

FOIA MARKER

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

Collection:	Cheney Vice Presidential records			
Office of Origin:	Staff Secretary			
Series:				
Subseries:	Misc. Outbox, 2005			
OA/ID Number:	00563			
Folder Title:	October 18, 2006			
Stack:	Row:	Section:	Shelf:	Position:
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] [redaction of home addresses] (2 pages)	10/18/2006	P5, P6/(b)(6)
004. report	Partisan Enthusiasm Summary (3 pages)	10/18/2006	PRM

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

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 advice 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]

NICHOLS_C**609201**

FG038

Barcode Scanning SheetCollection 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 VICE PRESIDENT
HAS SEEN

609201

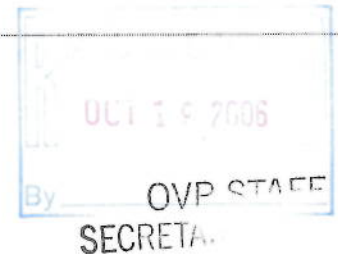
Tutwiler, Lucy A.

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



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**

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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To unsubscribe send a blank email to leave-whitehouse-news-wires-1000177Q@list.whitehouse.gov

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
HAS SEEN

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.

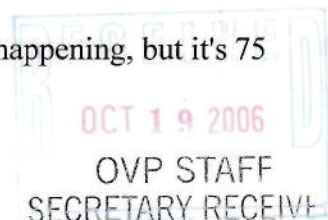
"They have a credibility on the sectarian violence that the United States isn't going to have, and they do have an interest in Iraq being stable," she said, adding that she would even welcome help from Iran if its neighbors see a role it might play.

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.



10/18/2006

Durkin, Charles P.

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From: Addington, David S.
Sent: Wednesday, October 18, 2006 11:33 AM
To: Durkin, Charles P.

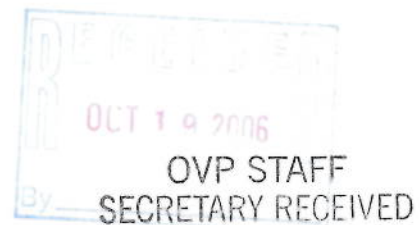
THE VICE PRESIDENT
HAS SEEN

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.



1009201
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.

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, I 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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All right, guys. We'll see you on the road.

END

11:20 A.M. EDT

609201

Durkin, Charles P.**THE VICE PRESIDENT
HAS SEEN**

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.

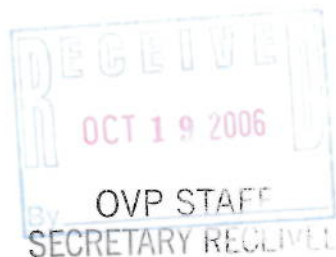
Melissa:

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



10/18/2006

609201

Economic News Summary for October 18, 2006

Prepared by OVP Domestic Policy

THE VICE PRESIDENT
HAS SEEN

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.

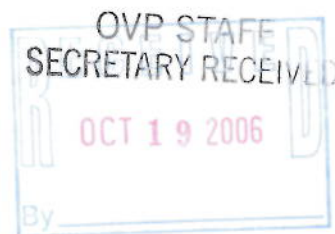
Sites for Online Medical Records Rated (NYT) New Jersey ranks first in the nation in providing crucial information on doctors through the Internet, and New York is fourth, according to a study released yesterday by Public Citizen, a consumer advocacy group. ... In every state, the board that licenses 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.



609201

**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.

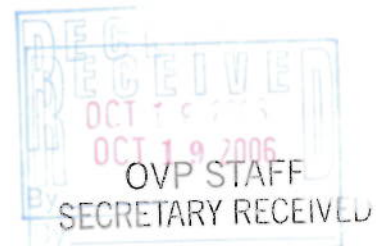
In the first hour of trading, the Dow was up 91.65, or 0.77 percent, to 12,041.67.

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.



10/18/2006

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CAMP ATTERBURY LOCAL NEWS

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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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OCT 23 2006

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.

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.

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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

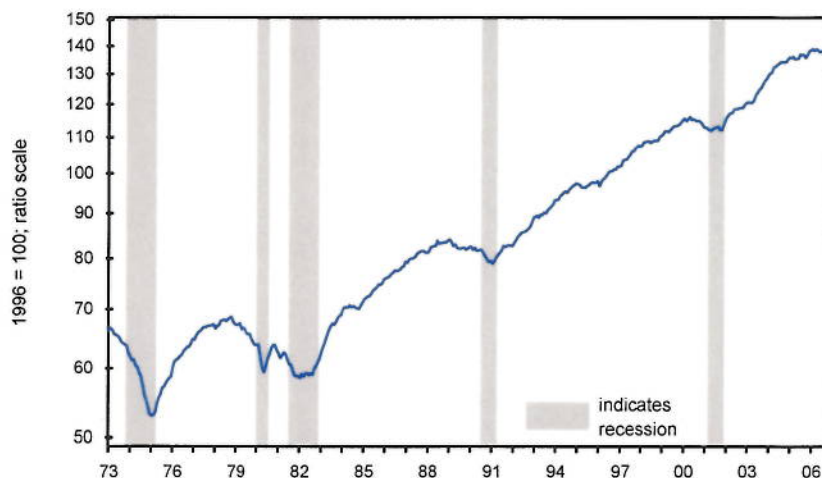
SUBJECT: **September Index of Leading Indicators (★)**
Public Release: 10:00 am, Thursday (Conference Board)

Index of leading economic indicators increased in September

	Change August to September		6-Month Change
	Actual	Expected	
Leading Index	0.1%	0.3%	-0.9%
Coincident Index	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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EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

WASHINGTON, D.C. 20502

October 18, 2006

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MEMORANDUM FOR THE PRESIDENT

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KEITH HALL

SUBJECT:

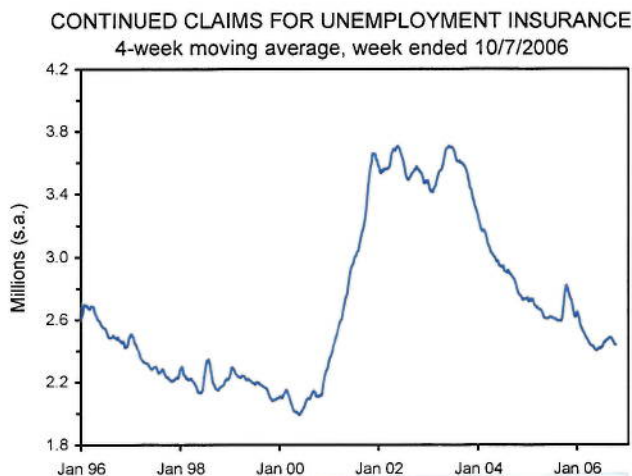
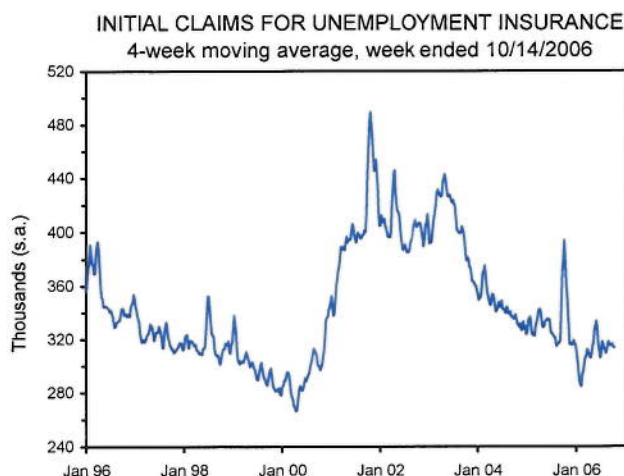
Weekly Claims for Unemployment Insurance (★★★)

Public Release: 8:30 am, Thursday (Labor Department)

Unemployment Insurance (UI) claims continue to signal solid job growth

	Latest Week	4-Week Average
Initial Claims	299,000	307,750
Continued Claims	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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THE PEW RESEARCH CENTER
For The People & The Press

NEWS Release
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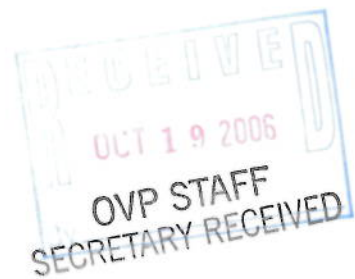
FOR RELEASE: WEDNESDAY, OCTOBER 18, 2006, 2:00 PM EDT

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*

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<http://www.people-press.org>



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	Inter- mittent	Registered, but rare	Not registered
	%	%	%	%
Total	35	20	23	22=100
----- Agree with each statement... -----				
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 bystanders¹:

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.

	A Spectrum of Voters and Non-Voters: Views of Country and Community			
	----- Voting Frequency -----			
	<u>Regular</u>	<u>inter-</u>	<u>Registered,</u>	<u>Not</u>
	<u>%</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.

Why Non-Voters Fail to Register

<i>Open-ended responses*...</i>	<i>%</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 disproportionally 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.

A Spectrum of Voters and Non-Voters: Who Are They?				
	----- Voting Frequency -----			
	Regular	Inter- mittent	Registered, but rare	Not registered
	%	%	%	%
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
Attend Church...				
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.

The Politics of Non-Voting: Republicans More Likely to be Registered				
	----- Voting Frequency -----			
	Regular	Inter- mittent	Registered, but rarely	Not registered
	%	%	%	%
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

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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 1996²</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>2006</u>	<u>June</u> <u>2003</u>	<u>Feb</u> <u>1999</u>	<u>March</u> <u>1998</u>	<u>June</u> <u>1997</u>	<u>Oct</u> <u>1995</u>	<u>July</u> <u>1994</u>	<u>May</u> <u>1990</u>	<u>May</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>2004</u>	<u>Mid-</u> <u>Nov</u> <u>2001</u>	<u>June</u> <u>2000</u>	<u>Feb</u> <u>2000</u>	<u>Oct</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>Agree</u>	<u>Mostly</u> <u>Agree</u>	<u>Mostly</u> <u>Disagree</u>	<u>Completely</u> <u>Disagree</u>	<u>DK/</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
<u>1</u>	Don't know/Refused (VOL.)	<u>1</u>
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
<u>4</u>	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>2</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 1996³</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

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.



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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.

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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.¹ 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:

¹ 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.²

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, 2003.³

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,⁴ 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.⁵ Forest restoration efforts conducted under the separate authorities of the

² USDA/Forest Service, June 2002.

³ Public Law 108-148.

⁴ *Billings Gazette*, "Fire Prevention Efforts Too Slow, Senators Say," July 20, 2006.

⁵ 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.⁶

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.⁷ 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.⁸

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

⁶ 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.

⁷ USDA/Forest Service, *Overview of FY 2007 President's Budget*, February 8, 2006 – revised.

⁸ USDA, *Healthy Forests Report*, October 1, 2006.

appealed.⁹ 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.¹⁰

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).¹¹ By some reports, there are as many as 7,100 cases being litigated by the Environment and Natural Resources Division of the Justice Department.¹² 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."¹³ 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,¹⁴ most significantly the Endangered

⁹ GAO, *Forest Service: Information on Appeals and Litigation Involving Fuels Reduction Activities*, October 2003.

¹⁰ Mark Rey, testimony before the House Committee on Agriculture, November 15, 2005.

¹¹ *Sacramento Bee*, "Litigation Central: A Flood of Costly Lawsuits Raises Questions About Motive," April 24, 2001.

¹² *Casper Star Tribune*, "Feds to Energy: Help fight these lawsuits," June 16, 2004.

¹³ 28 U.S.C. § 2412(d)(1)(A).

¹⁴ 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.”¹⁵ 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.¹⁶ 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.¹⁷ 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?”¹⁸ 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.

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.

¹⁵ See 16 U.S.C. § 1540(g)(4).

¹⁶ *Ruckelshaus v. Sierra Club*, 463 U.S. 680, 688 (1983) (construing parallel language in the Clean Water Act).

¹⁷ *United States v. Real Property at 2659 Roundhill Dr.*, 283 F.3d 1146 (9th Cir. 2002).

¹⁸ *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.¹⁹ 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.²⁰

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.”²¹ 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.²² 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

¹⁹ *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.

²⁰ *Native Ecosystems Council vs. Kimbell*.

²¹ 40 CFR 1508.4.

²² *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.²³ 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.²⁴

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...”²⁵ The bill asserts that this regulation is in full compliance with the public law establishing the Forest Service’s decision-making and appeals process.²⁶

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

²³ ___ F.3d ___, 2006 WL 2291168 (9th Cir., Aug. 10, 2006).

²⁴ Rey, November 15, 2005. Here, Rey is referring to the 2005 district court opinion.

²⁵ 36 CFR 215.4.

²⁶ 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.²⁷ 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.²⁸ 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.”²⁹

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....”³⁰ 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.”³¹ 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-

²⁷ R. Wade Mosby, Senior Vice President, Collins Pine Company, testimony before the House Resources Committee, Subcommittee on Forests and Forest Health, April 27, 2006.

²⁸ Mosby, April 27, 2006.

²⁹ Mosby, April 27, 2006.

³⁰ See Federal Acquisition Regulation 17.104(c).

³¹ 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.³² That is a half million dollars that was not available for other projects.³³ 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.³⁴ 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.”³⁵

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.³⁶

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.

³² 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.

³³ U.S. Forest Service, Southwest Region, (undated briefing paper).

³⁴ U.S. Forest Service, Southwest Region; and Douglas C. Morton, Megan E. Roessing, Ann E. Camp, and Mary L. Tyrell, *Assessing the Environmental, Social, and Economic Impacts of Wildfire*, Yale University, School of Forestry & Environmental Studies, Global Institute of Sustainable Forestry, May 2003.

³⁵ 10 U.S.C. 2306b.

³⁶ 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.³⁷ 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."³⁸ 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."³⁹

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 hazards fuels treatment is \$1,483 per acre. For moderate-risk forests, the net benefit is \$688.⁴⁰ These findings confirm those of other studies showing that treatment costs less than suppression.⁴¹ Yet, the Forest Service's FY2006 enacted level included approximately \$282 million for hazardous fuels treatment versus \$690 million for fire suppression.⁴² 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

³⁷ 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.

³⁸ Snider and Daugherty, (in review).

³⁹ Snider and Daugherty, (in review).

⁴⁰ Larry Mason, Bruce Lippke, and Kevin Zobrist, "Investment in Fuel Removals Avoid Future Public Costs," *RTI Fact Sheet*, May 2004.

⁴¹ 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.

⁴² 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.⁴³ 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."⁴⁴ 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

⁴³ See Federal Acquisition Regulation 28.103.

⁴⁴ 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

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."

OVP STAFF
SECRETARY REC'D

OCT 23 2006

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
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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

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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COLLECTION:

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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] [redaction of home addresses] (2 pages)	10/18/2006	P5, P6/(b)(6)

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OA/Box Number: 00563

FOLDER TITLE:

October 18, 2006

2014-0011-F
AYM12

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Saw

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 Republicans 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 101st; 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

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 101st; 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 off 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.

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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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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

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

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."

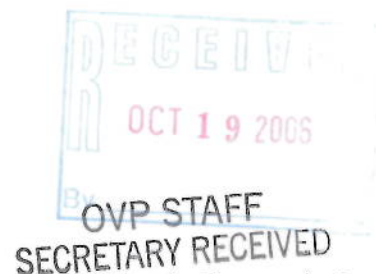
Democrats likened Burns' comments to statements by President Nixon that led to news reports that he had a "secret plan" to end or win the war in Vietnam. Like Nixon, Burns never used the word "secret" but made it clear it wasn't in the president's or the country's interest to discuss any plans he has 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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