has narrowed in the final two weeks. A Mason-Dixon poll yesterday showed the race tied.

If Burns were to fall in Montana, Democrats still would have to prevail in two of the other three most competitive Republican-held states. In Virginia, Sen. George Allen (R) has been hurt by his own campaign gaffes, and Republicans are increasingly nervous that he will lose to Reagan administration Navy secretary James Webb, the Democratic nominee.

Republicans are more optimistic about former Chattanooga mayor Bob Corker winning the seat of retiring Senate Majority Leader Bill Frist against the challenge of Rep. Harold E. Ford Jr. Ford is described by many Democrats as their ablest candidate of the year, but he is going against the history of Tennessee, which has never elected an African American to the Senate.

In Missouri, neither Sen. James M. Talent (R) nor Democrat Claire McCaskill has been able to gain an advantage. McCaskill has a strong urban base in Kansas City and St. Louis but must hold down Talent's advantage in the rural areas, where Bush campaigned late last week.

Maryland is one of four other states drawing significant money and attention. Rep. Benjamin Cardin (D) is a veteran Baltimore poli-



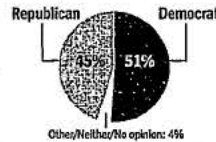
In Miami, Carlos Arredondo arranges crosses in memory of his son, Marine Lance Cpl. Alexander Scott Arredondo. The Iraq war factors heavily in many

The Washington Post • ABC NEWS POLL

## Midterms: A Referendum on Bush, Iraq and the Republican Congress?

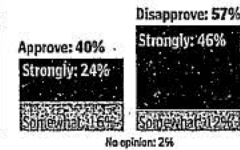
AMONG LIKELY VOTERS

If the election for the U.S. House of Representatives were being held today, would you vote for ...



AMONG ALL ADULTS

Do you approve or disapprove of the way George W. Bush is handling his job as president?

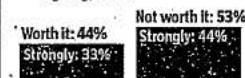


REMAINING AREASKED OF REGISTERED VOTERS

Will one reason for your vote for Congress be to express support for Bush, to express opposition to Bush, or is Bush not a factor in your choice?



All in all, considering the costs to the United States vs. the benefits to the United States, do you think the war with Iraq was worth fighting, or not?



was not worth fighting. Almost a third say the war is the top issue determining their vote, and three-quarters of them say they will vote for the Democrat in their district.

Bush's approval rating stands at 40 percent among all Americans and 43 percent among registered voters, a small but statistically insignificant increase in the past two weeks. About twice as many strongly disapprove of him as strongly approve.

Independents favor Democrats by an 18-point margin, but that is less than the 28-point advantage Democrats enjoyed two weeks ago.

The poll also showed that the Republican strategy of trying to make Democrats an unacceptable alternative may be working, at least at the margins.

Two weeks ago, 55 percent said Democratic members of Congress deserved reelection. In the new poll, that shrank to 48 percent. But Republicans remain stuck in the high thirties on the same question.

The distemper with Congress has lapped over into the governors' races. Six Republican House members are trying to move up to governors' mansions, and none has a clear path entering the final three days.

years, but scandals have left Gov. Bob Taft (R) with appraisals in the teens. Republican governor of state J. Kenneth B has struggled to reach 40 percent in his race against Rep. Ted St. (D).

In Massachusetts, another whose governorship Rep have controlled for more than a decade, Clinton administration attorney general Deval (D) has a sizeable lead over Kerry Healey (R) for the retiring one-term Gov. Mitt (R), who is planning a pre-run in 2008.

Another Republican pre hopeful, Arkansas Gov. Mike Beebe, is also likely to see a Democrat successor, with state Attorney General Mike Beebe leading Asst. Attorney General (R), former No. 2 of the Homeland Security Dept.

But Republicans are expected to hold the three big Sun Belt states. California Gov. Arnold Schwarzenegger (R) has come back drubbing on ballot initiative ago and has a big lead over Treasurer Phil Angelides. Gov. Rick Perry is trying to field that includes country

BY ENNE SLADY — AP

Other GOP danger areas include Pennsylvania, where a Senate seat and five House incumbents are at risk, and Indiana, where Democrats could pick up three House seats. In New York, where Sen. Hillary Rodham Clinton (D) and gubernatorial candidate Eliot L. Spitzer (D) are rising toward victory, Republicans are defending half a dozen House districts.

In Connecticut, Republicans are deeply worried about veteran Reps. Nancy L. Johnson and Christopher Shays and are only slightly more assured about Rep. Rob Simmons. Johnson appears to be the most endangered of the three.

The Iraq issue has dominated the Connecticut Senate race between Sen. Joseph I. Lieberman, who is running as an independent, and the man who beat him in the Democratic primary, businessman Ned Lamont. Lieberman's appeal to Republicans on his support of the war would help prop up the embattled GOP House trio.

Republicans face difficulties in virtually every region. There are multiple opportunities for Democrats in Florida, Kentucky, Colorado, Minnesota and Arizona. Single seats are at risk of switching in California, Iowa, Idaho, Illinois, North Carolina, New Hampshire, New Mexico, Nevada, Texas, Virginia, Washington and Wyoming.

In addition to the 10 seats likely to tilt to Democrats, there are 30 toss-up races — out of 63 competitive races — in the closing days of the campaign, 29 of them for seats held

urban base in Kansas City and St. Louis but must hold down Talent's advantage in the rural areas, where Bush campaigned late last week.

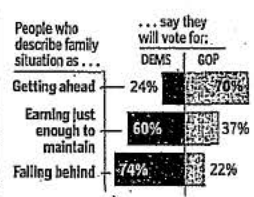
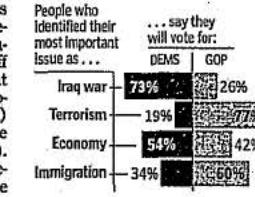
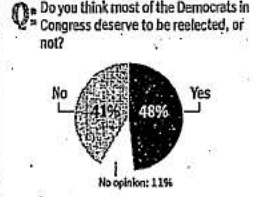
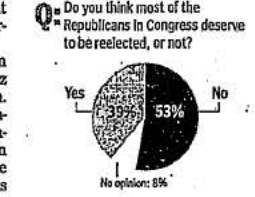
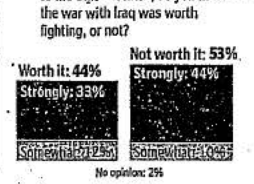
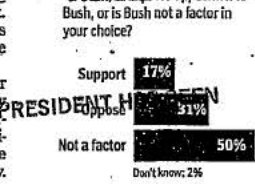
Maryland is one of four other states drawing significant money and attention. Rep. Benjamin Cardin (D) is a veteran Baltimore politician running in a Democratic state in a Democratic year. But Lt. Gov. Michael S. Steele (R) has proved to be a strong campaigner in the fight to succeed retiring Sen. Paul S. Sarbanes (D).

In New Jersey, the race between appointed Sen. Robert Menendez (D) and Republican state Sen. Thomas H. Kean Jr. has been dominated by corruption charges stemming from Menendez's history in Hudson County. As elsewhere in the Northeast, the war in Iraq weighs heavily in this Democratic state.

The parties see long-shot chances in two other states. In Michigan, Republicans threw a batch of late money behind Oakland County Sheriff Mike Bouchard in his bid to defeat Sen. Debbie Stabenow (D). In Arizona, Democrats see Sen. Jon Kyl (R) potentially vulnerable in his race against developer Jim Pederson (D).

Among interesting new faces likely to join the Senate next year are Rep. Bernie Sanders (I-Vt.) and Hennepin County Attorney Amy Klobuchar, from Minnesota.

The new Post-ABC News poll, taken Thursday through yesterday, encouraged Republican hopes that they can limit the damage on Tuesday, although some other national polls continue to show a wider Democratic advantage. In the new poll,



NOTE: Figures may not add to 100% because "no opinion" is not shown or because of rounding. Complete data from the poll can be found at [www.washingtonpost.com/politics](http://www.washingtonpost.com/politics). The latest Washington Post-ABC News poll is based on telephone interviews with 1,205 randomly selected adults nationwide and was conducted Nov. 1-4. The margin of sampling error is plus or minus three percentage points for the overall results and larger for subsamples. Sampling error is rarely one of many potential sources of error in this or any other public-opinion poll. Interviewing was conducted by TNS of Hershey, Pa.

support for GOP candidates grew among married men and the quarter of the electorate who say they are

getting ahead financially. Opposition to the war has eased a bit, although a majority still say it

can amount to 48 percent. But Republicans remain stuck in the high thirties on the same question.

The distemper with Congress has lapped over into the members' races. Six Republican House members are trying to move up to governors' mansions, and none has a clear path entering the final three days.

Rep. Bob Beaupre (R-Colo.) is badly trailing former Denver district attorney Bill Ritter (D) in Colorado. Rep. Ernest J. Istook Jr. (R-Okla.) is far behind Gov. Brad Henry (D) in Oklahoma, while Rep. Jim Nussle (R-Iowa) is struggling behind the Democratic secretary of state, Chet Culver, in Iowa.

Three House Republicans are in tight gubernatorial races. Rep. Mark Green (R-Wis.) has run neck-and-neck with Wisconsin Gov. Jim Doyle (D) but may have slipped slightly in the final week. Nevada Rep. Jim Gibbons (R) has been hurt by allegations that he sexually assaulted a cocktail waitress, and his race against Democrat Tina Dina is now a tossup. In Idaho, Rep. C.L. "Butch" Otter (R) is in a surprisingly close race with newspaper publisher Jerry Brady (D).

In three key states, Democrats not only are taking the governorship from Republicans but also are poised to roll up majorities that could affect the rest of the ticket.

In New York, Spitzer, the hard-charging attorney general, has not fallen below 66 percent in a public poll since Labor Day in his bid to succeed retiring Gov. George E. Pataki (R).

In Ohio, Republicans have controlled all statewide offices in recent

elections. But Republicans are expected to hold the three big Sun Belt and California Gov. Arnold Schwarzenegger (R) has come back from drubbing on ballot initiatives a year ago and has a big lead over Treasurer Phil Angelides. T. Gov. Rick Perry is trying to fend field that includes county sheriff Richard "Kinky" Friedman.

In Florida, where Gov. Jeb Bush (R) is term-limited, state Attorney General Charlie Crist (R) holds a narrow lead over Rep. Jim Eustace (D) and will get a Monday runoff from the president, who will campaign in the conservative Florida Panhandle.

Republican hopes of defeating Pennsylvania Gov. Edward G. Rendell and Michigan Gov. Jennifer Granholm have soured. Rendell holds a comfortable lead over Pittsburgh Steelers wide receiver Lynn Swann. Granholm faced a funded challenger in business executive Dick DeVos, who sought to capitalize on the state's weak economy. She has moved ahead in the month.

In Illinois, U.S. Attorney Patrick J. Fitzgerald has been investigating the administration of Gov. Rod Blagojevich (D) and has indicted his associates, but state Treasurer Dan Rostenkowski (R) has struggled to overcome the barrage of negative advertising unleashed by the governor.

Washington Post polling director Jon Cohen, Post political researcher Zachary A. Goldfarb and Washington Post staff writer Chris Cillizza contributed to this report.



## THE PLAINS

### ANSAS: Infighting Undercuts GOP

Popular Gov. Kathleen Sebelius (D) appears headed for a second term without much of a challenge from state Sen. Jim Barnett (R), leaving the focus in this state on a rematch in the 2nd Congressional District between Rep. Jim Ryan (R) and Nancy Boyda (D). Ryan, who once held the world record for the mile and competed in three Olympics, won with 56 per-

KEY RACES	
RACE	REPUBLICAN
Kan., 2nd Dist.	Rep. Jim Ryan
Mo., 3rd Dist.	Adrian Smith
	Nancy Boyda
	Scott Kleeb

cent of the vote in 2004 but has a tougher race this year. Democrats gambled by putting late money into the race. Countering, Republicans plan to bring President Bush to the state today.

The real story in Kansas this year is turmoil inside the Republican Party after a decade of ideological warfare. The former chairman of the state Republican Party, Mark Parkinson, is running with Sebelius to be her lieutenant governor. Another party-switcher, Paul Morrison, is the Democratic nominee for attorney general. He is in a close and nasty race against Republican Phill Kline. Their defections reflect disillusionment among moderates with the state of the GOP.

### NEBRASKA: Parties Likely to Keep Seats

In 2004, Bush carried western Nebraska's 3rd District with 75 percent. Rep. Ibm Osborne (R) won reelection with 87 percent. And yet, national Democrats say they may have a chance to pull off an upset for the

seat, which Osborne vacated to run for governor.

Rancher Scott Kleeb (D) has run a sound campaign, and state Sen. Adrian Smith (R) appears to have taken victory for granted following his tough primary win. Still, the demographics of this district make a Democratic upset unlikely.

Gov. David Heineman (R) is cruising to victory over businessman David Hahn (D).

Sen. Ben Nelson (D), who won his seat with just 51 percent in 2000, is expected to win easily over wealthy businessman Pete Ricketts (R).

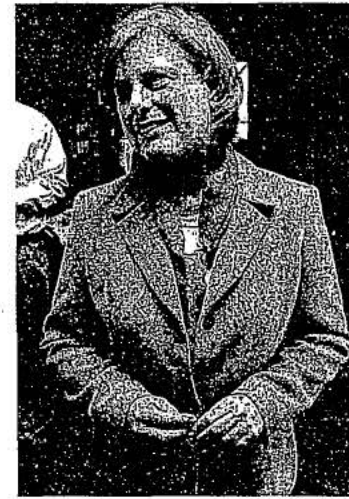
### NORTH DAKOTA: Unrivaled Senate Race

Sen. Kent Conrad (D), a 20-year veteran of politics, was assured of reelection when Republicans failed to persuade Gov. John Hoeven (R) to challenge him. Farmer Dwight Groberg is the kind of polite opponent any senator would love to have.

### SOUTH DAKOTA: Abortion Politics

Gov. Mike Rounds (R), who backed the new state law banning abortions except to save a woman's life, has minimal opposition from former state Rep. Jack Billion (D).

The only public poll on a ballot referendum to enact the abortion ban, for the Sioux Falls Argus Leader, found 52 percent opposed, 42 percent in favor. The \$4 million battle goes on, however, with neither side yielding an inch.



Nancy Boyda, running in Kansas for Congress, got a boost from national Democrats late in the race. But the president is planning to stump today for the incumbent.

CAMPAIGN 2006 | The Nation



# THE MIDWEST

## ILLINOIS: Indictments Fuel GOP Campaign

Federal and state prosecutors are circling around Gov. Rod Blagojevich (D), and indictments of his associates are creating almost daily headlines, with charges of fraud, kickbacks and pay-to-play contracts. Still, he remains in front of opponent Judy Baar Topinka (R) the state treasurer. She was hammered so hard by Blagojevich's negative ads coming out of a divisive spring primary that her disapproval score is higher than his. A late surge has brought Topinka into a competitive position. Green Party candidate Rich Whitney is winning some newspaper endorsements and may break into double digits.

The banner House race, for the seat of retiring International Relations Committee Chairman Henry Hyde (R), pits Tammy Duckworth (D), an Iraq war veteran who lost both legs when her helicopter was shot down, against state Sen. Peter Roskam (R). Both candidates have received millions from the national parties. Despite the strong GOP organization in the suburban Chicago district, the race is close.

Freshman Rep. Melissa Bean (D), who scored an upset in 2004 in another Chicago suburb, is holding on against investment banker Dave McSweeney (R), who is financing his own campaign.

Late in the campaign, Democrats sensed at least an outside chance against Rep. Mark Kirk (R), with Dan Seals (D), a black businessman. The affluent district north of Chicago is strongly against the Iraq war and President Bush.

In a downstate district vacated by retiring Rep. Lane Evans (D), Phil Hare, Evans's longtime local aide, is strongly favored over former TV reporter Andrea Zinga (R).

## INDIANA: A Red State Looking Blue

The Hoosier State is positioned to provide Democrats with as many as three pickups in their battle for control of the House as the unpopularity of Gov. Mitch Daniels (R) threatens to undermine GOP candidates.

Rep. John Hostettler (R) appears finished in his race against Vanderburgh County Sheriff Brad Ellsworth (D) in the southern 8th District. His refusal to run a modern campaign — he does almost no fundraising and employs no paid consultants — has served him well in past races, but not in this one. Barring disaster, Ellsworth will take this seat back for Democrats.

In the neighboring 9th District, Rep. Mike Sodrel (R) and former representative Baron Hill (D) are

locked in one of the closest races in the country. Sodrel defeated Hill by 1,500 votes two years ago, while Daniels and Bush were overwhelmingly carrying the district. Sodrel and Hill have run solid campaigns, and the national parties are loath to predict a winner.

The most surprising race in Indiana is in the 2nd District, where 2004 nominee Joe Donnelly (D) is poised to upset Rep. Chris Chocola (R). After a somewhat lackluster race two years ago, Donnelly has emerged as a far better candidate in this election while Chocola has been slow to react to the competitiveness of the race. Polling shows Donnelly over 50 percent, and Republicans acknowledge that Chocola has little hope of holding his office.

The coming catastrophe for Indiana Republicans in the House is not mirrored in the upper chamber. Sen. Richard Lugar (R) is cruising to a sixth term with no challenger.

## IOWA: Opportunities for Democrats

It has been 40 years since Democrats held the governorship and both houses of the legislature in the Hawkeye State, but that could be the outcome after Tuesday.

Gov. Tom Vilsack (D) is leaving office and is expected to seek a 2008 presidential nomination. Secretary of State Chet Culver (D) has the advantage over Rep. Jim Nussle (R) in the contest to succeed him.

Nussle, chairman of the House Budget Committee, has learned this is not a good year to be associated with the House. Bush tried to rally Republicans with a Friday stopper, but a poll in the Des Moines Register today showed Culver leading 52 percent to 43 percent.

In Nussle's 1st District, in eastern Iowa, Democratic trial lawyer Bruce Braley (D) has enjoyed a widening lead over businessman Mike Whalen (R). Republicans are gloomy about Whalen's chances.

In the 3rd District, state Sen. Jeff Lamberti is one of the few GOP challengers in a competitive race, but he is still an underdog against Rep. Leonard Boswell (D).

The state Senate is evenly divided, and Republicans hold a two-seat margin in the state House. Both could be in Democratic hands come January.

## MICHIGAN: Incumbency vs. Wealth

Once apparently doomed by the dismal economic situation of the auto industry, Gov. Jennifer Granholm (D) has rallied, putting her wealthy but politically inexperienced opponent, Dick DeVos (R), on the defensive about job outsourcing by his family company, formerly known as Amway. DeVos and his wife, Betsy, a former state GOP chairman, have built a state-of-the-art organization. The race is close, but late polls show a consistent Granholm lead.

The GOP saw a vulnerability in Sen. Debbie Stabenow (D) and invested heavily in her challenger, Oakland County Sheriff Mike Bouchard (R), but polls give Stabenow a clear lead.

Tim Walberg (R), a minister and former state legislator who had Club for Growth backing when he beat freshman Rep. Joe Schwarz (R), a leading moderate, in the August primary, went to sleep for weeks and woke up to find himself in a new race. Nevertheless, his lead has since widened. Democrats are not high on their



Michael J. Fox campaigned in Ohio for Senate candidate Sherrod Brown and in Missouri for other Democratic candidates. Fox, who has Parkinson's disease, advocates stem cell research, an issue that may help Democrats.

## MINNESOTA: Democrats Storming State

In a Democratic year in this Democratic-leaning state, Gov. Tim Pawlenty (R), one of the brightest young Republicans, is struggling to survive a challenge from Attorney General Mike Hatch (D), an aggressive opponent carrying some intraparty scars. Peter Hutchinson, the former Democratic official running as an Independence Party reformer, is edging up toward 10 percent of the vote — which hurts Hatch and boosts Pawlenty's chances.

The race to succeed retiring Sen. Mark Dayton (D) has turned into a walkover for Hennepin County Attorney Amy Klobuchar (D), a feisty protégé of Walter Mondale, over Rep. Mark Kennedy (R).

Democrats hope the tide will enable Tim Walz (D), a teacher and National Guard veteran, to upset Rep. Gil Gutknecht (R). But their prospects have faded for the seat Kennedy is leaving, where Patty Wetterling (D), a retreat from 2004, is facing state Sen. Michele Bachmann (R), whose church supporters have raised eyebrows by claiming divine support for their candidate.

## MISSOURI: A GOP Senate Seat at Risk

Missouri is home to one of the country's highest-profile Senate races. For months, polls have shown Sen. Jim Talent (R) and state auditor Claire McCaskill (D) within two or three points of each other. Going into Election Day, that is still the case. The outcome will likely hinge on voter turnout. McCaskill needs a strong Democratic wave on Tuesday — and needs to attract many undecided voters — while Talent's fortunes will rely on Missouri Republicans' expansive voter-mobilization program. The GOP program was set into motion with a visit by Bush last week.

The state features a stem cell ballot initiative that both candidates hope will get out their constituencies. The initiative received increased attention after the McCaskill campaign launched an ad featuring actor Michael J. Fox showing tremors brought on by Parkinson's. Fox encouraged voters to back McCaskill because of her support for the stem cell measure.

## OHIO: Rebellious Against Republicans

The state that delivered Bush a second term seems

Rep. Bob Ney (R) have damaged the GOP brand in the state, adding to the party's troubles nationwide.

Rep. Ted Strickland (D) is heavily favored to win the governorship Tuesday over Secretary of State Kenneth I. Blackwell (R); the only question that remains is whether the margin will be. Similarly, Rep. Sherrod Brown (D) is widely acknowledged as the likely victor against Sen. Mike DeWine (R) as polls show the Democrat with a high-single-digit or even a low-double-digit lead.

Ney's 18th District, which usually favors Republicans, appears to be a near-certain takeover for Democratic candidate Zack Space. After Ney removed himself from the ballot, the GOP selected state Sen. Joy Padgett (R) as his replacement, but she has struggled with ethical questions of her own.

In nearby Columbus, Rep. Deborah Pryce (R) is facing her toughest opponent since coming to Congress in 1993. Franklin County Commissioner Mary Jo Kilroy (D) has successfully linked Pryce to Washington Republicans and appeared to be pulling away as recently as two weeks ago.

Rep. Steve Chabot (R) is locked in a similarly tight race against Cincinnati City Council member John Cranley (D) in the southern 1st District. Chabot has held this swing seat since 1994, but the district's significant black population — 27 percent, according to the 2000 census — makes it winnable for Democrats.

Two Democratic-held open seats are almost certain to stay Democratic. In the 6th District, state Sen. Charlie Wilson (D) overcame a ballot error in the primary to put a once-promising race for the GOP out of reach. Lawyer Betty Sutton (D) won a competitive primary in the Akron area 13th District and is headed for victory.

## WISCONSIN: Neck-and-Neck for Governor

Always a battleground, Wisconsin has a very tight governor's race, pitting Gov. Jim Doyle (D), a liberal, against conservative Rep. Mark Green (R). Doyle has battled a Republican legislature and suffered some scandals in his administration, but is defending the state's support of embryonic stem cell research, some of which Green opposes. Doyle holds a small lead, with the race dependent on him matching GOP turnout.

Wealthy Sen. Herb Kohl (D) scared off all real opposition and is far in front of lawyer Robert Lorge (R). If the close race to succeed Green, John Gard (R), speaks

## KEY RACES

RACE	REPUBLICAN	DEMOCRAT
Ill. 6th Dist.	Peter Roskam	Tammy Duckworth
Ind. 9th Dist.	Rep. Mike Sodrel	Baron Hill
Minn. 1st Dist.	Rep. Gil Gutknecht	Tim Walz
Minn. gov.	Gov. Tim Pawlenty	Mike Hatch
Mo. Senate	Sen. Jim Talent	Claire McCaskill

Ind. 9th Dist.	Rep. Mike Sodrel	Baron Hill
Minn. 1st Dist.	Rep. Gil Gutentacht	Tim Woltz
Minn. gov.	Gov. Tim Pawlenty	Mike Hatch
Mo. Senate	Sen. Jim Talent	Clare McCaskill
Ohio 1st Dist.	Rep. Steve Chabot	John Cranley

Tim Walberg (R), a minister and former state legislator who had Club for Growth backing when he beat freshman Rep. Joe Schwarz (R), a leading moderate, in the August primary, went to sleep for weeks and woke up to find himself in a new race. Nevertheless, his lead has since widened. Democrats are not high on their nominee, organic farmer Sharon Renier (D), and have not invested in the race.

son's. Fox encouraged voters to back McCaskill because of her support for the stem cell measure.

**OHIO: Rebelling Against Republicans**

The state that delivered Bush a second term seems poised to send his party a stern rebuke two years later. Scandals surrounding outgoing Gov. Bob Taft (R) and

state's support of embryonic stem cell research, some of which Green opposes. Doyle holds a small lead, with the race dependent on him matching GOP turnout. Wealthy Sen. Herb Kohl (D) scared off all real opposition and is far in front of lawyer Robert Lorge (R). In the close race to succeed Green, John Gard (R), speaker of the Wisconsin House, has an edge over physician Steve Kagen (D), who is financing much of his race.



**THE NORTHEAST**

**CONNECTICUT: House Incumbents Nervous**

It's a rare occurrence in politics these days when more than half of a state's congressional delegation is in electoral jeopardy. But in Connecticut, GOP Reps. Rob Simmons, Chris Shays and Nancy Johnson all face serious challenges on Tuesday, with most independent observers predicting at least one of them will fall.

Johnson appears to be the most imperiled. Her longevity — she has held her seat since 1983 — may be working against her, as state Sen. Chris Murphy (D) has labeled her part of the problem in Washington. Johnson has spent more than \$4 million on her reelection, but polls show her support still hovering in the 40s.

Shays's reelection has turned into a referendum on Iraq policy as his opponent, 2004 nominee Diane Farrell (D), has focused almost exclusively on the issue in her ads. Shays remains well liked in his affluent southwestern Connecticut district, but his support for the war in Iraq may lead voters to opt for Farrell. Polling shows a jump ball.

Simmons's 2nd District is, by the numbers, the worst of the three for Republicans. John Kerry won it by 10 points in 2004. Former state representative Joe Courtney (D) is much improved as a candidate since his race in 2002. But Simmons has run an extremely competent race, and even Democrats consider this seat the least likely of the three to switch hands.

In August, many concluded that Sen. Joe Lieberman's political career was over. Deserted by Democratic primary voters for his position on the war, the three-term senator lost to first-time candidate Ned Lamont. On primary night, Lieberman announced he would run as an independent. He turned the focus of the race from a debate over Iraq to a discussion of Lamont's lack of political experience. In doing so, Lieberman has probably ensured himself another term.

Gov. Jodi Rell (R) is expected to defeat her challenger,

New Haven Mayor John DeStefano (D).

**MAINE: Beleaguered but Safe Governor**

Gov. John Baldacci (D) looked vulnerable a few months ago, in part because his many rivals were taking advantage of the state's Clean Election Act to draw public money to match his privately funded campaign.

But state Sen. Chandler Woodcock (R) has been a weak opponent, and state Rep. Barbara Merrill (I) and Green Party candidate Pat LaMarche are way behind. Baldacci is likely to win but may not hit 50 percent.

Sen. Olympia Snowe (R) will probably do far better than that in winning her third term over farmer Jean Hay Bright.

**MASSACHUSETTS: The First Black Governor?**

Retiring Gov. Mitt Romney (R), off in pursuit of the GOP presidential nomination, has left his party looking at a likely defeat in the race to pick his successor. As Romney's home-state ratings have tumbled, Lt. Gov. Kerry Healey (R) has fallen further behind Deval Patrick (D), the Clinton administration assistant attorney general for civil rights.

Patrick, who would be Massachusetts's first black governor, came roaring out of a three-way primary and has withstood heavy attacks from Healey on his record as a criminal defense lawyer.

**NEW HAMPSHIRE: Vulnerable House Seats**

This was the only state that went from Republican to Democratic in 2004, and Democrats would like to keep the momentum going. Gov. John Lynch (D) has been running away from Jim Coburn (R), which leaves all the attention on two Republican House members.

The most vulnerable is 2nd District Rep. Charlie Bass (R), who is in a tussle against 2004 opponent Paul Hodes (D).

In the 1st District, Rep. Jeb Bradley (R) remains the favorite to defeat Democrat Carol Shea-Porter, a critic of the Iraq war and upset winner in the primary. But this race, too, has narrowed.

**NEW YORK: Democrat Sails to Statehouse**

The Empire State could have a near-purge of Republican elected officials on Tuesday. With Gov. George Pataki (R) retiring to ponder a presidential run, state Attorney General Eliot Spitzer (D) is sailing to victory over state Rep. John Faso (R) to become the first Democrat to sit in the statehouse in 12 years.

Sen. Hillary Rodham Clinton (D) is a shoo-in to win a



Sen. Christopher Dodd (D-Conn.) campaigned for House candidate Diane Farrell on Oct. 13. Farrell has made her campaign against the GOP incumbent a referendum on the Iraq war and the Bush presidency.

second term over former Yonkers mayor John Spencer (R). Still, she has spent heavily in the race, widely considered preparation for a presidential bid.

Republicans are at risk of losing up to five House seats. Most endangered is the 24th District, where Rep. Sherwood Boehlert (R) is retiring. Oneida County District Attorney Michael Arcuri (D) has an edge over state Sen. Ray Meier (R). National Republicans ran an ad accusing Arcuri of calling a sex line on the taxpayers' dime, but it turned out to have been a misdialled number, and Meier distanced himself from the ad. Democrats, meanwhile, branded Meier as a tax-raiser early in the campaign.

In the 20th District, lawyer Kirsten Gillibrand (D) has been gaining ground on Rep. John Sweeney (R). The district still has a small Republican advantage but has been polling Democratic. Sweeney's visit to a fraternity party received substantial attention, and in the past week a newspaper reported that his wife once called authorities to say he was trying to rough her up.

Democrats are investing heavily to win the 25th District, where Rep. James Walsh (R) is trying to thwart a challenge from former House staffer Dan Maffei (D).

In the 26th District, Rep. Tom Reynolds, who is captain of the GOP's House campaign, has been hurt by the congressional page scandal. But Reynolds is maintaining a small advantage over 2004 candidate Jack Davis (D).

Less likely to change is the 29th District, where Rep. Randy Kuhl (R) seems on track to quash former Navy officer Eric Massa (D). New York City Council member Yvette Clark (D) is headed to represent central Brooklyn, replacing retiring Rep. Major Owens (D).

**RHODE ISLAND: Tough Challenge to Senator**

Sen. Lincoln Chafee (R) isn't your average Republican. He was the lone GOP vote against the use-of-force resolution on Iraq and didn't even cast his vote in 2004 for the current president, choosing to write in a vote for President George H.W. Bush. But Chafee is feeling the burden of the current President Bush in his reelection race against ex-state attorney general Sheldon Whitehouse (D), as state and national Democrats argue that Chafee is out of step with the typical Rhode Island voter. Chafee, despite his low-key demeanor, has proven a resilient campaigner, having dispatched a primary challenge from Cranston Mayor Steve Laffey. Republicans hold out some hope, but poll after poll shows Whitehouse up.

Gov. Don Carcieri (R) is likely to survive a tougher-than-expected race from Lt. Gov. Charlie Fogarty (D).

**VERMONT: Crumbling GOP Opportunity**

For much of the election cycle, House Republicans said that Adjutant Gen. Martha Rainville, a well-liked public figure, was positioned to take the at-large open seat against state Sen. Peter Welch (D). But as the national environment has deteriorated for the GOP, so too have its hopes of an upset.

Rep. Bernie Sanders (I) has faced a smooth ride for the seat being vacated by Sen. Jim Jeffords (I). Businessman Richard Tarrant (R) has spent millions on his campaign but gained no traction. Sanders, like Jeffords, is expected to caucus with the Democrats.

**KEY RACES**

RACE	REPUBLICAN	DEMOCRAT
Conn. 5th Dist.	Rep. Nancy Johnson	Chris Murphy
Conn. 4th Dist.	Rep. Chris Shays	Diane Farrell
N.H. 2nd Dist.	Rep. Charlie Bass	Paul Hodes
N.Y. 20th Dist.	Rep. John Sweeney	Kirsten Gillibrand
R.I. Senate	Sen. Lincoln Chafee	Sheldon Whitehouse

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# THE PACIFIC

## ALASKA: Alternatives to the Status Quo

In one of the more stunning rebukes this year, Republican primary voters denied Gov. Frank Murkowski the chance to serve a second term. Murkowski, who served in the Senate before returning home four years ago as governor, finished third in the August primary. The winner was Sarah Palin, the former mayor of Wasilla. Given the Republican leanings of the state, Palin's victory gave GOP officials hope that they could retain the governor's office, and initial polls showed her with a wide lead over former governor Tony Knowles (D). But Knowles has bounced back, aided by support from the business community. Palin remains a narrow favorite.

## CALIFORNIA: A Tough Governor to Unseat

Though he looked like a 97-pound weakling a year ago, after voters rejected all four of his initiatives in a special election he had called, Gov. Arnold Schwarzenegger (R) has regained his title as the toughest guy in California politics, as he heads for a big victory over state Treasurer Phil Angelides (D), who has not been

able to mobilize his party after a divisive primary. Schwarzenegger, who rebuilt his reputation by conciliating the Democratic legislature while Bush White House veterans took over and ran a textbook campaign, is likely to have a new mandate to challenge — or work with — the legislature.

Sen. Dianne Feinstein (D) has had only a token challenge from former state senator Richard Mourtjoy (R), her little-known opponent.

The key House race pits House Resources Committee Chairman Richard Pombo (R) against engineer Jerry McNerney (D). Pombo defeated McNerney, handily in 2004, but environmental organizations have come after the incumbent hard this year, and it's a horse race.

There are substantial but less-threatening challenges to Rep. John Doolittle (R) from Air Force veteran Charlie Brown (D) and to Rep. Brian Bilbray (R) from his old rival, educator Francine Busby (D). The seat of retiring House Ways and Means Committee Chairman Bill Thomas (R) is ticketed for his protegee, state assembly Minority Leader Kevin McCarthy, over educator Sharon Beery (D).

## HAWAII: Three Races Locked Up

Democratic Sen. Daniel Akaka and Republican Gov. Linda Lingle are in no trouble in their reelection campaigns. Rep. Ed Case (D) tried to unseat the 82-year-old Akaka in the primary but failed. Case's solidly Democratic 2nd District seat will probably go to former lieutenant governor Mazie Hirono (D).

## OREGON: Credible Republican Challenger

Democrats have taken a strong lead in early applications for ballots in the mail-in election, raising their



California Gov. Arnold Schwarzenegger addressed students at a Sacramento high school — a stop that a less confident candidate might not be making the week before Election Day. Schwarzenegger expects a big win Tuesday.

hopes that Gov. Ted Kulongoski (D) can withstand the credible challenge of Portland lawyer Ron Saxton (R) and win a second term.

Kulongoski had a tough first four years, feuding with the legislature and with labor, but late polls show him seven points or more ahead.

## WASHINGTON: Dwindling Chance for GOP

It looked for many months as if Democratic Sen. Maria Cantwell's seat would be a top opportunity for the GOP to pick up a Senate spot. With a tiny margin of victory the last time around, she also seemed headed for a brutal primary against antiwar challengers.

But she brought those challengers into her cam-

paign and appears on track to defeat Mike McGavick (R), a former insurance-company executive who has spent \$2.5 million on the race.

McGavick has suffered for a campaign strategy that involved disclosing a drunken-driving arrest and other personal foibles.

In the 8th District, in Seattle's suburbs, Rep. Dave Reichert (R) is trying to fend off a challenge from former Microsoft executive Darcy Burner (D). Burner, who has no legislative record, has tried to tie Reichert to President Bush, an unpopular figure in this Democratic-leaning district.

But Reichert, popular in the district, has stressed his independence, and he appears to have a slight lead in the final days.

KEY RACES		
	REPUBLICAN	DEMOCRAT
Alaska Gov.	Sarah Palin	Tony Knowles
Calif. 11th Dist.	Rep. Richard Pombo	Jerry McNerney
Calif. 4th Dist.	Rep. John Doolittle	Charlie Brown
Wash. 8th Dist.	Rep. Dave Reichert	Darcy Burner



# THE SOUTHWEST

## ARIZONA: Conservative Fights for His Seat

Gov. Janet Napolitano (D), a rising star as the first female chair of the National Governors Association, is cruising to a second term over conservative think tank president Len Munsil (R).

Sen. Jon Kyl (R) has faced a stiffer challenge from developer and former state Democratic Party chairman Jim Pederson, who has sunk millions into his race and has been bolstered by late funds from the national party. But with heavy emphasis on measures against illegal immigration and support for Bush on Iraq, Kyl seems to have

Randy Graf, the Club for Growth conservative who won the GOP nomination when two moderates split most of the primary votes but whose stands were extreme enough to cost him Kolbe's support.

After six terms, Rep. J.D. Hayworth (R) is fighting for his political life after losing the endorsement of the Arizona Republic, which called him a "bully" for his aggressive advocacy of conservative positions. His opponent, legislator and former state Democratic Party chairman Harry Mitchell, is the strongest Democrat to test Hayworth in this Republican-leaning district.

Rep. Rick Renzi (R) has been hit with conflict-of-

Richardson will probably pivot early next year to a run for the 2008 Democratic presidential nomination.

## OKLAHOMA: Solid Hold on Governorship

Gov. Brad Henry (D) is heavily favored for a second term over Rep. Ernest Istook (R), his conservative challenger. Istook's seat is likely to go to 12-year veteran Lt. Gov. Mary Fallin (R) over surgeon David Hunter (D).

## TEXAS: A GOP Comeback for DeLay's Seat?

When House Majority Leader Tom DeLay (R) resigned from Congress this year and courts ruled that the GOP could not put another candidate's name on the ballot, former representative Nick Lampson (D) appeared to have a free ride to Congress from the 22nd District. But the fortunes of a GOP-backed write-in candidate, Shelley Sekula-Gibbs, have been rising in this heavily Republican district.

National Republicans have been spending heavily to offset Lampson's huge fundraising lead, and Sekula-Gibbs' campaign was boosted by the final stretch by





been bolstered by late funds from the national party. But with heavy emphasis on measures against illegal immigration and support for Bush on Iraq, Kyl seems to have fended off Pederson and secured a third term.

The seat of retiring Rep. Jim Kolbe, a Republican moderate, is likely to switch to the Democrats. In a battle of two former legislators, Gabrielle Giffords (D) is leading

Mitchell, is the strongest Democrat to test Hayworth in this Republican-leaning district.

Rep. Rick Renzi (R) has been hit with conflict-of-interest investigations by the Justice Department in a land deal that netted a partner \$3 million, but he appears to be leading lawyer Ellen Simon (D) in a huge rural district where it is difficult for a newcomer to campaign.

### NEW MEXICO: Republicans Grow Confident

A close race is nothing new to Rep. Heather Wilson (R). Since winning a 1998 special election in her Albuquerque area district, she has been at or near the top of Democrats' target list in each subsequent election. They have recruited their strongest candidate against Wilson yet, state Attorney General Patricia Madrid, and the contest has been tied for months. Of late, the GOP is more confident that Wilson will eke out another narrow win.

Gov. Bill Richardson (D) is set to win a second term easily over former state GOP chairman John Dendahl,

publican district.

National Republicans have been spending heavily to offset Lampson's huge fundraising lead, and Sekula-Gibbs's campaign was boosted in the final stretch by a visit to Sugar Land by Bush. Still, her campaign is hampered by the difficulty voters might have in inputting her name on electronic voting machines.

In the 17th District, Rep. Chet Edwards (D) appears likely to repel a challenge from Iraq war veteran Van Taylor (R). Similarly, in the redrawn 23rd District, in San Antonio's suburbs, Rep. Henry Bonilla (R) has an edge in a close contest with former representative Ciro Rodriguez (D). But there are several other candidates, and Bonilla needs at least 50 percent to avoid a runoff.

Gov. Rick Perry (R) is likely to stay in office for a second full term in a campaign that has featured some of the most colorful characters in recent history. His chief Democratic opponent is former representative Chris Bell, but getting more attention have been independent candidates Kinky Friedman, an author and musician, and state



Rep. Heather Wilson (R-N.M.) has been fending off the toughest challenger she has encountered, the state attorney general. The race has been close for months.

Comptroller Carole Keeton Strayhorn, who wanted to be called "Grandma" on the ballot.

There is little doubt that Sen. Kay Bailey Hutchison (R) will defeat a token Democratic opponent, lawyer Barbara Ann Radnofsky.

### KEY RACES

RACE	REPUBLICAN	DEMOCRAT
Ariz. 5th Dist.	Rep. U.S. Hayworth	Harry Mitchell
Ariz. Senate	Sen. Jon Kyl	Jim Pederson
N.M. 1st Dist.	Rep. Heather Wilson	Patricia Madrid
Tex. 22nd Dist.	Shelley Sekula-Gibbs	Nick Lampson



## THE ROCKIES

### COLORADO: Chances for Democratic Gains

Two-term Gov. Bill Owens (R) is term-limited, and Democrat Bill Ritter is running well ahead of Rep. Bob Beauprez (R) in the race to succeed him. Beauprez originally looked like the stronger of the two candidates, but he got badly bruised in an early intraparty conflict and never recovered. Ritter, a former Denver district attorney and an abortion opponent, is benefiting as the state goes from red to purple.

Beauprez's 7th District seat in the Denver suburbs is likely to go to the Democrats, with Ed Perlmutter now leading Rick O'Donnell (R). Democrats pounded O'Donnell for having written years ago that Social Security should be abolished. He recanted, but the damage was done.

Rep. Marilyn Musgrave (R) narrowly won the 4th District in 2004 and is in a tossup race against Democrat Angie Paccione this year. A Democratic group spent more than \$500,000 against Musgrave, forcing national Republicans to come to her defense. President Bush came in yesterday to help her. National Democrats launched ads late Friday.

In the 5th District, Republican Doug Lamborn won a nasty primary but ruptured relations with retiring Rep. Joel Hefley (R), putting himself in jeopardy against former Air Force officer Jay Fawcett (D). But the district is

heavily Republican.

### IDAHO: A Surprising Showing by Democrats

Idaho is usually strongly Republican, but this year is so competitive that Vice President Cheney made a rescue visit on Thursday. The governorship, held by a seat-warmer since Dirk Kempthorne (R) became secretary of interior, was supposed to go to Rep. Butch Otter (R), who had been lieutenant governor for many years. But Otter dithered and allowed newspaper publisher Jerry Brady (D), who ran unsuccessfully for governor in 2002, to catch him in the polls. Now that the GOP is mobilized by the threat, Otter may be winning it.

State Rep. Bill Sali (R), the Club for Growth candidate, won a six-way primary for Otter's seat with 26 percent of the vote and has struggled ever since. Sali's opponent, Boise business executive Larry Grant (D), has run ads filled with quotes from GOP leaders denouncing Sali for his actions in the legislature. With Boise's growth drawing in more Democrats, this race could be close.

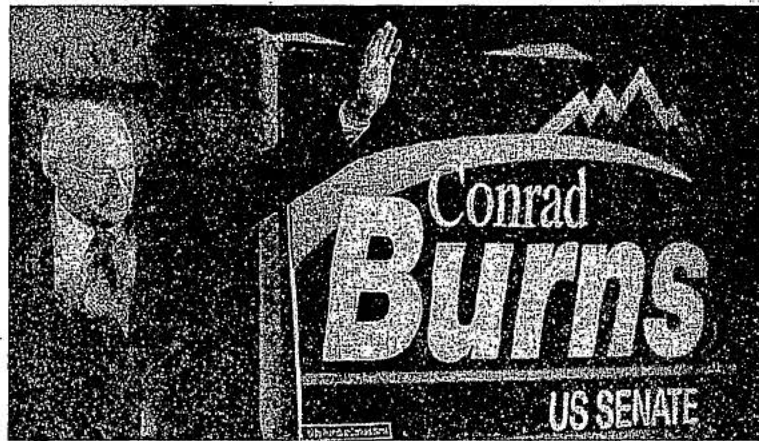
### MONTANA: Tough Race, but GOP Sees Hope

Sen. Conrad Burns (R) has been running uphill all year, but Republicans suddenly think this could be a bright spot for them on Tuesday.

Burns was dogged early by connections to convicted lobbyist Jack Abramoff and dug himself deeper into a hole with a series of verbal gaffes. His opponent, state Senate President Jon Tester (D), is of the same mold as Democratic Gov. Brian Schweitzer and for most of October had a narrow but clear lead. But Republicans have pounded Tester on taxes, and the party is counting on late visits by Bush and Cheney to produce a big GOP turnout. Democrats say their get-out-the-vote operation is very strong. This is a tossup.

### NEVADA: Scandal Makes Race Competitive

Rep. Jim Gibbons's (R) gubernatorial campaign ap-



Vice President Cheney stumped in Montana last week for the Senate incumbent and a House candidate, part of an eleventh-hour effort to stem Republicans' congressional losses. Democrats expect good turnout in the state.

peared to be on cruise control until late last month, when allegations of inappropriate behavior with a woman in Las Vegas surfaced. Gibbons has denied any wrongdoing, but the damage is done. His race with state Sen. Dina Titus is now a jump ball, with Republicans acknowledging that the trend line does not look good.

In the 2nd District, which Gibbons is leaving, Nevada Secretary of State Dean Heller (R) faces a surprisingly strong challenge from University of Nevada Regent Jill Derby (D). Democrats were more optimistic about Derby's chances a week or so ago and say the district's strong Republican bent makes this a long shot.

The 3rd District, which takes in much of Las Vegas's fast-growing suburbs, could be very competitive; Bush won it 56 percent to 49 percent in 2004. But Rep. Jon Porter (R) won easily two years ago. Tessa Halen (D), a former aide for Senate Minority Leader Harry Reid, has run a credible campaign but probably needs a strong national wind to end up ahead.

Sen. John Ensign (R) is heavily favored for a second term as Jack Carter (D), son of former president Jimmy Carter, has run a less-than-stellar campaign.

### UTAH: Solid Incumbents for Senate, House

Republican Sen. Orrin Hatch, a 30-year political veteran, is assured of a win against business executive Pete Ashdown (D). Rep. Jim Matheson (D) is having a relatively easy time against state Rep. LaVar Christensen (R).

### WYOMING: A Gaffe? Still Favored to Win

Rep. Barbara Cubin (R) is facing an unexpectedly strong challenge from school-board commissioner Gary Trauner (D) but is likely to pull out a win because Wyoming is heavily Republican. Her campaign was not helped when she told a third-party candidate who uses a wheelchair, "If you weren't sitting in that chair, I'd slap you across the face." She said the quote is inaccurate, but she apologized.

Sen. Craig Thomas (R) is expected to cruise to victory over retired Navy mechanical engineer Dale Grougée (D), as is Gov. Dave Freudenthal (R) over lawyer and 2002 challenger Ray Hudkins (D).

### KEY RACES

RACE	REPUBLICAN	DEMOCRAT
Colo. 4th Dist.	Rep. Marilyn Musgrave	Angie Paccione
Idaho 2nd Dist.	Rep. Mike Simpson	Jim Harter
Mont. Senate	Sen. Conrad Burns	Jon Tester
Nev. gov.	Rep. Jim Gibbons	Dina Titus
Nev. 3rd Dist.	Rep. Jon Porter	Tessa Halen

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# THE MID-ATLANTIC

## DELAWARE: Focus Is on Attorney General

In a state that loves its incumbents, Sen. Tom Carper (D) has barely had to bother with the opposition from Temple University professor Jan Ting (R). More attention has focused on the effort by Beau Biden (D), son of Sen. Joseph Biden (D-Del.), to win the attorney general's race against Ferris Wharton (R), a 23-year veteran of the state Justice Department.

## DISTRICT OF COLUMBIA: Two Shoo-Ins

D.C. Council member Adrian Fenty, who defeated the council chairman, Linda Cropp, in the Democratic primary in September, is assured to be the next mayor of the District. Washington's longtime delegate to Congress, Eleanor Holmes Norton (D), is unopposed.

## MARYLAND: Close Despite Party Imbalance

If the 2006 election is hard for the GOP anywhere, it would seem that it would be Maryland, where voter registration is so lopsided: 55 percent Democratic, 29 percent Republican. But the races for governor and senator are extremely competitive.

Gov. Robert L. Ehrlich Jr. hopes to become the state's first GOP governor in 50 years to win a second term and has spent heavily to stress a moderate approach to governing. Baltimore Mayor Martin O'Malley (D) has led Ehrlich in every public poll but has been on the defensive against attacks that he has done a poor job fighting crime and firing schools.

The Senate race is to replace Paul S. Sarbanes (D), the longest-serving senator in Maryland history. President Bush and strategist Karl Rove handpicked Lt. Gov. Michael Steele (R) for his engaging personality and as a symbol of the party's efforts to reach out to African Americans. He faces Rep. Benjamin Cardin (D), whose more-than-40-year career in politics began when he was elected to the state legislature while in law school.

Steele has been the more stylish campaigner, but Cardin has not let voters forget that Steele's views on abortion and the war are not in line with most Marylanders'.

There is likely to be little change in Maryland's congressional delegation, including that a Sarbanes should still be in it. Lawyer and community activist John Sarbanes (D), the senator's son, is favored to win Cardin's seat.

## NEW JERSEY: Dueling Political Loyalties

There was some grumbling when Gov. Jon Corzine (D) named then-Rep. Bob Menendez as his replacement in the Senate last year, and those concerns have been magnified this fall. In a strongly Democratic state, Menendez has struggled against state Sen. Tom Kean Jr. (R), son of the former governor.

Kean has focused on corruption, charging that Menendez is under federal investigation, an allegation the incumbent calls scurrilous. Menendez has run against the war and Bush; Kean has tried to mute the issue by calling for the resignation of Defense Secretary Donald H. Rumsfeld. Menendez appears to be narrowly ahead.

In the 7th District, state Assemblywoman Linda Stender (D) is challenging Rep. Mike Ferguson (R), who could fall if Democrats have a big night Tuesday.

## NORTH CAROLINA: 1 Seat Safe, 1 in Play

After a decade in Congress, Rep. Charles Taylor (R) is in jeopardy of losing his 11th District seat. Taylor has spent nearly \$3 million of his money to attack former NFL quarterback Heath Shuler (D), but nothing seems to be sticking. Shuler's down-home ads have cast him as a solid conservative — a necessity in this GOP-leaning western North Carolina district where Bush won with 57 percent in 2004.

In the 8th District, Rep. Robin Hayes (R) is heavily favored over Larry Kissel (D) despite the even partisan split of the district.

## PENNSYLVANIA: Besieged GOP Incumbents

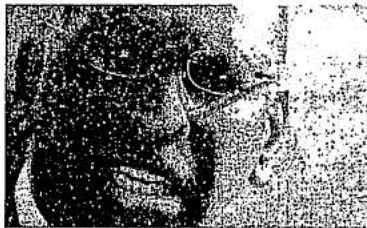
Football Hall of Fame receiver Lynn Swann (R) stumbled at the start of his race against savvy Gov. Ed Rendell (D) and, although he has become a strong candidate, is unlikely to overtake the incumbent.

In the Senate race, Rendell helped Democrats avoid a primary fight, engineering a clear field for state Treasurer Bob Casey Jr. to challenge conservative Sen. Rick Santorum, who is seen as the most vulnerable GOP incumbent. Santorum is the more dynamic candidate, but Casey has a solid lead.

Five Republican House members are in competitive races. The most likely to lose are Curt Weldon in the 7th District and Don Sherwood in the 10th District. Weldon has been damaged by an FBI investigation into whether he used his power to steer contracts to his daughter's consulting firm. Sherwood just paid about \$500,000 to settle a lawsuit from a former mistress who accused him of choking her. Weldon faces retired Navy Vice Adm. Joe Sestak (D), and Sherwood faces Chris Carney (D); a



Virginia Republican Sens. George Allen, right, and John Warner stopped last week at a company that tracks traffic, where Allen tried to turn his reelection campaign away from the racial and religious issues that have plagued him.



Maryland Lt. Gov. Michael Steele was chosen by the White House to run to replace a retiring senator.

Penn State University associate professor.

Rep. Jim Gerlach has a tough rematch against Lois Murphy (D) in the 6th District, in the Philadelphia suburbs. He is well-liked, but the war and the political climate have made the race a tossup.

The 8th District race pits Rep. Mike Fitzpatrick against Patrick Murphy (D), a 33-year-old Iraq veteran. The race is also considered a tossup, but some Democrats doubt Murphy can win without considerable help from a Democratic wave.

Rep. Melissa Hart began sending out an SOS when her race against Jason Altmire (D) in the 4th District began to tighten a few weeks ago. She retains an advantage, and of the five at-risk Republicans is seen as the least likely to lose. But her campaign is nervous.

## VIRGINIA: Unexpectedly Close Senate Race

What was supposed to be a reelection formality for Sen. George Allen (R) and a tune-up for the 2008 presidential nomination race has turned into one of the na-

tion's closest and most watched Senate campaigns. Allen sees his political future threatened by James Webb (D), who was secretary of the Navy under President Ronald Reagan and who opposed the war in Iraq even before it began.

Allen's problems are largely self-inflicted: He called an Indian American "macaca," he has been accused of routinely using racial epithets when he was in college, and his acknowledgment of his Jewish heritage was awkward. All badly damaged Allen's image.

Webb has been hurt by charges that a 1979 article denouncing the role of women in combat and at the Naval Academy was sexist and demeaning to women. Allen also criticized sex scenes from some of Webb's novels.

Allen thinks his 25 years in Virginia politics will help get his supporters to the polls; Webb is banking on a motivated electorate unhappy with Bush and Washington. Republicans are pessimistic about this race.

In House races, Rep. Thelma Drake (R) and Virginia Beach revenue commissioner Phil Kellam (D) are in a close race in the normally Republican Tidewater district. In Northern Virginia, Rep. Frank Wolf (R) is receiving a strong challenge from a Georgetown University dean, Judy Feder (D), but Democrats think Wolf will be difficult to dislodge.

## WEST VIRGINIA: GOP Window Slams Shut

Just a few months ago, Democratic Rep. Alan Mollohan's political career appeared to be in jeopardy. Allegations that he had steered millions of federal dollars to friends and family were splashed across the pages of national newspapers. Democrats pivoted to attack state Del. Chris Wakim (R) on his ethical transgressions, neutralizing the issue and virtually ensuring a 13th term for the incumbent.

Speaking of long-tenured politicians, Sen. Robert Byrd (D) is cruising to a ninth term against John Raese (R).

### KEY RACES

RACE	REPUBLICAN	DEMOCRAT
MD Gov.	Gov. Robert L. Ehrlich Jr.	Martin O'Malley
N.J. Senate	Tom Kean Jr.	Sen. Bob Menendez
Pa. 8th Dist.	Rep. Mike Fitzpatrick	Patrick Murphy
Pa. 6th Dist.	Rep. Jim Gerlach	Lois Murphy
Va. Senate	Sen. George Allen	James Webb



# THE SOUTH





# THE SOUTH

## ALABAMA: No 'Miracle' Expected

After beating a religious-right opponent in the primary, Gov. Bob Riley (R) is on his way to a second term. His opponent, Lt. Gov. Lucy Baxley (D) said it would take "a minor miracle" for her to win.

## ARKANSAS: Presidential Politics Weigh In

Gov. Mike Huckabee (R) is leaving the statehouse after 10 years and 110 pounds. Huckabee's dramatic weight loss has made him a national figure for physical fitness and health advocacy. It has also contributed to speculation that he will run for the 2008 GOP presidential nomination.

State Attorney General Michael Beebe (D) and former representative Asa Hutchinson (R) are battling to succeed Huckabee. President Bush is coming in to boost Hutchinson's campaign on the eve of the election, but Beebe recently welcomed favorite son and former president Bill Clinton, and the odds strongly favor the Democrat.

## FLORIDA: Crucial and Excruciating to GOP

Florida is the epicenter of two Republican debacles this year. One is the Mark Foley scandal, the other the dismal Senate campaign of Rep. Katherine Harris (R). Both have made the climate more difficult for Republicans in an otherwise red state.

Harris, best known for her role as Florida secretary of state during the 2000 presidential-election recount, has been such a weak candidate that Sen. Bill Nelson (D) is coasting to a second term and has helped put a better gloss on the Democratic brand in the process.

In the race to succeed Gov. Jeb Bush (R), Attorney General Charlie Crist (R) came out of the primary as the favorite, and he has heavily outspent his less-known rival, Rep. Jim Davis (D). But polls have tightened. The president will campaign Monday in the conservative Florida Panhandle in an eleven-hour effort to keep this presidential battleground in GOP hands.

Three Republican-held House seats are in jeopardy. When Foley resigned over sexually explicit messages to former House pages, his 16th District seat became vulnerable, in part because Foley's name will still be on the ballot. Democrat Tim Mahoney gained an immediate advantage, but the GOP stand-in, state Rep. Joe Negron, has fought back, and the national party put considerable money into the race. It's a tossup.

Rep. Clay Shaw (R) has faced a succession of challenging races in the 22nd District, and this year may be his toughest, against state Sen. Ron Klein. Shaw has distanced himself from Bush and even ran a radio ad touting his cooperation with President Bill Clinton, who was coming to the area to raise money for Klein.

Harris's district is the other one Democrats are targeting. Auto dealer Vern Buchanan (R) has called in both President Bush and first lady Laura Bush to help him stave off businesswoman Christine Jennings. Democrats were more confident two weeks ago. Republicans worry, knowing this is the kind of race they need to win

to keep the majority.

Davis's 11th District seat is likely to stay Democratic, with Hillsborough County Commissioner Kathy Castor his successor. In the 9th District, state Rep. Gus Bilirakis (R) is favored to succeed his father, Michael Bilirakis (R), but that race is more competitive.

## GEORGIA: Republicans' Cause for Hope

The Peach State is one of the few bright spots for Republicans nationally.

Former representatives Max Burns (R) and Mac Collins (R) have run solid campaigns as they seek to unseat Reps. John Barrow (D) and Jim Marshall (D), respectively.

Barrow defeated Burns in the 12th district in 2004, 52 percent to 48 percent, and, after redistricting organized by the Republican legislature, the party is increasingly optimistic about its chances there. This district could be one of the few Democratic losses on Tuesday.

The redistricting landed Marshall in the 8th District, which in its new form would have given Bush 61 percent in 2004. But Marshall has focused on solidifying his base around Macon and in spite of Collins's strong campaign is now a slight favorite.

Gov. Sonny Perdue (R) is a strong favorite to defeat Lt. Gov. Mark Taylor (D) and claim a second term.

## KENTUCKY: Ambitious Democratic Bids

The 4th District race, between Rep. Geoff Davis (R) and former representative Ken Lucas (D), is the marquee race in the state, pitting two able politicians against one another in this conservative-minded northern Kentucky seat. Lucas held the seat from 1999 to 2005 and has led in most polls, but Republicans have long insisted they will win here. Polling casts the race as close, with a slight edge to Davis.

Rep. Anne Northup (R) is targeted by Democrats every cycle. Her Louisville area seat was carried by the last two Democratic presidential nominees and has a significant black vote. But Northup wins regularly, relying on unparalleled fundraising and a knack for discrediting her opponents. Former alternative newspaper executive editor John Yarmuth (D) is not the strongest of Northup's recent challengers, but he is running in the best national environment for Democrats in recent memory.

The victory by 2nd District Rep. Ron Lewis (R) in a 1994 special election signaled the year's Republican wave that swept Democrats from the House majority. Democrats are hoping state Rep. Mike Weaver (D) can pull off an upset against Lewis, but this district's strong Republican tilt makes a Democratic win unlikely.

## LOUISIANA: Inquiry Could Sway Voters

A year after Hurricane Katrina ravaged New Orleans, the congressional race in the 2nd District is turning more on the conduct of Rep. William Jefferson (D) than on the aftermath of the historic storm. Jefferson is the subject of a federal corruption investigation.



Rep. Harold Ford Jr. has tried to keep his Senate campaign in Tennessee on message, linking the Republican incumbent to the Iraq war. His opponent, though, ran ads that made issues of Ford's race and family history.

The trouble has made it difficult for Jefferson to clear the 50 percent threshold needed to avoid a runoff. On his trail are state Rep. Karen Carter (D) and former New Orleans councilman Troy Carter (D). A runoff between Karen Carter and Jefferson would be a tossup.

Katrina's impact has been greater in the 3rd District, where Rep. Charlie Melancon (D) has helped get federal support. He looks likely to hold on to his seat against 2004 candidate state Sen. Craig Romero (R).

## MISSISSIPPI: Veteran Stands Strong

Sen. Trent Lott (R), eyeing a possible return to a leadership position and bragging of 34 years in Congress, has encountered few problems in turning back the challenge from state Rep. Erik Fleming (D).

## SOUTH CAROLINA: Likely Wins for Each

Gov. Mark Sanford (R) has battled the legislature throughout his four years and now is fighting a member of the Democratic minority, state Sen. Tommy Moore (D), for a second term. But everything favors Sanford in this Republican-leaning state.

The challenge to Rep. John Spratt (D) from state Rep. Ralph Norman (R) drew early national money, but Republicans no longer see an opportunity.

## TENNESSEE: A Racially Charged Campaign

Gov. Phil Bredesen (D) is far ahead in his bid for reelection, but the Volunteer State is home to one of the most fascinating — and competitive — Senate races in the country, pitting Rep. Harold Ford Jr. (D) of Memphis against former Chattanooga mayor Bob Corker (R).

Ford is seeking to become the first African American senator from the South since Reconstruction. Months ago, Republicans were worried by his skills as a candidate, and he has run, by Democratic and Republican accounts, a nearly flawless race. Campaigning as a Democratic centrist, he has tried to neutralize some of the issues that often trip up Democrats in the South while putting pressure on Corker over the Iraq war.

## KEY RACES

RACE	REPUBLICAN	DEMOCRAT
Fla. gov.	Charlie Crist	Rep. Jim Davis
Fla. 22nd Dist.	Rep. Clay Shaw	Rep. Ron Klein
Ga. 12th Dist.	Max Burns	Rep. John Barrow
Ky. 4th Dist.	Geoff Davis	Ken Lucas
Tenn. Senate	Bob Corker	Rep. Harold Ford Jr.

The Republicans have hammered Ford as a high-living playboy to paint him as out of step with the state's conservative voters. Their attacks caused an uproar in the final weeks when a party-sponsored ad that showed a young, white woman — clearly an actress — winking and saying, "Harold, call me." Democrats accused Republicans of trying to play the race card, and some Republicans agreed.

Corker was in some trouble earlier in the fall, until the White House and other Republicans in Washington forced a shake-up in his campaign. Ford will need a substantial turnout among African Americans and increased support among women to win. The race remains close, with a slight tilt to Corker.

There are no competitive House races. State Sen. Steve Cohen (D) is running to succeed Ford in the heavily Democratic 9th District, while state Rep. David Davis (R) is heading for the 1st District seat of retiring Rep. Bill Jenkins (R).

The 50-state roundup was reported and written by Washington Post staff writers David S. Broder and Dan Balz; Washington Post political researchers Zachary A. Goldfarb; and washingtonpost.com staff writer Chris Cillizza. Washington Post staff writer Robert Barnes contributed to this report.

# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the Presidential Materials Division.**

<b>Collection:</b>	Cheney Vice Presidential records			
<b>Office of Origin:</b>	Staff Secretary			
<b>Series:</b>				
<b>Subseries:</b>	Misc. Outbox, 2008			
<b>OA/ID Number:</b>	00626			
<b>Folder Title:</b>	February 9, 2008			
<b>Stack:</b>	<b>Row:</b>	<b>Section:</b>	<b>Shelf:</b>	<b>Position:</b>
20W4	4	4	4	1

**FOIAed Under:**

# Withdrawal/Redaction Sheet

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	John Hannah to David Addington (2 pages)	02/09/2008	P5
002. email	David Addington to Lucy Tutwiler (1 page)	02/09/2008	P5

**COLLECTION:**

Cheney Vice Presidential Records  
 Office of the Staff Secretary  
 Miscellaneous Outbox, 2008  
 OA/Box Number: 00626

**FOLDER TITLE:**

February 9, 2008

2014-0011-F

AYM15

### RESTRICTION CODES

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- 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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- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.  
 PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

Freedom of Information Act - [5 U.S.C. 552(b)]

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- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
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**MILLISON\_C**

**610451**

FG038

**Barcode Scanning Sheet**



Collection Code: **VTRACK**

Staff Name:

Document Date: **2/9/2008**

Correspondent:

Subject/Description: **2008 MISCELLANEOUS OUT BOX MATERIALS  
(UNCLASSIFIED) CNN WASHINGTON - COLIN POWELL  
MAY SUPPORT DEMOCRAT OR INDEPENDENT IN 08 -  
ARTICLE BBC NEWS - JAPAN ACCUSES RUSSIA OF  
INCURSION - ARTICLE STAR TELEGRAM - CHENEY  
RETURNING TO HUNT AT SITE OF INFAMOUS MISHAP -  
ARTICLE REUTERS - TURKISH PARLIAME ...**

## Colin Powell may support Democrat or Independent in '08

Posted: 09:45 AM ET, 2/9/08

**WASHINGTON (CNN)** – Former Secretary of State Colin Powell, a Republican who served under President Bush, said Friday he may not back the GOP presidential nominee in November, telling CNN that “I am keeping my options open at the moment.”

“I have voted for members of both parties in the course of my adult life,” Powell, a former chairman of the Joint Chiefs of Staff, told CNN’s Wolf Blitzer. “And as I said earlier, I will vote for the candidate I think can do the best job for America, whether that candidate is a Republican, a Democrat, or an Independent.”

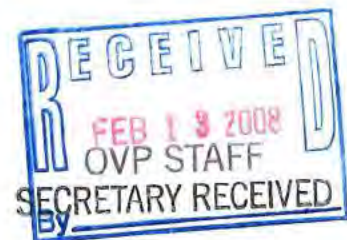
Powell also offered praise for Illinois Sen. Barack Obama, who is seeking the Democratic presidential nomination, calling him an “exciting person on the political stage.

“He has energized a lot of people in America,” said Powell, who briefly weighed his own run for the White House in the mid-1990s. “He has energized a lot of people around the world. And so I think he is worth listening to and seeing what he stands for.”

Powell, who has largely steered clear of politics since leaving the administration in 2004, noted that the next president will need to work to restore America’s standing in the world.

“I will ultimately vote for the person I believe brings to the American people the kind of vision the American people want to see for the next four years,” he said. “A vision that reaches out to the rest of the world, that starts to restore confidence in America, that starts to restore favorable ratings to America. Frankly, we’ve lost a lot in recent years.”

**Programming note: Tune in for the full interview with Colin Powell on “Late Edition with Wolf Blitzer,” airing this Sunday, 11-1 PM, ET.**



6/0451

2/9/08

**BBC NEWS**

## Japan accuses Russia of incursion

**Japan has accused Russia of violating its airspace over the Pacific Izu islands and demanded an explanation.**

A Russian Tupolev 95 bomber flew for about three minutes over the isle of Sofugan, 650km (400 miles) south of Tokyo, Japanese officials said.

Japan responded by scrambling 22 jets and lodging an official protest with the Russian embassy.

But a spokesman for the Russian air force denied any incursion into Japanese airspace had occurred.

Alexander Drobyshevsky told Russia's Itar-Tass news agency that strategic bomber flights had been "carried out in strict accordance with international rules on flying over neutral waters, without violating the border between the two countries".

### Rally

Russia last violated Japan's airspace in January 2006 near Rebun Island near the northern island of Hokkaido, Japanese officials said.

On Thursday, Japan held an annual rally to demand the return of four disputed islands - known as the Kurils in Russia and the Northern Territories in Japan - which Russia seized in the closing days of World War II.

The dispute has prevented the two countries from signing a peace treaty to formally end the war.

It was not clear whether Saturday's flyby was related to the rally.

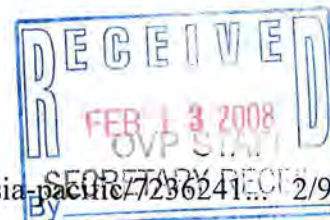
Despite their territorial disputes, Japan and Russia have recently indicated their desire to improve relations, the BBC's Chris Hogg reports from Tokyo.

Russia wants Japanese financial support for development of its far eastern regions while Japan wants greater access to Russia's oil reserves.

Whether the alleged incident was a mistake or something more sinister, such as an attempt to test Japan's defensive tactics, it has rattled the Japanese government, our correspondent says.

Tokyo has demanded a full explanation from Moscow.

Story from BBC NEWS:





(Ft. Worth, TX)

610451

Print This Article

Saturday, Feb 9, 2008

THE VICE PRES

EV

Essential Feb 9, 2008

# Cheney returning to hunt at site of infamous mishap

The Associated Press

Here's to better luck this time.

Vice President Dick Cheney is returning this weekend to the South Texas ranch where he accidentally shot a hunting companion two years ago. Anne Armstrong said Cheney was expected to arrive Friday at her family's 50,000-acre ranch.

"We have a wonderful quail crop, and he is a fabulous shot," said Armstrong, a former U.S. ambassador to Great Britain and adviser to Republican presidents.

It's Cheney's first trip back to the ranch since the Feb. 11, 2006, hunting mishap that sparked a worldwide frenzy of scrutiny and jokes.

Cheney shot Austin attorney Harry Whittington in the torso, neck and face with his 28-gauge shotgun. The vice president later called it "one of the worst days of my life" and said, "The image of him falling is something I'll never ever be able to get out of my mind."

The shooting was ruled an accident. Whittington was hospitalized for six days.

Press secretary Megan Mitchell said Cheney is scheduled to stay in South Texas through Sunday afternoon.

"It's a private visit with no public appearances," she said.

Cheney missed last year's trip because of scheduling conflicts, Armstrong said.

Armstrong said Whittington hunted at the ranch last year, but couldn't make it for this weekend's visit.

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**REUTERS** 

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## Turkish parliament lifts university headscarf ban

Sat Feb 9, 2008 11:00am EST

By Gareth Jones and Hidir Goktas

ANKARA (Reuters) - Turkey's parliament lifted a ban on Saturday on female students wearing the Muslim headscarf at university, a landmark decision that some Turks fear will undermine the foundations of their secular state.

Prime Minister Tayyip Erdogan's ruling AK Party, which has Islamist roots, hailed parliament's move as a triumph for democracy and justice in Turkey, a European Union candidate country where two thirds of women cover their heads.

"Our main aim is to end the discrimination experienced by a section of society just because of their personal beliefs," AK Party lawmaker Sadullah Ergin told private broadcaster NTV, adding that 80 percent of lawmakers had backed the reforms.

But underlining the powerful emotions the headscarf evokes, tens of thousands of people waving Turkish flags and chanting secularist slogans staged a protest rally against the changes just a few km (miles) from the parliament in central Ankara.

President Abdullah Gul is expected to approve the reform soon. The government must also amend a law governing the state body for higher education before the changes can take effect.

Turkey's powerful secular establishment, which includes army generals, judges and university rectors, sees the headscarf as a symbol of radical Islam and believe it threatens the country's secular order. Turkey is 99 percent Muslim.

Parliamentary speaker Koksal Toptan, -- the second ranking official in Turkey's state hierarchy after Gul -- said he hoped Turks could move beyond the divisions sparked by the reform.

"I hope this will be for the best of Turkey and hope it is done in a spirit of tolerance and reconciliation," Toptan said after lawmakers backed the changes by 411 for to 103 against.

Others were less optimistic, noting the main opposition CHP now plans to ask the Constitutional Court to block the reforms.

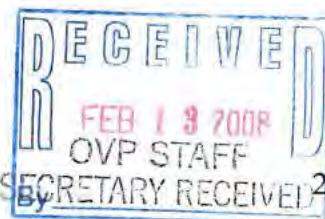
"The polarization of Turkish society will increase," said Murat Yetkin, a commentator for the liberal Radikal daily.

"Girls will start wearing the headscarf on campus from Monday," he said.

### COMPLEX IDENTITY

The headscarf issue cuts to the heart of Muslim but secular, Western-oriented Turkey's complex identity.

Erdogan, a pious Muslim whose own wife and daughters cover their heads, has long argued that the headscarf ban is a violation of individual and religious freedoms.



But Turkey's old secular elite regards the headscarf ban as vital for maintaining a strict separation of state and religion.

For them, freeing the headscarf is just a first step in what they see as a long campaign by religious conservatives to undermine Turkey's secular institutions, shut women up at home and turn Turkey away from Europe towards the Islamic world.

The AK Party denies the claims it has an Islamist agenda.

Ayse Ayata, a feminist professor of sociology at Ankara's Middle East Technical University, said it was now important to protect female students who do not wear the headscarf against possible social pressures to cover up on campus.

"Wearing the headscarf means accepting that as a woman you are different from birth, that you are a second class citizen," Ayata said.

Similar concerns were voiced by demonstrators at Saturday's anti-headscarf rally, the second in Ankara in a week.

"I do not want my wife to have to cover herself up, but that is where all this is leading. They want to segregate men and women," said Devrim Ozkaya, 31, a company employee.

Demonstrators waved pictures of Kemal Ataturk, the revered soldier-statesman who founded the Turkish republic in 1923.

"They (government) want us to become like Iran, they want to bring (Islamic) sharia law to Turkey," said Ebru Okay, 32, who had traveled from the Aegean port of Izmir to join the rally.

The headscarf ban in universities dates back to the 1980s but was significantly tightened in 1997 when army generals, with public support, ousted a government they deemed too Islamist.

The army has remained silent during the latest debates, but senior judges and university rectors have condemned the planned changes as "unconstitutional".

Opinion polls show a majority of Turks back an easing of the ban. Even after the reforms, women professors as well as civil servants will still be prohibited from wearing the headscarf.

(Additional reporting by Thomas Grove; Editing by Sami Aboudi)

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From: Whitelaw, Aimee  
To: DL-OVP-WW; Addington, David S.; O'Donnell, Claire M.; Morgan, Derrick D.;  
Wheelbarger, Kathryn L.  
Sent: Sat Feb 09 23:00:00 2008  
Subject: Updates on LA and WA

Washington Caucus - Republican Results - 38% Reporting

Mike Huckabee <<http://projects.washingtonpost.com/2008-presidential-candidates/mike-huckabee/>> 1,828 27%

John McCain <<http://projects.washingtonpost.com/2008-presidential-candidates/john-mccain/>> 1,580 23%

Ron Paul <<http://projects.washingtonpost.com/2008-presidential-candidates/ron-paul/>> 1,400 21%

Mitt Romney <<http://projects.washingtonpost.com/2008-presidential-candidates/mitt-romney/>> 1,246 18%

Uncommitted 742 11%

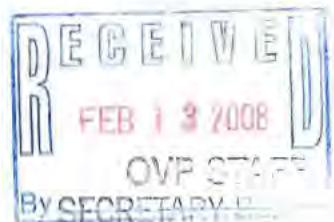
Louisiana Primary Republican Results - 71% Reporting

Mike Huckabee 46,552 47%

John McCain <<http://projects.washingtonpost.com/2008-presidential-candidates/john-mccain/>> 39,759 40%

Mitt Romney <<http://projects.washingtonpost.com/2008-presidential-candidates/mitt-romney/>> 5,865 6%

Ron Paul <<http://projects.washingtonpost.com/2008-presidential-candidates/ron-paul/>> 4,926 5%



# Withdrawal/Redaction Marker

## Presidential Materials Division

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	John Hannah to David Addington (2 pages)	02/09/2008	P5

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### COLLECTION:

Cheney Vice Presidential Records  
Office of the Staff Secretary  
Miscellaneous Outbox, 2008  
OA/Box Number: 00626

### FOLDER TITLE:

February 9, 2008

2014-0011-F  
AYM15

### RESTRICTION CODES

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

Freedom of Information Act - [5 U.S.C. 552(b)]

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Feb 9, 6:18 PM EST

## Guests for the Sunday TV News Shows

Guest lineup for the Sunday TV news shows:

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ABC's "This Week" - Govs. Tim Kaine, D-Va., and Martin O'Malley, D-Md.; Rep. Tom Davis, R-Va.; former Rep. Tom DeLay, R-Texas.

---

CBS' "Face the Nation" - Former Gov. Mike Huckabee, R-Ark.; Joe Trippi, former John Edwards campaign adviser; Karl Rove, former deputy chief of staff to President Bush.

---

NBC's "Meet the Press" - Huckabee.

---

CNN's "Late Edition" - House Speaker Nancy Pelosi, D-Calif., House Minority Leader John Boehner, R-Ohio; former Secretary of State Colin Powell, Sen. Claire McCaskill, D-Mo., and Sen. Robert Menendez, D-N.J.

---

"Fox News Sunday" - President Bush.

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**BBC NEWS**

## US says Mullah Omar 'in Pakistan'

**Taleban leader Mullah Omar and al-Qaeda commanders, including Osama Bin Laden, are living in Pakistan, a senior US official has told reporters.**

He said senior Taleban leaders were in hiding with Mullah Omar in Quetta, from where they co-ordinated the insurgency in Afghanistan.

He also reiterated Washington's belief that Bin Laden was taking refuge in Pakistan's western tribal areas.

Islamabad repeatedly denies that Mullah Omar or Bin Laden are in Pakistan.

The US official, speaking on condition of anonymity in Washington, told reporters:

"There is no question that the iconic leaders of al-Qaeda - (Ayman al-)Zawahiri, Bin Laden... are in the tribal areas of Pakistan.

"We believe that the Taleban's shura (consultation) council leaders led by Mullah Omar reside in Quetta in Pakistan," he said.

### Captured evidence

The official, who did not give a source for his information, said al-Qaeda was doing its planning in the tribal areas "just as Mullah Omar is giving strategic direction for the Taleban from Quetta".

Quetta is the capital of rugged Balochistan province which borders Afghanistan.

Last month, captured Taleban spokesman Muhammad Hanif made similar claims about Mullah Omar's whereabouts, which were rejected by Pakistan.

Mr Hanif said Mullah Omar was protected by Pakistan's Inter-Services Intelligence agency.

Afghan President Hamid Karzai made similar allegations last year. The ISI was instrumental in backing the Taleban after civil war swept Afghanistan following the withdrawal of Soviet troops in 1989.

Story from BBC NEWS:  
[http://news.bbc.co.uk/go/pr/fr/-/2/hi/south\\_asia/7236177.stm](http://news.bbc.co.uk/go/pr/fr/-/2/hi/south_asia/7236177.stm)

Published: 2008/02/09 04:20:06 GMT

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