

**Subject:** FW: Night Note 11/1  
**From:** "McMillin, Stephen S." <stephen\_s.\_mcmillin@omb.eop.gov>  
**Sent:** Tue, 01 Nov 2005 22:28:21 -0500  
**To:** Karl Rove <kr@georgewbush.com>, "Rove, Karl C." <k\_rove@who.eop.gov>, "Hughes, Taylor A." <taylor\_a.\_hughes@who.eop.gov>, "Jackson, Barry S." <barry\_s.\_jackson@who.eop.gov>, "Smith, Heidi M." <heidi\_m.\_smith@who.eop.gov>, "Kavanaugh, Brett M." <brett\_m.\_kavanaugh@who.eop.gov>, "West, Christal R." <christal\_r.\_west@who.eop.gov>, "Weinstein, Jared B." <jared\_b.\_weinstein@who.eop.gov>, "Boyer, Matthew W." <matthew\_w.\_boyer@who.eop.gov>, "Kropp, Emily L." <emily\_l.\_kropp@who.eop.gov>, "Katz, Jeremy L." <jeremy\_l.\_katz@who.eop.gov>, "Ralston, Susan B." <susan\_b.\_ralston@who.eop.gov>, "Kane, M. Lauren" <mary\_l.\_kane@who.eop.gov>, "Hoare, Thomas H." <thomas\_h.\_hoare@who.eop.gov>, "Hook, Brian H." <brian\_h.\_hook@who.eop.gov>, "Rove, Karl C." <k\_rove@who.eop.gov>, "Hughes, Taylor A." <taylor\_a.\_hughes@who.eop.gov>, "Jackson, Barry S." <barry\_s.\_jackson@who.eop.gov>, "Smith, Heidi M." <heidi\_m.\_smith@who.eop.gov>, "Kavanaugh, Brett M." <brett\_m.\_kavanaugh@who.eop.gov>, "West, Christal R." <christal\_r.\_west@who.eop.gov>, "Weinstein, Jared B." <jared\_b.\_weinstein@who.eop.gov>, "Boyer, Matthew W." <matthew\_w.\_boyer@who.eop.gov>, "Kropp, Emily L." <emily\_l.\_kropp@who.eop.gov>, "Katz, Jeremy L." <jeremy\_l.\_katz@who.eop.gov>, "Ralston, Susan B." <susan\_b.\_ralston@who.eop.gov>, "Kane, M. Lauren" <mary\_l.\_kane@who.eop.gov>, "Hoare, Thomas H." <thomas\_h.\_hoare@who.eop.gov>, "Hook, Brian H." <brian\_h.\_hook@who.eop.gov>  
**Cc:** "McMillin, Stephen S." <stephen\_s.\_mcmillin@omb.eop.gov>, "McMillin, Stephen S." <stephen\_s.\_mcmillin@omb.eop.gov>  
[Cabinet Member Schedule 11-1.doc](#)  
[Working Group Calendar 11-1.doc](#)  
[Policy Time Calendar 11-01.doc](#)  
[Pending Issues 11-1.doc](#)

Attached are the Pending Issues for November 1, the Policy Time Calendar, the Working Group Calendar, and the Cabinet Schedule.

OFFICE OF CABINET LIAISON



CABINET MEMBER SCHEDULE

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WEDNESDAY 11/02/2005

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**Secretary Nicholson**

b(6)

**Secretary Bodman**

4:00pm – 4:15pm

2 FL/WW

Meeting with Secretary Card- National Academy of Science Study Meeting

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THURSDAY 11/03/2005

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No events scheduled.

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FRIDAY 11/04/2005

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**Administrator Johnson**

b(6)

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MONDAY 11/07/2005

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**Secretary Norton**

3:30pm – 4:15pm

Room 164

Meeting with Jim Connaughton- Asia-Pacific Partnership

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TUESDAY 11/08/2005

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**Secretary Jackson**

10:15am – 10:45am

Room 164

Meeting with Liza Wright- Introduction

10:45am – 11:15am      **Room 164**      Meeting with National Multi-Housing Council Leadership (TBD)

*Participants:*

HUD  
Camille Pierce, CoS  
Scott Keller, DCoS

National Multi-Housing Council Leadership  
Doug Bibby, President  
Jim Arbury, Senior Vice President  
Jean Marie McGlynn, Vice President of Property Management  
Lisa Blackwell, Vice President of Housing Policy

11:15pm – 12:15pm      **Room 164**      Office Time

**Secretary Johanns**

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

*Participants:*

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

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

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

## Working Group Calendar

### WORKING GROUP CALENDAR

| Monday, October 31 <sup>st</sup>  | Tuesday, November 1 <sup>st</sup>   | Wednesday, November 2 <sup>nd</sup>   | Thursday, November 3 <sup>rd</sup>   | Friday, November 4 <sup>th</sup>   |
|---|---|---|--|--|
| <p>10:00 OMB: Meeting on FY07 HHS budget – Director’s review</p> <p>2:15 DHS/DOL: Immigration Briefing – Deputies</p> <p>4:00 NEC: Housing Meeting – Deputies</p> | <p>1:00 HSC/DPC/HHS: Call on Avian Flu Preparedness</p> <p>3:00 DPC: Weekly ED Call – PCC</p> <p>5:30 DPC: Weekly DOJ Call – PCC</p> <p>6:30 NEC: Medicare Strategy Call – Deputies</p> | <p>11:00 DPC: Weekly Conf Call w/ DOL (BH)</p> <p>12:00 DPC: Job Training Meeting – PCC</p> <p>4:00 COMM: Business Outreach on Avian Flu – Deputies</p> | <p>10:00 DPC: Weekly Call w/ HHS (JK)</p> <p>10:00 OMB: Meeting on FY07 HUD budget – Director’s review</p> <p>11:00 DPC: Health Care Issues Meeting – PCC</p> <p>11:30 NEC: Meeting on Medicare – PCC</p> <p>1:00 DPC: Weekly Asbestos Call – PCC</p> <p>2:00 OMB: Meeting on Pay Review with DDM – Director’s review</p> <p>3:30 NEC: Medicare Meeting – PCC (JK)</p> <p>4:00 NEC: Medicaid Meeting – PCC (JK)</p> <p>4:00 DPC: DOT briefing on Aviation System Financing – PCC</p> | <p>11:00 DPC: Amtrak approps/reform strategy meeting – PCC</p> <p>2:00 OSTP: Meeting on the House/Senate Conference strategy on DTV – Deputies</p> |

## Working Group Calendar

| Monday, November 6 <sup>th</sup> | Tuesday, November 7 <sup>th</sup>   | Wednesday, November 8 <sup>th</sup>            | Thursday, November 9 <sup>th</sup>  | Friday, November 10 <sup>th</sup> |
|----------------------------------|---|--|---|-----------------------------------|
|                                  | <p>9:00 NEC: Biweekly Pension Call – PCC (JK)</p> <p>9:15 DPC: Weekly DOT call – PCC</p> <p>3:00 DPC: Weekly ED Call – PCC</p> <p>5:30 DPC: Weekly DOJ Call – PCC</p> | <p>11:00 DPC: Weekly Conf Call w/ DOL (BH)</p> | <p>9:00 NEC: Biweekly Pension Call – PCC (JK)</p> <p>10:00 DPC: Weekly Call w/ HHS (JK)</p> <p>1:00 DPC: Weekly Asbestos Call – PCC</p> <p>2:30 NEC: Medicaid Meeting – PCC (JK)</p> <p>3:30 NEC: Medicare Meeting – PCC (JK)</p> |                                   |

## POLICY TIME – NOVEMBER 2005

| SUN | MONDAY                                 | TUESDAY   | WEDNESDAY                                     | THURSDAY                                 | FRIDAY        | SAT |
|-----|--|---|---|--|---------------|-----|
| 30  | 31<br><br>1:30-2:15 NEC: Energy Supply | 1<br><br>2:10-2:55 NEC: Innovative Health Ideas (Mass Health and FL Medicaid) | 2<br><br>2:35-3:20 NEC/CEA: Economic Overview | 3<br>NO TIME                             | 4<br>NO TIME  | 5   |
| 6   | 7<br>NO TIME                           | 8<br><br>1:30-2:15 NEC: Health Big Think                                      | 9<br>NO TIME                                  | 10<br><br>1:05-1:50 OMB: FY07 Budget     | 11<br>NO TIME | 12  |
| 13  | 14<br>NO TIME                          | 15<br>NO TIME   | 16<br>NO TIME                                 | 17<br>NO TIME                            | 18<br>NO TIME | 19  |
| 20  | 21<br>NO TIME                          | 22<br><br>DPC/HSC: Immigration (45 min)                                       | 23<br>NO TIME                                 | 24<br>NO TIME<br><br><i>THANKSGIVING</i> | 25<br>NO TIME | 26  |

11/01/05

**Possible November Policy Times: China Overview; SOTU; 07 Budget; Voucher Expansion; NASA; Family Agenda**

November 1, 2005

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

FROM: STEVE MCMILLIN, BRIAN HOOK and JEREMY KATZ

RE: NIGHT NOTE

**Tax Reform.** The Tax Reform Panel delivered its 272-page report to Secretary Snow today. Secretary Snow said that the Panel's recommendations form the "foundation" for prospective Treasury recommendations to the President and said that his department could be in a position to deliver recommendations by year end, but later backed off any specific timetable. Preeminent among controversial measures was the Panel's recommendation to replace the Home Mortgage Interest Deduction with a credit and place a cap on it, regionally adjusted. Press & industry reaction by and large has tracked with expectations. Unsurprisingly, the most vocal opponents include the housing industry (mortgage bankers, homebuilders, realtors), life insurers, big healthcare plans, and representatives of high-tax states.

**Avian Flu.** Tomorrow, Secretary Leavitt will host a conference call along with Deputy Secretary Sampson and 20 Association representatives to discuss preparedness and response efforts related to pandemic influenza and the private sector. HHS and NEC are working together on a guidance document for the business community that they hope to be ready to make public in the next several weeks. OLA and HHS staff went to the Hill this evening to further brief House and Senate staff on the President's budget proposal.

**Uncompensated Care.** CMS received a waiver application from Louisiana this evening.

**Tsunami Response.** Tomorrow afternoon the U.S. International Trade Commission (ITC) will vote on whether the antidumping orders on shrimp from India and Thailand should continue in light of the damage caused to each country's industry by the December 2004 tsunami. The ITC found the U.S. shrimping industry was injured by dumped shrimp from India and Thailand in January 2005. It was asked to re-evaluate this decision, however, following the tsunami and its impact on the industries in India and Thailand. In the decision it is scheduled to make tomorrow, the ITC will essentially be evaluating whether the Indian and Thai industries have the capacity to injure U.S. producers.

**Energy.** NEC will host a Principals meeting tomorrow to discuss whether we should be willing to trade more spending on LIHEAP for Clear Skies and NSR codification.

## Other Issues

- Amtrak (Sharp/DPC; Hook)
- Asbestos (Ho/DPC; Hook)
- Associated Health Plans (Leggitt/DPC; Katz)
- Bahrain FTA (Daly/NSC; Katz) - Tomorrow, House Ways and Means will hold a mock mark-up of the Bahrain FTA bill (Senate Finance may also hold its mock mark-up next Monday). Although USTR believes the Bahrain FTA will pass in both chambers, there are some difficulties getting buy-in from House Democrats due to concerns regarding Bahrain labor practices. USTR is working with Bahrain and Congress to resolve the concerns. State has proposed that Secretary Rice contact the Democratic and Republican committee leaderships to help push the FTA through. Following the mock mark-ups, USTR will send to the NSC the formal legislation to be sent to the Hill, which will likely occur within the next few weeks.
- Brazil Compulsory Licensing of HIV/AIDS Drugs (Hunter/NSC; Katz)
- BSE (Sommers/NEC; Katz)
- CAFE (Sharp/DPC; Hook)
- Campaign Finance Reform (Taylor/OPA; Hook)
- Canada Lumber (Hunter/NSC; Katz)
- Case Management for Evacuees (Streeter/DPC; Hook) -- DHS announced last week through a press release that they have awarded the \$66 million case management contract to UMCOR, an NGO that will be hiring 600 case managers and enlisting 2,400 volunteer case managers to help evacuees get stabilized. The contract is for a two-year period. DHS predicts that one month will be required to get the program ramped up, which essentially involves recruiting the case managers and getting them distributed throughout the evacuee population.
- *China (Herrmann/NSC; Katz) - Our negotiators continued to meet with their Chinese counterparts today and are close to concluding an agreement that would promote stability in U.S.-China textile trade through the end of 2008, when the agreement would expire. One of the last major issues before the negotiators is whether nightwear/pajamas will be covered by the agreement. We also expect to hear from the Chinese on whether they are willing to sign a so-called "bridge agreement" in relation to socks before midnight tonight. The bridge agreement would provide for a two-month quota on socks at the level that would have been imposed had we invoked the safeguard today (this presumes that a broader agreement that covers socks would take effect on January 1, 2006). Our negotiators have informed the Chinese that if they do not sign the bridge agreement before midnight tonight, CITA will invoke the safeguard on socks. Commerce has contacted Senator Sessions, Representative Aderholt, and a leading representative of the domestic sock industry and all three have indicated their comfort in proceeding with a bridge agreement. If a broader deal is concluded, it appears that Ambassador Portman and Minister Bo would sign the agreement early next week, allowing this dispute to be resolved in advance of the President's trip to Beijing later this month.*
- Clear Skies (Stolpe/CEQ; Hook) -
- Community College Grants (Sharp/DPC; Hook)
- Cotton (Daly/NSC; Katz)
- Davis Bacon (Sharp/DPC; Katz)
- Doha (Hunter/NSC; Katz)
- Drug Reimportation (Leggitt/DPC; Katz)
- *Education (Troy/DPC; Hook) - The first weekly Department of Education-WH conference call was held today. The Higher Education Act Reauthorization Bills are now out of committee in both the House and Senate. We also learned that Xavier, Tulane, Loyola and Dillard*

*Universities will re-open in early January 2006. Loyola has asked FEMA for trailers to house faculty; each institution is frustrated by delays with the SBA loan application process.*

- Endangered Species Act (CEQ; Hook) – On 9/30 the House passed Pombo’s rewrite of the ESA by a vote of 229-193.
- Exon-Florio/CFIUS Hearings (Hunter/NEC; Katz)
- FAA (Sharp/DPC; Hook) - FAA and the National Air Traffic Controllers Association continue to negotiate a new contract.
- Farm Bill (Sommers/NEC; Katz)
- FDA (Thompson/DPC; Katz) - This Thursday, an FDA federal advisory board will discuss the possibility of allowing rapid HIV tests to be sold over-the-counter. This move has been controversial for years, since the time when finding out that one is HIV+ was a certain death sentence. AIDS activists are slowly supporting the idea recognizing that HIV is now a chronic disease and the need for people to know their status is crucial to curbing the growth of the epidemic.
- FDIC Reform (Warsh/NEC; Katz)
- Federal Sentencing Guidelines (Ho/DPC; Hook)
- Fiduciary Duties of Union Officials (Sharp/DPC; Hook) -- DOL has formally submitted to OMB clearance a request for information regarding the fiduciary duties of union officials under the Labor Management Reporting and Disclosure Act.
- Flood Insurance (Warsh/NEC; Katz) - House Financial Services increased the borrowing authority of the Federal flood program by \$5 billion; floor action is expected this week. Senate Leadership instructed Senate Banking on Friday to await House action, and then provide an additional \$5 billion (total \$10 billion) so they can avoid a second vote on the subject until late January.
- Florida Everglades (Hannegan/CEQ; Hook)
- FMLA (Sharp/DPC; Hook)
- Global Fund (Thompson/DPC; Hook) - The World Health Organization IG is preparing a report on allegations of misconduct/misuse of funds at the Global Fund. The report is expected to be released sometime before the Global Fund board meeting in Morocco on Dec. 12-16. We do not yet know how severe the findings will be, but the head of the WHO has privately said the report will be “substantial.” It could range from someone having not followed proper administrative procedures to evidence of the need for the Executive Director to step down. The Coordinator's Office is working on possible communications options when the report is released.
- GSEs (Warsh/NEC; Katz)
- Head Start (DPC; Hook) - The House has approved a Head Start bill. The bill introduces more competition to the program and involves states and localities to a greater degree.
- Health IT (Leggitt/DPC; Katz) – The target date for the next AHIC meeting is November 29<sup>th</sup>.
- Helping America’s Youth (Medina/DPC; Hook) -
- Homesteading (Streeter/DPC; Hook) - DPC, OMB, and HUD have worked through all of the outstanding issues that Sen. Allard’s staff and Senate Banking staff had raised before Allard would agree to introduce the bill. The issues centered on whether an authorized budget amount would be included and whether HUD would have the ability to make certain financing arrangements available as part of the program. We agreed that Allard could include an amount if he wished, but we left it to his staff to determine the number in conjunction with the FHA experts. And we all agreed that no new financing arrangements were needed, since financing instruments currently on the market are sufficient. While we have heard Allard is “eager” to introduce the bill, we still do not know when.

- *Homeownership (Streeter/DPC; Hook) -- The national homeownership rate rose in the 3rd Q of 2005 to 68.8 percent, up .2 percent from the previous quarter but down .2 percent from the 3rd Q 2004. The minority homeownership rate of 51.2 percent was up .4 percent from the previous quarter and up .3 percent from the 3rd Q 2004. But it is .4 percent below its all-time high in the 1st Q 2005. Regarding the President's initiative to increase minority homeownership by 5.5 million by 2010, there are now 2.35 million net new minority homeowners, which represents 43 percent of the goal.*
- *Housing (Streeter/DPC; Hook) - Michael Jackson met on 10/31 with Al Hubbard and EOP deputies to discuss transitional housing issues. They discussed how to handle the population that reaches the maximum of direct cash assistance it can receive from FEMA but still has rental housing needs, and how to deal with the flow of trailers into the region. There was basic agreement that trailers could continue so long as they were needed for people whose work required it or who would locate on their property while their homes are being rebuilt. FEMA must demonstrate it clearly understands these criteria. They also agreed that FEMA should pay for additional rent on a means-tested basis for families that have reached the maximum of FEMA cash assistance for legitimate reasons other than rent. There will be a firm 18-month maximum for all FEMA rental assistance and other FEMA funded trailers and apartments. DHS will follow up by giving us a clear communications plan, which has been lacking up to now.*
- *Immigration (Ho/DPC; Hook) – Karl met today with Chairman Sensenbrenner and Chairman King separately to discuss immigration reform. At both meetings Karl offered to have HSC and DHS staff begin meetings with their committee staffs as they begin to draft legislation. King was committed to move a border security bill out of committee in mid-November, but Sensenbrenner raised a number of concerns about doing the same in his committee. He prefers to wait until after the House returns in January. King confidentially relayed that Hastert and Delay will pressure Sensenbrenner to take action so the House can vote on a border security bill before recess.*
- *Indian Trust/Cobell (Ho/DPC; Hook) - The Court of Appeals for the D.C. Circuit granted on 10/25 the Justice Department's request for an emergency stay of Judge Lamberth's most recent order in the Cobell case. Judge Lamberth had ordered the Interior Department to shut down all its computer systems that involve Indian trust data either directly or indirectly. The Justice Department argued that the terms of the order are very broadly defined, and that it imposes extremely burdensome obligations on the Interior Department.*
- *Legal Reform (Ho/DPC; Hook) - HSC hosted an interagency meeting to discuss DHS's draft legislation regulating chemical facilities. It includes significant liability protections that would (1) ensure consistency of regulation as between federal, state, and local authorities; (2) ensure that state tort law cannot set a different regulatory standard than federal regulators have determined is appropriate; and (3) offer companies that qualify the liability protections embodied in the SAFETY Act, such as protection against punitive damages where companies have complied with applicable, governing federal laws and regulations. The liability protections offered by the draft legislation would also likely operate as a strong incentive for companies who might otherwise not be subject to the Act to nonetheless comply voluntarily so as to receive the liability protections. The draft legislation thus has the potential to further the President's legal reform agenda of reducing the burden of litigation on law-abiding companies (and so on consumers).*
- MCC (Shirzad/NSC; Katz)
- Medicaid Clawback (Ramthun/NEC; Katz)
- Medicaid Commission (Ramthun/NEC; Katz)
- Medical Liability (Ho/DPC; Hook)

- Methamphetamine (Leggitt/DPC; Katz)
- Microsoft (Altbach/NSC; Katz)
- *Municipal Finance (Warsh/NEC; Katz)* - Al Hubbard asked Sec. Snow to contact Chairman Thomas and Chairman Grassley to oppose providing Federal guarantees to municipal financings in the Gulf Region. Thomas confidentially alerted Snow that he shared the Administration's view, despite its inclusion in his draft Katrina tax bill which was done at Rep. McCrery's behest. Thomas does not expect the guarantees to survive final mark-up in Ways & Means and floor consideration. *We confirmed today that Snow has still not yet connected with Grassley.*
- NASA (Russell/NEC; Katz)
- Native Hawaiian (Ho/DPC; Hook)
- NCLB (Medina/DPC; Hook)
- Partial Birth Abortion Ban (Ho/DPC; Hook)
- Patriot Act (Mitnick/HSC; Hook)
- Pensions (Blahous/NEC; Katz)
- Personal Stockpiles (Rapuano; HSC; Hook)
- Philadelphia Transit Strike (Sharp/DPC; Hook) – On Monday, Philadelphia bus, subway, and trolley operators went on strike, disrupting the morning commute of 400,000 people. Commuter rail service, however, continues to serve the public. Negotiations are being conducted under the auspices of Pennsylvania state mediators. The Federal Mediation and Conciliation Service is in contact with both sides and is closely monitoring the situation. The last Philadelphia transit strike, in 1998, lasted 40 days.
- *Physician Payments (Ramthun/NEC; Katz)* - Tomorrow, CMS will publish a final regulation that will officially set the Medicare fee schedule for physicians effective January 1, 2006. The final rule implements a statutorily-mandated decrease in fees of 4.4% compared to 2005. This negative update is a result of the "sustainable growth rate" (SGR) formula, which the Congress enacted in 1997 to update Medicare payments to physicians. The rule also implements several other policy changes, including reducing payments for multiple imaging procedures performed in the same session, and reducing the supplying fees for multiple Part B oral drugs provided to a beneficiary within the same month. *Tonight, NEC hosted a conference call with OMB, Communications, OVP, OLA and CMS where we agreed that we will work with Congress on providing doctors a 0% update for their physician fees if they agree to report data to CMS on quality. Thus, doctors who don't report quality data will have their Medicare fees cut by the scheduled 4.4%. Our hope is we can reach a 2-year deal and that is fully offset with savings through the upcoming budget reconciliation conference.*
- *Postage Rate Increase (Sharp/DPC; Hook)* -- The Postal Rate Commission (PRC) today approved the Postal Service's (USPS) request for a 5.4 percent across-the-board rate increase - up two cents to 39 cents for a first-class stamp and up one cent to 24 cents for postcards. The PRC attributed the increase solely to USPS's need to fund the \$3 billion current-law escrow requirement that begins near the end of FY 2006. The USPS Board of Governors will meet to approve the PRC recommendation and set a date for the new rates to take effect. *We anticipate the new rates would take effect on January 16, 2006. The last rate increase took effect on June 30, 2002. The House passed its postal reform bill in July, but the Senate has yet to consider Senator Collins' bill because of an objection by Senator Bond. Both the House and Senate bills would mitigate the current rate increase by eliminating the escrow requirement so USPS can use the proceeds to fund operations. The Administration believes the escrow money should not be used for short-term rate relief, but should be applied to USPS's long-term unfunded retiree health care liability.*

- Price Gouging (Warsh/NEC; Katz) - Per Senator Frist's request, FTC Chairman Majoras and an official from DOE are expected to testify on November 9 in the Senate at a joint hearing of Energy and Commerce. They will appear after the first panel with the Big 5 Energy CEOs.
- Prison Industries (Ho/DPC; Hook)
- Project Safe Neighborhoods (Ho/DPC; Hook)
- *Railroads (Sharp/DPC; Hook) -- Today the CEOs of Union Pacific, CSX, Burlington Northern Santa Fe, Norfolk Southern met with DPC to discuss their plans to deploy new GPS-based technology to ensure compliance with railroad signals and increase the safety of freight movements. The unions representing the engineers and the conductors oppose the new technology because it will render obsolete one of the two workers currently in the locomotive. The railroads say they will not lay people off, but will capture the efficiency through attrition. If the unions do not agree to a negotiated settlement on this issue, the railroads will ask for a release from the National Mediation Board early next year. If the NMB releases the parties, they are free to strike unless the President intervenes to establish a Presidential Emergency Board.*
- Real Estate Settlement Procedures Act (Streeter/DPC; Katz)
- Reconciliation (Hennessey/NEC; Katz)
- Ryan White (Thompson/DPC; Katz)
- Saudi Arabia WTO (Hunter/NSC; Katz)
- SBA Loans (Heath/NEC; Hook)
- Secure Flight (Sharp/DPC; Hook)
- Single Family Housing Tax Credit (Streeter/DPC; Hook) -- Senators Santorum, Kerry, Stabenow, and Ensign sent a letter to Grassley urging the Finance committee to move on S. 859, which is the President's single family housing tax credit. Despite bi-partisan support in both the Senate and House, the bill has not moved out of committee. The letter urges Grassley and Baucus to move on the bill because of the resources it would provide for the development of affordable homes for ownership in the Gulf region. To grease the proposal, the Senators suggest a willingness to make the program temporary and limit it to the Gulf. While DPC has reservations about those concessions, they present an opportunity for action on the bill. OLA is appraised and will be following up.
- Stem Cells (Levin/DPC; Hook)
- Steroids (Ho/DPC; Hook) –
- TANF (Streeter/DPC; Hook) –
- *Telecom (Russell/NEC; Katz) - The United Nations will hold the World Summit on the Information Society (WSIS) on November 16-18, 2005 in Tunis. The theme of the Summit is information and communication technology for development. However, the preparations have focused on a set of issues regarding "Internet governance" and, in particular, on the management of the domain name system (DNS) and the Commerce Department oversight and coordination role. The European Commission has presented a proposal to bring the DNS and other elements of Internet management under multilateral governmental control. The U.S. supports market approaches and private sector leadership of the Internet and will continue to adamantly advocate against this and other proposals that would adversely impact the operation of the Internet. State Department Under Secretary Shiner met today with EU Member State Ambassadors to reiterate the US position on Internet governance in the context of WSIS. She explained that the current system is working and subjecting it to a bureaucratic intergovernmental oversight structure would be counterproductive to the free flow of goods and information. The EU has been pushing for more international government involvement in the technical management of the Internet. Currently, technical functions are largely addressed by a*

*non-governmental body under contract with Commerce. U/S Shiner urged the EU to reconsider its position and to once again align with the US. In a related matter, at the request of the Department of State, Dr. Marburger has agreed to give the US speech at WSIS.*

- *TRIA (Warsh/NEC; Katz) - OLA and NEC met with Chairman Shelby's staff on Friday. The Shelby proposal will be largely consistent with the Administration's reform parameters, including increased industry deductibles and co-payments, and removal of insurance lines from the Federal backstop altogether. Shelby, however, has yet to decide whether to back the Administration's call for the elimination of punitive damages in the event of a terrorist attack. House Financial Services (Oxley) is awaiting Shelby's next move, but is expected to pass a TRIA extension without meaningful reform by mid-November. NEC reports that a Treasury representative TBD will give a speech on the Administration's TRIA principles at Cato on Thursday.*
- *Tricare Rx (Leggitt/DPC; Katz)*
- *Union Officer Conflict of Interest Reporting, LM-30 (Sharp/DPC; Hook) – Last week DOL published a rule for notice and comment that tightens reporting requirements for union officers to expose and deter any potential conflicts of interest.*
- *Veterans (Leggitt/DPC; Katz)*
- *Voting Rights Act (Ho/DPC; Hook)*
- *Vouchers (Pardue/DPC; Hook)*
- *White House Conference on Aging (Leggitt/DPC; Katz)*
- *WTO Case Against Turkey (Hunter/NSC; Katz) – At a hearing before the House Agriculture Committee, Ambassador Portman announced that the U.S. filed a WTO case against Turkey today due to its unfair restrictions on U.S. rice exports. Between 2003 and 2004, Turkey's policy caused U.S. imports to decline by 91 percent. We and other countries have tried unsuccessfully to resolve this issue through negotiations. USTR believes we have a strong case.*