

# GOVERNMENT HIGHLIGHTS

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## **Abizaid Urges Caution in Troop Cuts; DIA and NSA Leaders Also Testify**

The top American military commander for the Middle East, General John P. Abizaid, in testimony before the Senate and House Armed Services Committees on November 15, warned legislators that a significant withdrawal of American troops from Iraq over the next six months would likely lead to an increase in the sectarian killings and impede efforts to persuade the Iraqi government to take the hard steps necessary to make the country secure. Abizaid clearly did not support a phased withdrawal of troops and instead said that a slight increase in U.S. troops might be needed to improve the training of the Iraqi Army. Abizaid, for the first time, publicly acknowledged that the U.S. position in Iraq had been undermined by the decision of the Bush Administration not to implement the 2003 recommendation of General Eric K. Shinseki, the Army chief of staff at the time, to send several hundred thousand troops there.

Abizaid emphasized the importance of U.S. training efforts of Iraq military: “We need to put more American capacity into Iraqi units to make them more capable in their ability to confront the sectarian problem.”

In testimony before the same committees, Lieutenant General Michael D. Maples, director of the Defense Intelligence Agency, while agreeing with General Abizaid also said that the violence continued to increase in “scope, complexity and lethality” and that it was “creating an atmosphere of fear and hardening sectarianism, which is empowering militias and vigilante groups.” Maples said that attacks against allied troops averaged 180 per day in October, up from 170 per day in September, and 70 per day in January, as reported by Michael R. Gordon and Mark Mazzetti of the *Washington Post*.

General Michael V. Hayden, director of the National Security Agency, agreed with Maples that Iraq was deteriorating to a chaotic state.

## **Iraq Study Group Leader Met with Syrian Reps**

Former Secretary of State James A. Baker III, the co-chairman of the Iraq Study Group looking at strategic options for withdrawal from Iraq, met several times recently with Syrian officials to discuss cooperation between the two countries to help the Iraqi situation. The Syrian Ambassador to the United States, Imad Moustapha, said he told the study group “in detail what actual things we can do, and what are the things that we

cannot do. . . . We explained to them why it is in our national interest to try to help stabilize the situation in Iraq,” according to Sheryl Gay Stolberg of *The New York Times*.

In a related area, the study group completed its investigation the second week of November and now will try to find consensus among its five Republican and five Democratic members for specific recommendations. At the same time, White House, State Department, Pentagon, and CIA officials were meeting with the deputy national security adviser J.D. Crouch II to provide materials and recommendations to President Bush upon his return from the Asian-Pacific Economic Cooperation forum and travels to Singapore, Viet Nam, and Indonesia. The Pentagon’s three options are reportedly send in more troops (“Go Big”), shrink the force but stay longer (“Go Long”), or withdraw (“Go Home”). The White House reportedly does not want to be pre-empted by the study group.

Some of the options NOT being considered are a “full-fledged victory” and a “quick cut-and-run.” Two options that are being reviewed are the “stability first” opportunity and the “redeploy and contain” option. Co-chairman Baker is known to favor direct discussions with relevant parties, an approach that has not been embraced by the White House.

The other members of the Iraq Study group are co-chair Lee H. Hamilton, Vernon E. Jordan, Jr., Edwin Meese III, Sandra Day O’Connor, Lawrence S. Eagleburger, Leon E. Panetta, William J. Perry, Charles S. Robb, and Alan K. Simpson.

On November 20, Iraq announced that it was restoring diplomatic relations with Syria, for the first time in nearly 25 years.

President Bush is scheduled to meet with Iraqi Prime Minister Nouri al-Maliki in Jordan this week.

### **New Peace Proposal for Mideast**

According to Ciaran Giles of the Associated Press, Spain, France, and Italy have proposed a new peace initiative for the Israeli-Palestinian conflict that envisions a much larger role for Europe. The plan closely resembles a five-point proposal that the Palestinian President Mahmoud Abbas is offering to Hamas to form a national unity government. The new three-country plan does not include a requirement that Hamas recognize Israel. Spain hopes to draw the support of Germany and Great Britain and the larger European Union. The Israeli government did not comment on the proposal.

### **New Peace Force Proposed for Darfur**

Leaders of African, Arab, and European nations, along with United Nations officials, have agreed in principle to support a joint African Union-United Nations peacekeeping force of as many as 27,000 soldiers to restore stability in the Darfur region of Sudan. The Sudanese government has not completely approved the plan, which could come in the

next few weeks if outstanding issues are resolved. Currently, 7,000 African Union soldiers have peacekeeping responsibilities in the Darfur region. More than 200,000 have died in hostilities since 2003.

### Federal Government Developments

#### **Some Progress on Legislation for Lame Duck Congress**

Both the Senate and the House of Representatives met in legislative session for one week, November 13-17, before recessing for Thanksgiving. Among the measures Members passed was a new continuing resolution (CR) to fund the operation of federal agencies not covered in the Defense and Homeland Security Appropriations bills through December 8. Both Houses of Congress will reconvene on December 4. It was previously thought that Congress would try to finish the remaining FY2007 appropriations bills in a week or so, but it now seems as if the Republican majority will pass another CR lasting into 2007. The Members of the Democratic-majority Congress for the First Session of the 110<sup>th</sup> Congress opening in January would then have the responsibility to pass another CR or complete the remaining appropriations bills.

*CongressDaily* reported on November 17 that Republican leaders now “appear inclined” to approve another CR in December that extends into the new Congress, even though the federal fiscal year 2007 began on October 1. Members could select the expiration date for the third CR from several different options: early in January, 2007, the beginning of the First Session of the 110<sup>th</sup> Congress or September 30, 2007, when the FY2007 ends. Passage of a long-term CR would impose a hardship on federal agencies and would bar earmarked appropriations, as the CR’s funding levels would be at the lower of the House and/or Senate passed amount or the FY2006 level. In addition, funding for the President’s American Competitiveness Initiative (ACI) already approved by the House and Senate would be at risk in a long-term CR. According to an estimate from the Senate Budget Committee, a full-year CR (October 1, 2006-September 30, 2007) would save about seven billion from domestic programs.

Pressure to pass a long-term CR instead of the appropriations bills reportedly came from conservative Republicans who did not want the Republicans to have responsibility for funding bills with significant earmarks.

Following passage in the Senate, the House passed the Animal Enterprise Terrorism Act (AETA) (H.R. 4239, S. 3880) which provides for prosecution of animal terrorists for acts of violence beyond the first and second levels of contact, i.e. beyond the researchers and their families to neighbors and business associates. The American Civil Liberties Union (ACLU) and the Department of Justice were some of the participants in negotiations on the language of the bill. Since a voice vote was held in the House, there is no record of how Members voted on the bill. According to the Association of American Universities (AAU), the bill “will strengthen penalties against animal rights advocates who conduct violent or threatening activities against animal researchers. . . .” The bill also clarifies that the language not be construed as prohibiting conduct protected by the First

Amendment and removes previous provisions related to the death penalty and wiretapping.

### **Senate Democrats Select Leadership**

Senate Democrats met on November 14 to decide their leadership positions for the 110th Congress in January, choosing Senator Robert C. Byrd (WV) as President *Pro Temp*, Senator Harry Reid (NV) Majority Leader, and Senator Dick Durbin (IL) as Assistant Majority Leader. Reid created a special leadership position--Conference Vice Chair--to reward Senator Charles Schumer (NY) for his service as Chair of the Democratic Senatorial Campaign Committee (DSCC). Schumer, who now ranks third in the Democratic leadership, will continue to chair the DSCC.

Senator Patty Murray (WA.) was selected to replace Debbie Stabenow (MI) as Democratic Conference Secretary, which will now be the fourth ranking position in the leadership. Senator Byron L. Dorgan (ND) was appointed to another term as Chair of the Democratic Policy Committee (DPC).

Reid also appointed Barbara Boxer (CA) as Chief Deputy Whip and Thomas R. Carper (DE), Bill Nelson (NE), and Russell D. Feingold (WI) as Deputy Whips.

Reid also announced that Nancy Erickson, current Democratic Representative to the Sergeant at Arms, will serve as Secretary of the Senate, and former Chief of the U. S. Capitol Police, Terrance Gainer, will serve as Senate Sergeant at Arms.

### **Senate Republicans Choose Leaders, Too**

The Senate Republican Minority Leader for the 110<sup>th</sup> Congress will be Senator Mitch McConnell (KY). He will be assisted by Senator Trent Lott (MS), who was selected as the Senate Minority Whip, the second-ranking minority position. The election of Lott, who lost a presumptive majority leader slot four years ago due to remarks thought to be racially insensitive at a 100<sup>th</sup> birthday party for Senator Strom Thurmond, was seen as his comeback or—as Senator John McCain (R-AZ) described it—his “redemption.” Former Louisiana Democratic Senator John B. Breaux noted: “Trent promised me he’d never give speeches at any more birthday parties.”

### **House Democratic Leadership**

House Democrats unanimously elected Representative Nancy Pelosi (D-CA) as Speaker of the House-Elect on November 16, but did not have the same agreement for the contested race of House Majority Leader for the 110<sup>th</sup> Congress. U.S. Congressman John P. Murtha (D-PA) lost to Congressman Steny H. Hoyer (D-MD) in the race for new House Majority Leader-Elect by a secret ballot vote of 149-86. Pelosi had endorsed Murtha for the position, but Hoyer, the current House Minority Whip, waged a strong campaign.

Pelosi told reporters after the caucus that she was “proud to support [Murtha] for majority leader, because I thought that would be the best way to bring an end to the war in Iraq.” She also congratulated Hoyer on his “stunning victory” and said she looked forward to working with him “in a very unified way to bring our country to a new direction for all Americans, not just the privileged few.”

House Democrats also elected Congressman James E. Clyburn (D-SC) as Majority Whip, the number three leadership post; Congressman Rahm Emanuel (D-IL) as Democratic Caucus Chairman; and Congressman John Larson (D-CT) as Caucus Vice Chairman.

### **New House Speaker Outlines Issues**

Speaker of the House-Elect Nancy Pelosi (D-CA) identified the Democrats’ new agenda priorities. They include:

--Within the first 100 hours of the new Congress, enact the recommendations of the 9/11 Commission, raise the minimum wage, authorize the government to negotiate lower prescription drug prices for Medicare patients, reduce the interest rate on student loans by as much as half, pass lobbying reform, and increase the federal investment in stem cell research. Her ethics overhaul is called the Honest Leadership and Open Government Act, which is likely to be among the first items of business on January 3. Some of the ethics provisions will be changes to House rules; others will be in legislative format. Presumptive Senate Majority Leader Harry Reid (D-NV) plans to move forward with a similar ethics package quickly.

--Re. national security, require Iraq to assume control of the country, begin to redeploy American troops, and secure borders and ports;

--Re. energy, reduce dependence on foreign fuel, protect the environment through alternative energy sources, end tax breaks for the oil industry, and stop price gouging.

--Re. health care, fix Medicare Part D, the prescription drug program;

--Re. Social Security, prevent the privatization of Social Security and expand personal savings initiatives.

### **House Republican Leadership**

House Republicans selected the current House Majority Leader, Congressman John A. Boehner (R-OH), by a vote of 168-27 as the new Minority Leader-Elect for the 110<sup>th</sup> Congress in January. Boehner beat challenger Congressman Mike Pence (R-IN). Congressman Roy Blunt (R-MO) was chosen as House Minority Whip-elect, over Congressman John Shadegg (R-AZ). Congressman Adam H. Putnam (R-FL) was selected Republican Conference Chair. The current Speaker of the House Dennis Hastert (R-IL) declined to run for any of the Republican leadership positions for the new Congress.

## **More House and Senate Races Definite**

The results in two out of nine undecided House races were confirmed on November 15: in Georgia, Representative John Barrow (D) defeated Republican Max Burns, and in Wyoming Representative Barbara Cubin (R) beat Democrat Gary Trauner. Also, on November 20, Florida officials certified Republican Vern Buchanan for the House seat being vacated by Representative Katherine Harris (R-FL). The loser, Christine Jennings, immediately sued for a new election, arguing that her 369-vote loss was due to the malfunction of the touch-screen voting machines. In Sarasota County, more than 17,000 voters who cast ballots in other races on November reportedly did not do so in the Congressional race. The state is conducting an audit of the Sarasota voting machines separate from the recount and legal challenge.

New Mexico certified the First District victory of Representative Heather A. Wilson (R) over Patricia Madrid by less than 900 votes, out of more than 210,000 cast.

In Ohio 2<sup>nd</sup> District, Representative Jean Schmidt (R) defeated Democrat Victoria Wulsin by about 3,200 votes. Two other House races remain unresolved: Ohio's 15<sup>th</sup> District (Representative Deborah Pryce (R) was ahead of Mary Jo Kilroy); and North Carolina's 8<sup>th</sup> District (Representative Robin Hayes (R) had a small lead over Larry Kissell). Two runoffs will be held in December: Congressman William J. Jefferson (D-LA), the subject of an FBI bribery investigation, will face fellow Democrat Karen Carter on December 9 and Congressman Henry Bonilla (R-TX) will be challenged by former Congressman Ciro D. Rodriguez (D) on December 12.

## **New Continuing Resolution Passed**

Both the House and the Senate passed by voice vote on November 15 H.J. Res. 100, a continuing resolution (CR) to provide funding through December 8 for government agencies whose FY2007 spending bills have not yet been enacted. Thus far, only two of the 12 regular spending bills—Defense and Homeland Security—have been signed into law. For programs in the Labor/Health and Human Services/Education Appropriations bill, the CR provides funds at the FY2006 level. The first CR expired on November 17.

## **Committee Assignments for New Democratic Senators**

The publication *Congressional Quarterly* recently reported tentative Democratic committee assignments in the Senate for the 110<sup>th</sup> Congress in January:

- Agriculture: Sherrod Brown (OH), **Bob Casey (PA)**, and Amy Klobuchar (MN)
- Appropriations: Jack Reed (RI), Frank Lautenberg (N.J), and Ben Nelson (NE)
- Armed Services: Mark Pryor (AR), Jim Webb (VA), and Claire McCaskill (MO)
- Banking: Daniel K. Akaka (HI), Brown, **Casey**, and Jon Tester (MT)
- Budget: Ben Cardin (MD), Bernard Sanders (VT), and Sheldon Whitehouse (RI)
- Commerce: Tom Carper (DE), McCaskill, and Klobuchar

- Energy and Natural Resources: Blanche Lincoln (AR), Sanders, and Tester
- Environment and Public Works: Cardin, Sanders, Klobuchar, and Whitehouse
- Finance: Debbie Stabenow (MI), Maria Cantwell (WA), and Charles Schumer (NY)
- Foreign Relations: Robert Menendez (NJ), Cardin, **Casey**, and Webb
- Health, Education, Labor and Pensions: Barack Obama (IL), Sanders, and Brown
- Homeland Security: Mary Landrieu (LA), Obama, McCaskill, and Tester
- Indian Affairs: McCaskill and Tester
- Intelligence: Whitehouse
- Judiciary: Cardin and Whitehouse
- Rules and Administration: Byron Dorgan (ND), Patty Murray (WA), and Pryor
- Small Business: Cardin and Tester
- Special Aging (11-10): **Casey**, McCaskill and Whitehouse
- Veterans' Affairs: Sanders, Brown, Webb, and Tester

### **Education Secretary to Look Again at Accreditation Process**

U.S. Secretary of Education Margaret Spellings will meet on November 29 with selected accreditors, higher education officials, and business leaders in what is being billed as an Accreditation Forum to consider how to make an assessment or measurement of student learning the central issue in accreditors' evaluations of colleges and universities. The scheduling of this meeting has reawakened concerns in the accreditation and higher education communities, that had been somewhat stilled by the absence of recommendations on accreditation in the recent report from the Secretary's Commission on the Future of Higher Education.

The draft agenda for the forum, according to Burton Bollag of *The Chronicle of Higher Education*, begins with "a panel presentation by leading experts who will build a case for change from inputs to outputs." Critics—including those not invited to the Accreditation Forum—believe that the transition in accreditation standards has already been occurring for more than a decade. In the opinion of the Education Department, the progress has been too limited and too slow. The draft agenda also includes seven questions for the participants to discuss.

### **"Nation's Report Card" Has Poor Science Grades for U.S. Students**

Results from the National Assessment of Educational Progress (NAEP) were released recently, and the results for the nation's elementary school students are not promising. According to Diana Jean Schemo of *The New York Times*, at least half of eighth graders tested could not demonstrate even a basic understanding of science in nine of ten major cities with the only other group tested, fourth graders, performing only a little better. Schemo also said "that student performance in urban public schools was not only poor but also far short of science scores in the nation as a whole."

This test is the only one given to students nationwide. In early 2005, 280,000 students took the science test, which included earth, physical, and life sciences. The cities

involved were Charlotte, San Diego, Boston, New York, Houston, Chicago, Cleveland, Los Angeles, and Atlanta.

### **Lobbying Reforms Still a Possibility**

House Democrats are reportedly considering what the boundaries should be for proposed ethics legislation. Under consideration for the new session of Congress in January would be a prohibition on members accepting meals, gifts, or travel from lobbyists; a requirement that lobbyists disclose all contacts with lawmakers; and a ban on former Members, now lobbyists, from entering the floor of the chambers or Congressional gymnasiums. Not currently under consideration are an overhaul of campaign financing, the creation of an independent ethics watchdog, or restrictions on earmarks.

The current Democratic plan is for a reform package to be developed bill by bill, with each piece of legislation being given separate consideration. Freshmen Members would offer over perhaps five days in January separate amendments on the ban on meals, gifts, and travel. Another vote would be held on the lobbying contact disclosure requirement and on the identification of earmark sponsors. Also, there would be a vote on whether to reinstate budget pay-as-you-go rules, known as PAYGO, requiring any new funding be offset by the identification of commensurate spending cuts or tax increases.

### **NIH Issues Multiple PI Policy**

The Washington-based Council on Governmental Relations (COGR) gave permission to reprint the following article:

“The National Institutes of Health published its *Multiple Principal Investigator (Multiple PI) Awards* policy November 15, 2006 in the NIH Guide (NOT-OD-07-017). Beginning with applications submitted for February 2007 receipt dates, the NIH will allow applicants and their institutions to identify more than one Principal Investigator (PI) in most grant applications submitted electronically through Grants.gov (<http://www.grants.gov/>) using the SF424 R&R application package.

Key features include a required Leadership Plan describing the roles, the responsibilities, and the working relationship of the identified PIs. The first listed PI must be affiliated with the applicant institution and will serve as the contact PI. All PIs will have access to the Status of the proposal on eRA Commons and will be listed on the summary statement, Notice of Award and in CRISP. Any requested allocation of funds to components of the project or the associated PIs must be included in the Leadership Plan. If an award is made, the requested allocation will be acknowledged in the NOGA. Unless limited by a specific term of award, the acknowledgment of the requested allocation will not limit institutional authority to manage the funds nor will it impose additional prior approval requirements. Awards involving PIs at different institutions will be managed using subcontracts until options involving linked awards have been developed.”

## **Innovation Task Force Urges Increased Defense Research Funds**

The Task Force on the Future of American Innovation, a business-academic coalition in which the Association of American Universities (AAU) is a member, urged President Bush to include basic research (budget function 6.1) at the Department of Defense in his American Competitiveness Initiative (ACI). The initiative currently calls for doubling of the budgets of the National Science Foundation (NSF), the Office of Science at the Department of Energy (DoE), and the National Institute of Standards and Technology (NIST). The task force also released its second report, “Measuring the Moment: Innovation, National Security, and Economic Competitiveness,” that provides benchmarks for assessing how well the nation is doing in its efforts to retain global economic leadership. A copy of the report and the accompanying press release are available at: <http://futureofinnovation.org/reports>.

## **“Broadcast Flag” Issue a Concern**

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“A group of higher education associations, including AAU, wrote to members of the Senate on November 16 urging them to oppose inclusion of a ‘broadcast flag’ provision in any telecommunications legislation that might be considered during the closing session of Congress, including as part of an appropriations bill. The organizations expressed concern that the broadcast flag provision contained in the telecommunications bill approved by the House and by the Senate Commerce Committee (H.R. 5252) would harm universities’ ability to include certain copyrighted news, public affairs, and related materials in educational programming. The letter argues that the Senate should consider any such provision in regular order and not as part of an end-of-session legislative package.

A copy of the associations’ letter is available on the AAU Web site at: [http://www.aau.edu/intellect/Ltr\\_BrdcstFlag\\_11106.pdf](http://www.aau.edu/intellect/Ltr_BrdcstFlag_11106.pdf).

A ‘broadcast flag’ is a signal put into digital TV broadcasts that bars a receiving device from redistributing the flagged content. It helps content owners protect their copyrighted material from widespread distribution of perfect copies over the Internet. The broadcast flag proposal in the House telecommunications reform bill (H.R. 5252) would also require manufacturers to produce receiving devices that are flag-compliant. These devices would ‘comply’ with the broadcast flags and not redistribute the flagged content. However, the broadcast flag technology would also override limitations and exceptions to copyright rights such as fair use and distance education. Efforts are underway to amend the broadcast flag legislation to permit exemptions from the technological restrictions for non-commercial education and research uses. The challenge is to find a way to permit such uses without opening the door to market-damaging infringing redistribution of valuable copyrighted content.”

### **“No Child Left Behind” Faltering**

A recent paper by Michael T. Nettles, a senior vice president at the Educational Testing Service, concluded that the Presidential education initiative No Child Left Behind (NCLB) has not reached its goal of closing test score gaps between minority and white students. On the eve of reauthorizing NCLB in the next Congress, education officials heard in three recent reports that little or no progress has been made. According to reporter Sam Dillon of *The New York Times*: “The reports and their authors, in interviews, portrayed an educational landscape in which test-score gaps between black or Hispanic students and whites appear in kindergarten and worsen through 12 years of public education.”

The two federal legislators who will chair education committees in the Senate and House—Senator Edward M. “Ted” Kennedy (D-MA) and Congressman George Miller (D-CA), respectively—reportedly both agree that additional resources will have to be given and better strategies will have to be developed to improve minority performance.

### **Rangel Continues to Call for National Draft**

U.S. Congressman Charles B. Rangel (D-NY), poised to lead the influential House Ways and Means Committee in the 110<sup>th</sup> Congress, recently renewed his call for a national draft for military service to spread military obligations more fairly and to cause government officials to consider more deliberately any decisions to enter or begin a war. Charles Babington of *The New York Times* reported that Rangel, a veteran of the Korean War, said: “There’s no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm’s way.” Babington also noted that there has been modest support for Rangel’s proposal over the years and its chances for success in the 110<sup>th</sup> Congress are unclear.

House Speaker-Elect Nancy Pelosi (D-CA) subsequently indicated that she saw little likelihood of Congressional approval of the draft.

### **New Federal Plan for Information Sharing**

President Bush approved and sent to Congress a new federal plan to establish a Washington-based “threat-assessment group” including federal, state, and local officials to coordinate information in terrorism-related bulletins, analyses, and directions. The lengthy plan complies with 2004 legislation to reorganize the national intelligence structure. The group will be named the Interagency Threat Assessment Coordination Group, will be based at the National Counterterrorism Center, and will be led by the Department of Homeland Security. Open on a 24/7/365 basis, the group will receive real-time intelligence and decide what should be distributed throughout the country and to whom. The plan, according to Karen De Young of the *Washington Post*, also sets a 120-day deadline for developing a streamlined list of “sensitive but unclassified” security

classifications that could reduce more than 100 such categories in government agencies to as few as six or less.

### **Other Federal Developments**

--President Bush told his counterparts on the eve of the Asia-Pacific Economic Cooperation forum in Hanoi that the United States supports initiatives to free up trade with the region, and he promised to continue pressuring North Korea to abandon its nuclear weapons program. He also indicated he supported Russia's entry into the World Trade Organization.

--The U.S. Senate by a vote of 85-12 approved a plan to develop a broad strategic partnership with India, including an exception to existing laws that would permit India to transfer nuclear technology. The plan is strongly opposed by arms control experts.

--Outgoing Senate Finance Committee Chairman Charles Grassley (R-IA) has tentatively scheduled a hearing on December 5 to look at whether colleges and universities are abusing their tax-exempt status, including consideration of increases in college tuition, institutional efforts to limit such costs, and tax programs to assist low-income students. The current ranking minority member on the committee, Senator Max S. Baucus (D-MT), who will likely become chairman of the committee in January, also supports the hearing and the inquiry.

--Treasury Secretary Henry M. Paulson, Jr., confirmed that he has had several very preliminary discussions with "no preconditions" with Members of Congress on the Administration's initiatives to cut increasing costs in the Social Security, Medicaid, and Medicare programs. President Bush supports younger workers being able to allocate some Social Security payments into private retirement accounts. Other options that are being considered include increasing payroll taxes and personal savings accounts without the diversion of Social Security taxes.

--On November 21, the White House released its final economic forecast before its FY2008 budget submission. Edward Lazear, chairman of the Council of Economic Advisers, announced the projection of slower economic growth at an annual rate of 2.9 percent, less than the average growth rate of the past three years of 3.2 percent.

--The incoming-chair of the Senate Judiciary Committee, Senator Patrick J. Leahy (D-VT), requested two newly acknowledged documents from the Justice Department, the existence of which had been identified in a response to a lawsuit brought by the American Civil Liberties Union. The first one is a Presidential directive which gives the CIA authority to establish detention facilities outside the United States and which sets forth acceptable interrogation methods. The second document is a 2002 memorandum from the Office of Legal Counsel at the Justice Department to the CIA's general counsel discussing interrogation methods that the agency may use against al-Qaeda leaders. A department spokesperson said the department will respond appropriately.

--The Inspector General of the U.S. Department of Homeland Security (DHS) Richard L. Skinner warned on November 15 that the Bush Administration's proposal to secure the nation's borders with a high-tech "virtual fence" is likely to cost as much as eight billion dollars to \$30 billion, up from the two billion dollar estimate of industry analysts. In addition to an actual fence along some 700 miles of the country's southern border, this virtual fence would include sensors, cameras, and other surveillance technology along 6,000 miles of borders with Mexico and Canada. DHS will provide a more detailed plan to Congress by December 4.

--The American Civil Liberties Union (ACLU) released on November 21 the latest documents it had requested from the Pentagon under the Freedom of Information Act (FOIA) that describe the use of counterterrorism forces to monitor American groups, including campus groups, who oppose the war in Iraq and military recruitment.

--The United States Mint disclosed four designs for one-dollar coins on November 20 with images of the first four Presidents. The first coin with George Washington will go into circulation in mid-February, in time for Presidents' Day. The coins for the other three Presidents will be issued at three-month intervals. Four more coins, in the order of their presidencies, will be issued every year until 2016. The same law that authorized the new dollar coins also approved four new designs for the penny in 2009, to commemorate the bicentennial of the birth of Abraham Lincoln.

--Mothers Against Drunk Driving, along with federal officials, announced on November 20 a campaign to change drunken driving laws in 49 states to require that even first offenders install a device (an ignition interlock) that tests drivers and shuts down the car if it detects alcohol. Officials believe that interlocks will not completely stop first offenders, but will reduce repeat offenses.

### **New Rules for Travel to Europe**

The *Washington Post* travel column "Coming and Going" recently reported new rules for flying to or from Europe:

--European Union countries have basically adopted the U.S. limitations on carrying liquids and gels, the three-one-one system, but with a metric twist. The passenger can carry on as many 100-milliliter containers as will fit in a one-liter plastic zip-top bag. The rules also apply to flights from the non-E.U. countries of Albania, Iceland, Kosovo, Norway, and Switzerland.

--Carry-on bags in E.U. countries, as of April, must be no larger than 56 by 45 by 25 centimeters, or about 22 by 18 by 10 inches. The size rules are already being imposed in Britain and in Germany's Frankfurt airport.

--Liquids bought in duty-free shops in E.U. countries as of early November were placed in sealed, tamper-evident bags which can be carried through European security checkpoints if not opened. Duty-free liquids bought in the United States will not make it

through European security on connecting flights—but will be all right on nonstop flights—because they will not be in the special E.U. bags. The E.U. bags will not pass muster with U.S. security officers.

More information on U.S. and EU rules can be found at: <http://www.tsa.gov>.

### **People on the Move—or Not**

--President Bush sent re-nominations of six, previously blocked candidates for federal appeals courts to the Senate Judiciary Committee on November 15. Along with four new names for the bench, the nominations are sure to ignite additional controversy since the previous nominations were not able to get to floor votes. Senator Charles E. Schumer (D-NY) said none of the six would be confirmed. Four of the six were previously criticized as unqualified or too conservative, according to Peter Baker of the *Washington Post*. Senator Arlen Specter (R-PA), chairman of the Senate Judiciary Committee, said he would not move the nominations during the lame-duck session.

--U.S. Senator John McCain (R-AZ) filed papers on November 16 to establish a 2008 presidential exploratory committee. He joins Republican, former New York City Mayor Rudolph Giuliani and Iowa's Democratic Governor Tom Vilsack as announced contenders. Retiring Senate Majority Leader Bill Frist (R-TN) is expected to make up his mind about a presidential bid in the next few weeks. Wisconsin Senator Russ Feingold (D) decided against pursuing a run for the Democratic Presidential nomination in 2008.

--U.S. Congressman-Elect Jason Altmire (D-PA, 4<sup>th</sup> District) will set up his office in 1419 Longworth House Office Building in January, following the office lottery for new Democratic Members of the House. Altmire had the 29<sup>th</sup> choice out of 49. His chief of staff will be New York attorney Sharon Werner, who had worked on his campaign.

--Congressman Chaka Fattah (D-PA) announced on November 18 his candidacy for Mayor of Philadelphia to succeed John Street. Fattah just won re-election to the U.S. House of Representatives. There is some speculation that Street may decide to run for Congress.

### *Local and Commonwealth Government Developments*

#### **General Assembly Elects Leadership**

After a closely contested race within the Pennsylvania Senate Republican caucus, Senator Joseph B. Scarnati III was elected as President Pro Tempore and Representative Dominic F. Pileggi as Majority Leader. Scarnati, Chairman of the Labor and Industry Committee, prevailed in the 29-member caucus vote over current Majority Whip Jeffrey E. Piccola. In the caucus' secret balloting, Senator Pileggi fought back a challenge from Sen. Jake Corman.

As President Pro Tempore, Senator Scarnati will preside over the Senate when the Lieutenant Governor is not present, and is third in line behind the Lieutenant Governor to succeed the Governor.

Other Republican senators who won caucus elections to leadership positions:

Whip:	Jane Orié	(Allegheny County)
Appropriations Chairman:	Gibson Armstrong	(Lancaster/York)
Caucus Chairman:	Michael Waugh	(York)
Caucus Secretary:	Robert Robbins	(Butler/Crawford/Lawrence/Mercer)

The Senate Democratic leadership team remained the same. Senator Robert Mellow was re-elected as Minority Leader, Michael O’Pake as Whip, Jay Costa Caucus Chair, Gerald LaValle Caucus Secretary and Vince Fumo Appropriations Committee Chair.

In the Pennsylvania House of Representatives:

- DEMOCRATIC CAUCUS

(Note: Current general election results give the Republicans a one-vote majority, but several districts are still in question, and if the Democrat prevails in any one of those races, the Democrats will be in the majority in the House.)

Representative H. William DeWeese, Leader  
Representative Keith McCall, Whip  
Representative Mark Cohen, Chairman  
Representative Frank Dermody, Secretary  
Representative Todd Eachus, Policy Chairman  
Representative Dan Surra, Administrator  
Representative Dwight Evans, Appropriations Committee Chair

- REPUBLICAN CAUCUS

Representative John M. Perzel, nominated Speaker  
Representative Sam Smith, Leader  
Representative David Argall, Whip  
Representative Sandra Major, Chairwoman  
Representative Merle Phillips, Administrator  
Representative Jerry Stern, Secretary  
Representative Michael Turzai, Policy Chairman  
Representative Mario Civera, Appropriations Committee Chair

### **Prestigious Honor for Pitt Student**

Daniel Armanios, a University of Pittsburgh Honors College senior from Marietta, Georgia, was selected a Rhodes Scholar for 2007. The scholarship, the oldest of the international study awards available to American students, provides two or three years of

study. Daniel will enter Oxford University in England in October. The total value of the scholarship averages about \$45,000 per year.

Majoring in mechanical engineering and political science, Armanios will study for his master's degrees in management research and dry lands science and management at Oxford. His ultimate goal is to pursue a doctorate degree in engineering systems and graduate work in public policy and resource management. Armanios, 22, said his interest lies in sustainable development and developing technologies to work with people who live in dry environments. Armanios turned down a Marshall Scholarship to accept the Rhodes award. His interests include the Middle East, soccer and writing poetry. He said he wants to work for change now and hopes to become a professor to motivate future students to do the same. This is the second year in a row that a Pitt senior has been named a Rhodes Scholar.

### **Additional Gas Tax Proposed**

A special panel has recommended a large package of tax increases to improve roads and bridges and support troubled transit systems. The final report from Governor Ed Rendell's nine-member Transportation Funding and Reform Commission concludes that another \$900 million is needed for roads and bridges and another \$760 million should be earmarked for transit systems each year.

The money to pay for better roads and to repair bridges rated among the nation's worst would come from an increase of up to 12.5 cents a gallon in fuel taxes and a \$15 hike in annual motor vehicle registration or driver license fees. These funds would provide a long-sought dedicated source of funding for public transit and would come from a new Transit Trust Fund, combining a mix of existing streams of revenue with a new 0.9 percent state realty-transfer tax.

The highway-bridge component of recommendations would cost the average driver an extra \$7 a month. The realty-transfer tax that would go to the state for the Transit Trust Fund would add about \$5 a month to a 30-year, \$150,000 mortgage. In addition, there's the local transit component consisting of higher fares along with a personal-income or sales-tax increase. At 31.2 cents a gallon, the state's liquid fuels tax is already among the nation's highest in a state responsible for more miles of highway (41,000) and more bridges (25,000) than most others.

The Transportation Funding and Reform Commission believes a \$900 million-a-year extra investment in roads and bridges would:

- Eliminate poor ride quality in five years on all roads carrying more than 2,000 vehicles a day and on 50 percent of roads with traffic volumes below 2,000 vehicles a day.
- Halve the percentage of structurally deficient bridges (now more than 25 percent) to the national average in 17 years.

- Implement additional safety features to reduce road fatalities by a total of 25 per year.
- Modernize two-thirds of all traffic signals over 10 years.
- Install real-time traffic information and management systems in major urban areas, such as TV surveillance cameras.
- Add certain projects to increase highway capacity, although PennDOT will continue to emphasize its "maintenance first" policy on existing roads.

### **First PA Casino Opens**

The Mohegan Tribal Gaming Authority last week opened its \$72.6 million "temporary" casino in a two-story steel-and-glass building holding 1,096 slot machines at a 40-year-old harness racing track in Luzerne County, five miles east of Wilkes-Barre. There were seven long lines of customers who wanted to sign up for players cards, with at least 25 people in each line. The first day crowd was especially large, with about 1,800 people pouring through the doors in the first hour.

Pennsylvania's new gaming law authorizes 14 casinos, seven at racetracks, five at non-track locations (including one in Pittsburgh) and two smaller casinos at resort hotels, including, probably, one at Nemaquin Woodlands in Fayette County. Six racetrack casinos were licensed first, and Mohegan Sun beat the others to the starting line.

Mohegan Sun has invested heavily in the project. It bought the racetrack from Penn National Racing two years ago for \$250 million; it spent \$50 million for a slots license from the Pennsylvania Gaming Control Commission; it spent \$72.6 million to tear down part of the old track's grandstand, renovate the rest of the space into the casino, and buy the nearly 1,100 slots; and next spring it will start construction of a \$150 million permanent casino, with a hotel, several new restaurants and a larger retail shop.

### **House Committee Finds No Bias**

A bipartisan legislative panel has found that a statewide policy governing college students' academic freedom is unnecessary because political bias is rare at Pennsylvania's public colleges and universities. The panel is recommending that schools review their academic-freedom policies, ensure students are aware of policies and grievance procedures, and provide an alternative for students who are reluctant to complain directly to a professor, according to a final report released this week.

The House Select Committee on Academic Freedom in Higher Education made the recommendations after gathering testimony at four public hearings across the state between September 2005 and June. The Committee adopted the report on November 21.

## **PHEAA Told to Disclose Records**

In a 5-2 ruling, a Commonwealth Court panel ordered the Pennsylvania Higher Education Assistance Agency (PHEAA) to disclose a variety of records and pay a portion of the legal fees incurred by media organizations whose reporters sought the documents--The Associated Press, *The Patriot-News of Harrisburg*, and Pittsburgh television station WTAE. The court contended that Pennsylvania's student-loan agency violated the state Right-to-Know Law in withholding information about its spending on retreats for board members and other financial data.

The news organizations sought various records, including credit card spending and records pertaining to travel by PHEAA employees and board members, training, and board meetings held at posh resorts in several states. The court rejected PHEAA's argument that certain documents are "legislative records" exempt from the Right-to-Know Law because 16 of the 20 board members are legislators. The court also dismissed the agency's claim that the records are exempt from disclosure because they contain "trade secrets" that help it compete in the marketplace for student loans.

PHEAA did not immediately make the requested records available. An agency spokesman could not say whether PHEAA would appeal to the state Supreme Court or how soon it would release the documents. The court ordered both sides to file a joint status report within 30 days. The court ruled PHEAA may black out information such as home addresses, phone numbers, Social Security numbers, credit card numbers and bank account numbers. It also may black out "limited information, such as reference to a product, which PHEAA is prepared to prove constitutes secret information that would be of competitive value to PHEAA."

The three reporters separately filed right-to-know requests for access to the records more than a year ago. In September 2005, PHEAA filed suit in Commonwealth Court, naming the reporters as respondents and asking the court to explicitly allow the agency to refuse to release the requested documents. After the news organizations countersued, both sides agreed to nonbinding arbitration. A retired county judge who served as hearing examiner in that process recommended in June that PHEAA make its spending records public, but the agency said it would continue to keep most of the documents secret. The news organizations appealed PHEAA's action to Commonwealth Court, leading to last week's decision.

## **Bottom of the Ninth**

Changes, concerns and questions came during the licensing hearings for the bidders for the Pittsburgh casino, with Forest City, Isle of Capri, and PITG Gaming LLC making their pitches last week.

Forest City Enterprises unveiled big changes in its casino plan for Station Square, proposing a new hotel and a temporary slots parlor, but couldn't escape concerns about revenue forecasts and potential traffic problems. Forest City proposed for the first time

to build a \$82.1 million temporary casino with 1,500 slot machines on the east side of Station Square in a warehouse building now occupied by bars and nightclubs. Both Isle of Capri and PITG Gaming have plans for temporary casinos, and Forest City acknowledged that pressure to get slots revenue rolling was a key factor in the decision. It previously had no plans for a temporary facility.

For Isle of Capri, the toughest questioning came near the end of the day, and involved the linchpin of its proposal--\$290 million to fund a new arena for the Penguins. Pennsylvania Gaming Control Board members pressed Isle of Capri Casinos Inc. on its \$290 million pledge for a new arena and whether an alternative plan would keep the Penguins in Pittsburgh. While the team is required to stay in Pittsburgh under a 20-year lease if Isle of Capri wins the license, board members wanted to know what its future looked like under Plan B, the alternative arena-building proposal developed by Gov. Ed Rendell.

Some board members said they have heard the governor, Pittsburgh Mayor Luke Ravenstahl, and Allegheny County Chief Executive Dan Onorato say a new arena will be built in Pittsburgh, whether it was by Isle of Capri or under Plan B. Under Plan B, the team would have to contribute \$8 million upfront and \$4 million a year toward the arena construction. There is no team contribution under the Isle of Capri proposal. Plan B also calls for the winning casino bidder to pitch in \$7.5 million a year.

A final decision with regard to the license is due by December 20<sup>th</sup>.

### **Council Wants Parking Rates Reduced**

Pittsburgh City Council joined the mayor and Downtown interests recently in calling for cuts in parking rates when a tax on lots and garages dips in January. It is the first of four state-mandated cuts in the tax that will bring the levy down to 35 percent by 2010. The tax was raised from 31 percent in 2004 to cover budget shortfalls. The city's largest parking providers said last week that they have no plans to change what they charge when the tax goes from 50 percent to 45 percent. The cut is expected to cost the city around \$3.2 million next year.

Council President Doug Shields said he is skeptical that lot owners will heed the call. "The parking business is an unregulated industry, and it will set rates according to whatever the customer will bear," he said.

Councilman William Peduto presented a 2004 e-mail from Merrill Stabile, president of Alco Parking Corp., the city's largest lot operator, pledging to lower rates if that year's jump in the tax was rescinded. He said other operators made the same pledge. Mr. Stabile said he would lower his rates "in a second" if the tax was cut to 35 percent in one swoop. The *Post Gazette* reported Mr. Stabile said it is the city, not private firms, which are cleaning up on parking. Alco "lost money over the last several years. We're finally starting to see some of the parkers come back" after a drop in business driven by the tax hike.

According to annual parking rate surveys by real estate brokerage Colliers International, monthly parking lease costs in the city jumped 15 percent after the 2004 boost. They have remained at that level, averaging \$247.10 a month this year. That ranks seventh highest in the nation, behind only New York, Boston, San Francisco, Chicago, Philadelphia, and Seattle. Since the tax hike, Downtown office leasing has been stagnant and the number of people coming to the city for lunch or shopping has dropped, said Pittsburgh Downtown Partnership President and CEO Mike Edwards.

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**Office of Governmental Relations, University of Pittsburgh**

710 Alumni Hall, 4227 Fifth Avenue, Pittsburgh, PA 15260 412-624-7755

Vice Chancellor for Community Initiatives and Chief of Staff, Office of the Chancellor

G. Reynolds (Renny) Clark 412-624-7721 [clark@pitt.edu](mailto:clark@pitt.edu)

Vice Chancellor for Governmental Relations

Paul A. Supowitz, Esq. 412-624-2901 [supowitz@gro.pitt.edu](mailto:supowitz@gro.pitt.edu)

Commonwealth, City/County Relations

Charles F. McLaughlin 412-624-7704 [mclaughlin@gro.pitt.edu](mailto:mclaughlin@gro.pitt.edu)

James Williams, III 412-624-7705 [williams@gro.pitt.edu](mailto:williams@gro.pitt.edu)

Community Relations

John M. Wilds, Ph.D. 412-624-7720 [wilds@gro.pitt.edu](mailto:wilds@gro.pitt.edu)

Federal Relations and *Government Highlights* Editor

Jeanne Stoner, Esq. 412-624-6011 [stoner@gro.pitt.edu](mailto:stoner@gro.pitt.edu)