

Majority Message

U.S. SENATE REPUBLICAN CONFERENCE

Senator Rick Santorum, Chairman

Senator Kay Bailey Hutchison, Vice Chairman

Economy and The War on Terrorism



Tuesday, September 21, 2004

Cutting Taxes to Create Jobs and Grow the Economy

Republicans will work to create jobs in the near term while creating permanent economic growth in the long term.

The economy is growing and getting stronger.

- The economy has shown 12 straight months of job gains. 144,000 new jobs were created in August, and June and July numbers were revised upward by 59,000.
- The unemployment rate has fallen to 5.4%, its lowest level since October 2001. Unemployment is down in all regions and in 49 of the 50 states. Employment over the last year was up in 46 of the 50 states.
- The manufacturing sector, which was the hardest hit by the economic downturn, has added 107,000 jobs since January.

Senate Republicans have a Jobs Agenda.

- The tax relief Congress passed last year has created busier factories, more secure families, and a considerably improved labor market.
- America's standard of living is on the rise, consumer confidence continues to be substantially higher than last year, and national homeownership is at an all time high.
- We will continue to push forward pro-growth policies by passing our Jobs Agenda, including class action reform and welfare reauthorization, despite Democrat obstructionism.

Senate Republicans will not be satisfied until every American looking for work has found a job.

- America can continue to grow the economy and create jobs; or it can raise taxes on American families and small businesses, hurting economic recovery and future job creation.
- Congress must extend the major income tax relief provisions beyond 2004, including the child tax credit and a reduction in the marriage penalty, to prevent tax increases from hurting economic growth.
- Extension of the 2001 and 2003 tax cuts will continue to help millions of families and businesses and continue to drive job creation.



JOINT ECONOMIC COMMITTEE

CHAIRMAN ROBERT F. BENNETT

RECENT ECONOMIC DEVELOPMENTS

SEPTEMBER 15, 2004

The Expansion Has Regained Traction

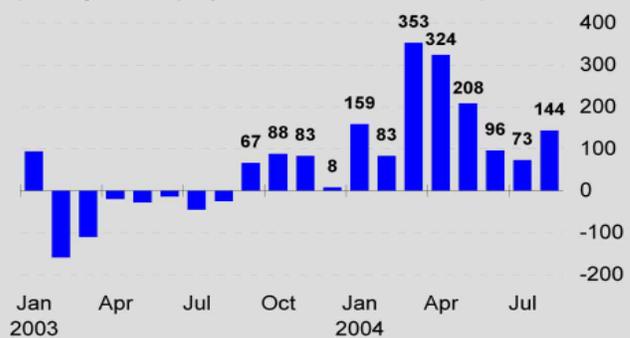
The economic expansion has regained traction following the soft patch of late spring. Payroll employment growth picked up in August and consumer spending appears to have rebounded in July and August. Business investment spending continues to grow and employment and output in manufacturing are on the rise. Levels of activity in housing markets and new construction remain strong. Exports rebounded in July while imports declined, leading to an improvement in the trade balance. Inflation, inflation expectations, energy prices and long-term interest rates have recently eased. Forecasters see strong growth in the gross domestic product (GDP) for the second half of the year.

Highlights

- Payroll employment rose by 144,000 in August, the 12th straight month of gains (Fig. 1). Manufacturing jobs also rose and unemployment edged down to 5.4%.
- Inflation and energy prices have retreated. Crude oil prices have fallen to around \$44 per barrel from a recent peak of almost \$49.
- Forecasters see GDP growth of 3.5% for the 3rd quarter and 3.9% in the 4th quarter. Growth in the 2nd quarter, which includes the late spring “soft patch,” was 2.8%.
- Long-term interest rates have eased. The yield on a 10-year Treasury note, for example, is around 4.2%, down from 4.8% in mid-May.

1.7 Million New Jobs Since August 2003

(Change in employment, SA, in thousands)



Source: Bureau of Labor Statistics (Payroll Survey)

Twelve Straight Months of Job Gains Have Added 1.7 Million New Jobs to Payrolls

The economy added a healthy 144,000 *payroll jobs* in August, the 12th straight month of payroll job gains, according to the Bureau of Labor Statistics. Payroll job gains in June and July were revised up. In the past year, 1.7 million new payroll jobs have been created. Manufacturers continued to add to payrolls in August, increasing jobs by 22,000. Manufacturing has added more than 100,000 payroll jobs since January. The *unemployment rate* fell again in August to 5.4%, the lowest since October 2001. Over the past year, the unemployment rate has fallen in all but one of the 50 states.

Inflation and Energy Prices Have Eased; Health Care Costs Continue to Rise Rapidly

Consumer and producer price inflation, inflation expectations, and energy prices have all eased in recent months, though energy prices remain elevated. *Crude oil prices* have retreated to around \$44 per barrel from a mid-August peak of almost \$49. Retail *gasoline prices* have also retreated, to around \$1.90 per gallon on average from a late-May peak of \$2.10 per gallon. The annual rate of growth in employer-sponsored *health-care premiums* moderated somewhat this year, rising 11.2%, according to a survey by the Kaiser Family Foundation and Health Research and Education Trust. This survey year was the fourth straight in which premium growth was double-digit.

Forecasters Predict Faster GDP Growth

According to Federal Reserve Chairman Greenspan's testimony last week, recent data indicate that "the expansion has regained some traction." The consensus forecast for inflation-adjusted *GDP growth*, from the Blue Chip survey of forecasters, is 3.5% for the 3rd quarter of this year and 3.9% for the 4th quarter. Growth in the 2nd quarter was revised down to a still healthy 2.8% from an earlier estimate of 3.0%. *Growth in labor productivity*—output per unit of labor—was also revised down for the 2nd quarter.

Long-Term Interest Rates Have Eased

Declining inflation expectations have helped to bring down *long-term interest rates*. The yield on a 10-year *Treasury note* is currently around 4.2%, down from a recent high of 4.8% in mid-May. The interest rate on a conventional, fixed-rate, 30-year *mortgage* currently stands at a bit below 5.80%, down from a recent high of 6.35% in mid-May.

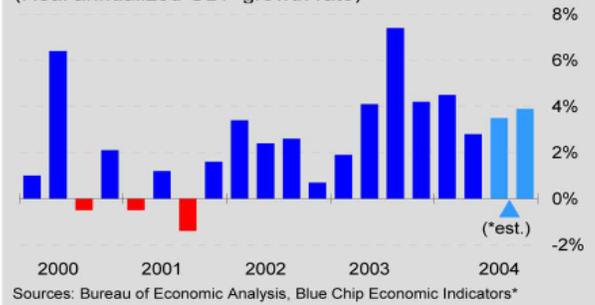
Housing Markets Remain Firm

While *new and existing home sales* fell in July, levels of activity remain high, aided by the still-low mortgage rates and a strengthened economy. *Housing starts*—groundbreakings for new homes—rebounded in July, increasing by a strong 8.3% over June's starts, and *building permits* rose. *Total construction spending* (private residential, private non-residential, and public) increased 0.4% in July relative to one month earlier. All three components of total construction posted gains.

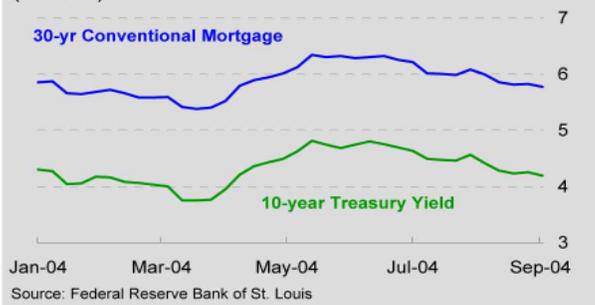
The Trade Balance Improved in July

Exports grew 3.9% in July while imports fell 1.5% and the trade deficit got smaller. In June, the pattern was reversed; exports fell while imports grew and the trade deficit expanded. In July, exports had grown by 12.0% relative one year earlier while imports had grown 15.5%. The trade deficit remains high at over \$50 billion.

Strong Growth Expected in 2004
(Real annualized GDP growth rate)



Long-Term Interest Rates Have Edged Down
(Percent)



Upcoming Indicators

Federal Reserve – The Fed next meets on *September 21*. Markets expect another quarter point increase in the Fed's target overnight interest rate.

Employment – The Bureau of Labor Statistics reports September's employment situation on *October 8*. Jobless claims data arrive every Thursday.

GDP – The first look at GDP growth for the 3rd quarter arrives *October 29*.

Inflation – The Consumer Price Index is scheduled to be released *September 16*. The next release of the Producer Price Index is scheduled for *October 15*.

State Employment Statistics – August 2004

Provided by the Joint Economic Committee (JEC) – <http://jec.senate.gov>

	<u>New Jobs in the</u> <u>Last Month</u>	<u>New Jobs in 2004</u>	<u>New Jobs in the</u> <u>Last Year</u>	<u>Unemployment Rate</u>
Alabama	3,100	14,200	14,200	6.0%
Alaska	(800)	1,500	3,600	7.6%
Arizona	10,200	33,800	54,600	4.4%
Arkansas	2,900	9,400	12,200	5.4%
California	3,100	107,100	112,300	5.8%
Colorado	8,200	29,400	29,400	5.1%
Connecticut	4,600	3,000	2,500	4.6%
Delaware	(400)	3,300	5,300	3.6%
District of Columbia	2,000	8,700	14,700	7.5%
Florida	16,600	99,200	155,400	4.5%
Georgia	15,000	22,100	34,100	4.2%
Hawaii	2,200	7,800	15,200	2.9%
Idaho	1,500	14,700	16,100	5.0%
Illinois	700	(1,200)	11,500	6.1%
Indiana	1,900	15,800	6,300	5.1%
Iowa	3,400	5,300	11,400	4.5%
Kansas	(1,200)	7,000	12,400	4.8%
Kentucky	(6,700)	8,300	14,400	5.1%
Louisiana	(4,900)	8,900	14,900	5.0%
Maine	3,500	5,800	7,900	4.5%
Maryland	(800)	50,000	51,300	4.3%
Massachusetts	(4,300)	9,500	(100)	5.4%
Michigan	7,200	(35,000)	(45,000)	6.7%
Minnesota	3,700	19,000	17,000	4.8%
Mississippi	200	5,500	8,900	5.9%
Missouri	(5,500)	28,900	29,600	5.5%
Montana	(600)	6,800	7,300	4.8%
Nebraska	(600)	3,300	4,400	3.6%
Nevada	2,800	31,100	46,500	4.0%
New Hampshire	(500)	3,800	6,500	3.7%
New Jersey	2,700	48,900	65,900	4.8%
New Mexico	2,300	10,700	16,400	5.4%
New York	5,200	38,000	69,500	5.6%
North Carolina	2,900	62,700	46,300	5.0%
North Dakota	2,300	1,100	400	3.3%
Ohio	(11,800)	11,900	(37,300)	6.3%
Oklahoma	(1,800)	14,500	18,700	4.1%
Oregon	(900)	30,300	34,300	7.4%
Pennsylvania	6,400	57,600	43,000	5.6%
Rhode Island	(1,000)	3,600	4,500	5.5%
South Carolina	(6,000)	18,400	15,100	6.4%
South Dakota	(500)	1,900	500	3.2%
Tennessee	4,600	7,400	17,200	4.9%
Texas	14,400	84,500	116,600	5.7%
Utah	3,000	20,400	27,300	4.8%
Vermont	1,500	2,100	2,000	3.4%
Virginia	(1,700)	68,800	85,000	3.5%
Washington	(3,000)	46,000	55,300	6.2%
West Virginia	1,100	12,500	7,100	5.5%
Wisconsin	(1,100)	63,000	44,200	4.8%
Wyoming	800	3,100	5,900	3.7%

Want Ads ...

GOP Jobs Agenda "Fired" by Senate Democrats

THURSDAY, 2004

SECTION D

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Class Action: S. 1751 would save employers' costs - and employees' jobs - by ensuring that trial lawyers don't escape with the lion's share of court awards meant for deserving victims. Twice - on July 8th, 2004 and October 22nd, 2003 - Democrats blocked this bipartisan compromise.

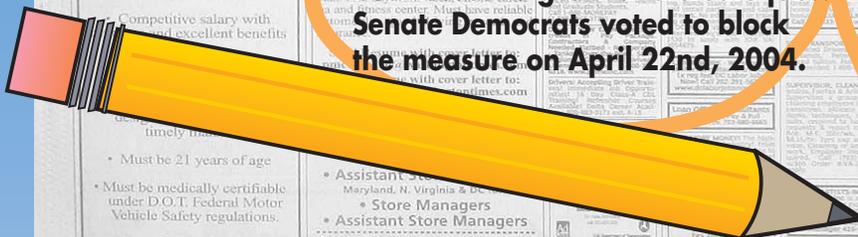
Workforce Investment: S. 1627 is projected to help more than 900,000 dislocated workers get the training they need to get good jobs. Passed by both the House and Senate (unanimous Senate voice vote on November 14th 2003), Senate Democrats refuse to appoint conferees so that the bill will become law.

Welfare Reform: On April 1st 2004, Senate Democrats voted to block a measure to reauthorize the landmark 1996 welfare reforms. H.R. 4 would build on the success of the 1996 reforms to strengthen work requirements and provide an additional \$6 billion in childcare funding for working families.

Asbestos Care and Jobs: The FAIR Act, S. 2290, would establish a \$124 billion fund to care for asbestos victims and create the financial stability to allow businesses to grow and create jobs. Senate Democrats voted to block the measure on April 22nd, 2004.

Bankruptcy Reform: S. 1920 passed the House, but the Senate has not been able to consider the bill. The measure ensures that negligent businesses and unscrupulous individuals don't skip town on their debts, leaving their workers holding the bag.

Energy Jobs: Responsible exploration in Alaska's ANWR would create nearly one million American jobs, and potentially reduce both America's dependence on foreign oil and the cost of oil for consumers. Democrats blocked Senate passage of ANWR legislation on March 19th, 2003, in spite of overwhelming support from both business and labor groups.



Rep. Porter Goss Nominated as CIA Director

President Bush recently announced the nomination of Congressman Porter Goss to be the next Director of Central Intelligence. Noting that America faces determined enemies and that we must have the best intelligence possible, the President gave Porter Goss an essential mission to lead the Agency for the challenges and threats of a dangerous century.

Porter Goss is well prepared for that mission. He has served in the U.S. military, the intelligence community, and the Congress, where he is well respected on both sides of the aisle and understands the important role Congress must play in improving our intelligence capabilities. He also understands the vital importance of human intelligence and of investing in technologies that allow us to look and listen better.

Serving his fourth term as Chairman of the House Permanent Select Committee on Intelligence, Congressman Goss has been leading the effort to revitalize the Nation's intelligence community by strengthening our human intelligence and deepening analytical capabilities.

- Chairman of the House Permanent Select Committee on Intelligence since 1997. Key committee in the House with legislative, budget authorization, and oversight jurisdiction over the entire U.S. intelligence community.
- Co-Chairman with Senator Bob Graham (D-FL) of the Joint Inquiry into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001. First-ever bi-cameral review of intelligence and activities of US leading up to 9/11.
- Member of the Commission on the Roles and Capabilities of the United States Intelligence Community ("Aspin-Brown Commission"). Blue-ribbon panel established in the mid-90s to review the structure, authority, and processes of the intelligence community.
- Co-Chairman with Senator Bob Kerrey (D-NE) of the National Commission for the Review of the National Reconnaissance Office (NRO). Commission to study capabilities, mission and future of the NRO.
- Member of the U.S. House Select Committee on Homeland Security.
- Former United States Army intelligence officer. A decade of experience as a Clandestine Services Officer with the CIA.
- Participant in the review of NATO's response to global security issues.
- Elected to Congress from Florida's 14th District in 1988, where he has represented Southwest Florida and focused on veterans, national security, health care, and the environment.
- Mayor, city councilman, county commissioner, small businessman.
- Graduated with Honors from Yale University in 1960.

Over 15 years of service in Congress, Porter Goss has built a reputation as a reformer in Congress – and now, with the agreement of the U.S. Senate, he will be a reformer at the Central Intelligence Agency helping to implement needed intelligence restructuring, including implementing the recommendations of the 9/11 Commission.



Good News from Iraq Continues – A Roundup of the Past Two Weeks

September 13, 2004

Unfortunately, American optimism about Iraq's future is under constant assault from negative media coverage. Highlighting violence alone in Iraq is not the role of the media. Following is a small sampling of the good news from Iraq, from an op-ed by Arthur Chrenkoff that appeared in the Sept. 13th Wall Street Journal editorial page:

Society

- Elections are still a few months away, but the people of Iraq are already looking forward to the opportunity to elect their own government.
- According to a recent poll of Iraqis conducted by the Independent Institute for Administrative and Civil Society Studies:
 - More than 77 percent of respondents feel that “regular, fair elections” would be the most important political right for the Iraqi people.
 - Fifty-eight percent feel that democracy in Iraq is likely to succeed.
 - More than 70 percent of respondents would not leave their country if given the opportunity to live elsewhere.
 - Seventy-five percent of respondents expressed hopefulness about the future.
 - The Iraqi Police and Army are well-placed to deal with democratic transition concerns, as 80.3 percent and 71.6 percent of respondents expressed trust for the Iraqi men and women trying to bring about peace.
 - The Interim Government of Iraq is trusted by 65.1% of Iraqi citizens.
 - Iraqi courts and judges – critical in implementing the rule of law in Iraq – maintain the trust of 64.4 percent of respondents.
- After decades of enforced silence, the Iraqis are relishing a chance to speak out. Radio Dijla, which went on air in April, is one of 15 new private radio stations. Radio Dijla is pursuing the talk-radio format. It broadcasts for 19 hours per day and receives 185 calls an hour – mostly about everyday life's big and small problems. “After 35 years of people not being able to say what they wanted, we need something that can translate our feelings,” said Imad al-Sharaa, a new editor at the station.
- After a \$20 million renovation – half the funds from Iraqi oil proceeds and the rest from the U.S. Treasury – mail service in Iraq now is creeping into the modern world.

- Under Saddam Hussein, the government saw Iraq's postal service as a great way to spy on its citizens. Receipt of an overseas letter was often accompanied by a summons from authorities asking about foreign contacts. Mail was frequently censored or went missing.

Economy

- The Baghdad stock exchange will shortly undergo much-needed modernization.
- Iraq plans to set up a single national oil business which will incorporate the four existing state-owned operating companies. The purpose of establishing the single business, the Iraq National Oil Company, is to enable the oil industry to be managed professionally, enhance oil production and de-politicize oil sector operations.
- Iraq's oil sector is attracting increased foreign interest.
- Regarding trade, the U.S. is placing Iraq on the Generalized System of Preferences list, which will give preferential, duty-free status to some goods exported by Iraq.
- Three recently rehabilitated factories of prefabricated building materials are open for business in Baghdad, Kirkuk and Nineveh.
- Iraqi authorities continue to work on a wide range of smaller, but important local projects, such as paving countryside roads, bridge construction, building more dams around the country, and more housing construction.
- The Real Estate Bank of Iraq has commenced providing loans to Iraqis who want to buy their own home.
- Iraq Airlines is commencing daily flights between Baghdad and Amman, Jordan.

Reconstruction

- Britain recently committed \$90 million to specific bilateral aid projects, such as capacity building for the local government in southern Iraq, job creation, restoring essential services, and engaging citizens in the political process.
- South Korea is planning to shortly activate its \$2 billion aid package.
- The government of Kuwait has committed \$65 million in assistance to go toward construction of new schools and hospitals around Iraq.
- \$200 million has been allocated towards a new power generating plant in Najaf.

- Water projects worth \$9 million are being implemented in and around Nasariyah.

Coalition Forces

- International help in security and reconstruction continues to expand. A 12-nation 57-man NATO team has started training Iraqi Security Forces.
- The Republic of Georgia will double its contingent in Iraq by October. In the words of Defense Minister Giorgi Baramidze, “We are strong allies of the United States and we want to become a really strong partner. We are seeking NATO membership so we want to prove that we are there ... It is really a necessity to fight against terrorism.”

Security

- While sporadic fighting and terrorist activity continue, there are also some positive developments.
- In Baghdad, there are indications that the public support for insurgency is waning.
- The Iraqi security apparatus is playing an increasingly important role, and the Iraqi Police Force is at the forefront of struggle for better order.
- The Iraqi Police Force is chalking up noteworthy successes, such as breaking up the biggest kidnapping ring in Baghdad, which was responsible for taking several government officials and scientists for ransom.
- Besides being called in to restore law and order in Najaf and elsewhere across the country, Iraq’s security forces have been responsible for discovering a number of explosive devices and weapons caches in recent weeks.
- Joint U.S. and Iraqi forces have arrested 500 suspected insurgents in a major raid in the majority Sunni town of Al-Latifayah, south of Baghdad.
- With Western assistance, more and more Iraqi police officers find their way onto their beats, says a British brigadier who is helping to rebuild the force. He stated, “Why would anyone want to be a police officer in Iraq? It’s dangerous, no question. But there has never been a problem recruiting. We’re training 5,000 new officers every eight weeks.”

The entire text of Mr. Chrenkoff’s op-ed can be found at:
<http://www.opinionjournal.com/extra/?id=110005610>

Three Years of Progress in the War on Terror

“In the three years since our country was attacked, we’ve taken steps to overcome new threats. We will continue to do everything in our power to defeat the terrorist enemy and to protect the American people. Recently, the Commission on the Terrorist Attacks Upon the United States came to a conclusion that I share: that our country is safer than it was on September the 11th, 2001, yet, we’re still not safe. . . . We are a Nation in danger. We’re doing everything we can in our power to confront the danger. We’re making good progress in protecting our people and bringing our enemies to account. But one thing is for certain: We’ll keep our focus and we’ll keep our resolve and we will do our duty to best secure our country.”

– President George W. Bush
(August 2, 2004)

Three years have passed since the attacks of September 11, 2001. While the danger has not passed, America today is safer and stronger because of the actions taken by President Bush and his Administration to protect our country.

Protecting Our Homeland

The Bush Administration has made an unprecedented commitment to homeland security. Already, the President has led the largest reorganization of government in more than 50 years; strengthened our intelligence capabilities; expanded support for first responders and state homeland security efforts; and increased protection of our transportation systems, borders, ports, and critical infrastructure.

- ***Creating the Department of Homeland Security (DHS):*** The President has led the most extensive reorganization of the Federal Government in more than 50 years by creating DHS. DHS brought together 22 entities and over 180,000 employees with critical homeland security missions and provided the Nation with a single Federal department with the primary mission to protect the homeland against terrorist threats.
- ***Leading the Way on Reforming and Strengthening Intelligence and Coordination:*** President Bush has led the way on intelligence reform and has already undertaken a number of major reforms to improve intelligence collection, analysis, and sharing to obtain the best information on the terrorist threat to the Nation – including:
 - ***Acting on 36 of the 9/11 Commission’s 41 recommendations:*** The President, on August 27, signed executive orders giving the Director of Central Intelligence many of the strengthened management powers over the Intelligence Community that will eventually belong to the National Intelligence Director (NID) proposed by the 9/11 Commission. He also established a National Counterterrorism Center (NCTC) to serve as a central knowledge bank on known and suspected terrorists and international terror groups, as well as their goals, strategies, capabilities, and networks of contacts. The NCTC will also provide strategic planning for U.S. government-wide counterterrorism activities. The President also ordered that additional actions be taken to continue to improve the sharing of terrorism information among agencies and to improve our information technology architecture.

- Proposing the creation of a National Intelligence Director (NID) with the authority needed to get the job done. The President intends to give the NID budget authority over the National Foreign Intelligence Program appropriation and the management tools necessary to successfully oversee the Intelligence Community, including ensuring the full integration of foreign and domestic intelligence. The President seeks intelligence reform legislation that is consistent with the recommendations of the 9/11 Commission.
- Transforming the FBI: For three years, the President has led the effort to transform the FBI into an agency focused on preventing terrorist attacks through intelligence collection and other key efforts, while improving its ability to perform its traditional role as a world-class law enforcement agency.
- Establishing the Terrorist Threat Integration Center (TTIC) to integrate and analyze terrorism threat-related information collected domestically and abroad, ensuring that intelligence and law enforcement entities are working together. Elements of the CIA, the Department of Defense (DoD), the Department of Justice, DHS, and the FBI work to close the “seams” in our intelligence analysis. Launched in early 2003, the TTIC has been regarded by the 9/11 Commission as the foundation for the newly established NCTC.
- Creating the Terrorist Screening Center to consolidate terrorist watchlists and provide 24/7 operational support for Federal and other government law enforcement personnel across the country and around the world. The Center ensures that government investigators, screeners, and agents are working with the same unified, comprehensive set of information about terrorists – and that they have access to information and expertise that will allow them to act quickly when a suspected terrorist is screened or stopped.
- Creating U.S. Northern Command to provide for integrated homeland defense and coordinated DoD support to Federal, State, and local civilian governments.
- Proposing and signing into law the USA PATRIOT Act, which strengthens law enforcement’s abilities to prevent, investigate, and prosecute acts of terror, facilitating Federal government efforts to thwart potential terrorist activity throughout the United States. President Bush continues to call on Congress to take action to ensure that these vital law enforcement tools do not expire.
- Creating a White House Homeland Security Council, led by a homeland security advisor who reports directly to the President, to coordinate homeland security policy across multiple departments and agencies – modeled on the National Security Council.
- Creating the President’s Board on Safeguarding American’s Civil Liberties to continue to carry out the President’s commitment to protecting the privacy and other rights of all Americans.

- **Significantly Increasing Homeland Security Funding: Since 2001, the President has:**
 - Proposed a near tripling of funding for homeland security. The FY 2005 budget will increase homeland security funding by 9.7% over FY 2004 – not counting homeland security funding in the Department of Defense and Project BioShield.
 - Strengthened counterterrorism efforts through the Department of Justice (DOJ), proposing a 19% increase in homeland security funding for programs within DOJ over FY 2004 to \$2.6 billion. The FY 2005 budget also brings overall FBI funding to \$5.1 billion, a \$1.9 billion (almost 60%) increase over the FY 2001 level.
 - Allocated more than \$13 billion to help State and local governments prepare for terrorism. President Bush has sought and secured historic and massive increases in funding for first responder preparedness since September 11, 2001. These funds should be spent on training and equipping first responders for terrorism preparedness and response.
- **Bringing Terrorists to Justice and Disrupting Terror Cells Inside the United States:** The Department of Justice has charged over 350 individuals uncovered in the course of terrorist investigations, and convicted or secured guilty pleas from over 185 individuals. The U.S. government has disrupted alleged terrorist cells in New York, Washington, Oregon, Northern Virginia, North Carolina, and Florida.
- **Strengthening Transportation Security:** The Administration instituted a multi-layered strategy to enhance aviation security from the curb to the cockpit. The Transportation Security Administration (TSA) screens 100% of commercial air passengers and bags. TSA has trained and authorized hundreds of pilots to carry firearms in the cockpit, directed the hardening of cockpit doors on 6,000 commercial aircraft, and stationed explosives-detection canine teams at each of the Nation's largest airports. Federal Air Marshals ride aboard our Nation's aircrafts, protecting passengers and crew. The President's FY 2005 budget proposes \$5.3 billion for transportation security funding, a 93% (\$4.9 billion) increase over FY 2001 levels.
- **Improving Border Security:**
 - Three years ago, there were inspectors from three different Federal agencies at our ports of entry. Today, the Department of Homeland Security's U.S. Customs and Border Protection (CBP) consolidates all port inspection activities into a single workforce to create "one face at the border." The Border Patrol is also part of CBP, creating synergy between inspectors at the ports and those patrolling between them. More than 18,000 CBP Officers, 1,400 CBP Agriculture Specialists, and 11,000 Border Patrol Agents guard our Nation's borders.
 - The US-VISIT entry-exit system uses cutting-edge biometric technology to help ensure that our borders remain open to legitimate travelers but closed to terrorists. US-VISIT was launched at 116 airports and 16 seaports across the country and the program is expanding to land ports of entry. This program has been very successful, processing more than 8.5 million travelers since January.
 - The President's FY 2005 budget includes \$7.1 billion for border security funding, a \$3 billion increase over FY 2001 levels.

Increasing Port and Cargo Security:

- The President has significantly increased funding for the Coast Guard, including dramatic increases for port security and acquisition of new resources. The Coast Guard is creating over a dozen 100-person Maritime Safety and Security Teams, to provide point defense for critical infrastructure and high-value shipping; employing armed helicopters to provide waterside security; and reviewing thousands of new vessel, facility, and port security plans. Funding for Coast Guard port security efforts has increased over 500% from the beginning of this Administration through 2004. The Coast Guard's Deepwater fleet modernization project has received a total of \$1.5 billion over the last three years, and the President has requested \$678 million in his FY 2005 budget.
- DHS has strengthened measures to protect the Nation from smuggled radioactive materials and nuclear devices, by equipping CBP inspectors, Coast Guard boarding personnel, and Border Patrol agents with portable radiation detectors and installing radiation detection portals at sea, land, rail, and air ports of entry, including mail processing facilities. The first radiation portals were installed in March 2003.
- DHS established the National Targeting Center (NTC), which uses computer-assisted analytical protocols to determine which cargo and passengers destined for the United States present the greatest threat, focusing examinations and inspections on them. The NTC screens data on 100% of inbound seaborne shipping containers (6 million per year) to identify those posing a "high risk"; CBP personnel conduct examinations of 100% of high-risk containers.
- DHS established the Container Security Initiative (CSI), deploying CBP officials to 25 major international seaports to pre-screen shipping containers for illicit or dangerous materials before they are loaded on vessels bound for the United States. CSI includes the ports that ship roughly two-thirds of inbound containers to the United States. Additional ports are being added over the next two years.
- ***Significantly Expanding Our Biodefense Capabilities:*** Keeping Americans safe from the threat of bioterrorism has been a priority since the outset of the Administration. Since 2001, over \$10 billion has been invested across all aspects of biodefense – and NIH bioterrorism funding alone has increased by more than 3,000 percent. The President and the Administration have:
 - Approved "Biodefense for the 21st Century" – the first-ever national strategy against bio threats – that provides a roadmap for developing comprehensive U.S. biodefense capabilities.
 - Proposed and signed into law Project BioShield, which provides new tools to acquire medical counter measures protecting Americans against a chemical, biological, radiological, or nuclear attack. Project BioShield is a comprehensive effort that will ensure that resources (\$5.6 billion) are available to pay for "next-generation" medical countermeasures, expedite the conduct of NIH research and development on medical countermeasures based on the most promising recent scientific discoveries, and give FDA the ability to make promising treatments quickly available in emergency situations.
 - Expanded international efforts to secure and keep dangerous biological materials out of the hands of terrorists.

- Deployed early warning environmental sampling systems – the BioWatch program – making it possible to detect biological weapons attacks against major cities. To date, the BioWatch program has analyzed more than one million samples.
- Increased biodefense medical research and development within the Department of Health and Human Services to more than \$1.5 billion per year since 2003, thirty times the investment in 2001.
- Expanded funding five-fold for the Strategic National Stockpile of medicines for treating victims of terror attacks, ensuring that “push packages” can be anywhere in the United States within 12 hours.
- Stockpiled enough smallpox vaccine for every American and vaccinated over 600,000 members of the armed services.
- Trained hundreds of thousands of first responders to recognize and respond to the effects of WMD.
- Created the National Biodefense Analysis and Countermeasure Center to systematically apply, for the first time, cutting-edge science to the study of classified intelligence about foreign weapons programs and develop first-class forensics in support of law enforcement investigations of biological crimes.
- Initiated a major new agriculture and food program to defend against diseases, pests, or poisons that could intentionally be delivered by acts of terrorism.
- **Protecting Critical Infrastructure:** The Administration has made unprecedented efforts to protect America’s critical infrastructure against the threat of terrorism – including strengthened security for chemical plants, nuclear facilities, and other potential targets of terrorists. The President’s FY 2005 budget includes \$864 million for DHS information analysis and critical infrastructure protection – a seven-fold increase over FY 2002 levels.

Progress in the Global War on Terror

- **Three Commitments in Our Strategy for Peace:** To overcome the dangers of our time, America is also taking a new approach in the world. We are determined to challenge new threats – not ignore them and simply wait for future tragedy. Our strategy for peace has three commitments:
 - First, we are defending the peace by taking the fight to the enemy – confronting them overseas so we do not have to confront them here at home. We are destroying the leadership of terrorist networks in sudden raids, disrupting their planning and financing, and shrinking the space in which they can freely operate by denying them territory and the support of governments.
 - Second, we are protecting the peace by working with friends and allies and international institutions to isolate and confront terrorists and outlaw regimes. America is leading a broad coalition of nations to disrupt WMD proliferation. We are working with the United Nations, the International Atomic Energy Agency, and other international organizations to take action to preserve our common security.

- Third, we are extending the peace by supporting the rise of democracy – and the hope and progress that democracy brings – as the alternative to hatred and terror in the broader Middle East. In democratic and successful societies, men and women do not swear allegiance to malcontents and murderers; they turn their hearts and labor to building better lives. And democratic governments do not shelter terrorist camps, or attack their peaceful neighbors.
- Three Years of Progress: We have followed this strategy – defending the peace, protecting the peace, and extending the peace – for nearly three years, and the results are now clear for all to see.
- Afghanistan: Three years ago, Afghanistan was the home base of al-Qaida – a country ruled by the Taliban, one of the most backward and brutal regimes of modern history. Today, a presidential election is scheduled for this fall, the terror camps are closed, and the Afghan government is helping us to hunt the Taliban and terrorists in remote regions. Today, because we acted to liberate Afghanistan, a threat has been removed, and the American people are safer.
- Pakistan: Three years ago, Pakistan was one of the few countries in the world that recognized the Taliban regime, and al-Qaida was active and recruiting in Pakistan without serious opposition. Yet the United States was not on good terms with key Pakistani leaders – the very people we would need to help shut down al-Qaida operations in that part of the world. Today, the United States and Pakistan are working closely in the fight against terror, and Pakistani forces are rounding up terrorists along their nation’s western border. President Musharraf is a friend of our country who helped us capture Khalid Sheik Mohammed, the operational planner behind the 9/11 attacks. Today, because we are working with Pakistani leaders, Pakistan is an ally in the war on terror, and the American people are safer.
- Saudi Arabia: Three years ago, terrorists were well-established in Saudi Arabia. Inside that country, fundraisers and other facilitators gave al-Qaida financial and logistical help – with little scrutiny or opposition. Today, after attacks in Riyadh and elsewhere, the Saudi government knows that al-Qaida is its enemy. Saudi Arabia is working hard to shut down the facilitators and financial supporters of terrorism, and they have captured or killed many first-tier leaders of the al-Qaida organization in Saudi Arabia. Today, because Saudi Arabia has seen the danger and joined the war on terror, the American people are safer.
- Iraq: Three years ago, the ruler of Iraq was a sworn enemy of America, who provided a safe haven for terrorists, had used weapons of mass destruction, and turned his nation into a prison. Saddam Hussein was a proven mass murderer who refused to account for his weapons of mass murder.
 - The Bush Administration, Members of Congress, and the United Nations Security Council looked at the intelligence on Iraq and saw a threat. The previous Administration and the Congress looked at the intelligence – and made regime change in Iraq the policy of our country.
 - In 2002, the UN Security Council yet again demanded a full accounting of Saddam Hussein’s weapons programs. As he had for 12 years, Saddam Hussein refused to comply. So President Bush had a choice to make: either take the word of a ruthless dictator, or take action to defend America. Faced with that choice, President Bush will defend America every time.

- We were right to go into Iraq. We removed a declared enemy of America, who had defied the international community for 12 years, and who had the capability of producing weapons of mass murder, and could have passed that capability to terrorists bent on acquiring them. Although we have not found stockpiles of weapons of mass destruction, in the world after September 11th, that was a risk we could not afford to take.
- Today, the dictator who caused decades of death and turmoil – who twice invaded his neighbors, who harbored terrorist leaders, and used chemical weapons, is finally before the bar of justice. Iraq is now becoming an example of reform to the region. Iraqi security forces are fighting beside coalition troops to defeat terrorists and foreign fighters. Today, because America and our coalition helped to end the violent regime of Saddam Hussein, and because we are helping to raise a peaceful democracy in its place, the American people are safer.
- Libya: Three years ago, Libya, a longtime supporter of terror, was spending millions to acquire chemical and nuclear weapons. Today, thousands of Libya’s chemical munitions have been destroyed, and equipment to produce nuclear materials that could ultimately have threatened the lives of hundreds of thousands is stored in Oak Ridge, Tennessee. Today, because the Libyan government saw the determination of the civilized world, and correctly judged its own interests, the American people are safer.
- Weapons Proliferation: Three years ago, a private weapons proliferation network, operated by Pakistani nuclear scientist A.Q. Khan, was selling nuclear plans and equipment to countries like Libya, Iran, and North Korea. Today, the A.Q. Khan network has been exposed, we have ended one of the most dangerous sources of proliferation in the world, and the American people are safer.
 - Breaking this proliferation network was possible because of outstanding work by the CIA. Dedicated intelligence officers were tireless in obtaining vital information, sometimes at great personal risk. Our intelligence services do an essential job for America.
 - The Senate Intelligence Committee has identified some shortcomings in our intelligence capabilities – and the Committee’s report will help us in the work of reform. President Bush believes that intelligence reform efforts should: 1) increase the number of intelligence agents to cover the globe; 2) invest in the best, cutting-edge technology to listen and look for dangers; and 3) result in better coordination among intelligence services.
 - The President proposed the establishment of the Proliferation Security Initiative (PSI). PSI is a broad international partnership of countries which, using their own laws and resources, will coordinate their actions to interdict shipments of dangerous technologies to and from states and non-state actors of proliferation concern – at sea, in the air, and on land.
 - The President proposed and the United States led the effort to pass UN Security Council Resolution 1540, which requires states to criminalize proliferation of weapons of mass destruction and their means of delivery by non-state actors, enact and implement effective export controls, and secure proliferation-sensitive materials.

- **Missile Defense:** The United States will soon begin the operational deployment of an initial capability to defend against long-range ballistic missiles from rogue states such as North Korea. While this initially will be a limited capability, it will provide a basis for improvements as the threats and technologies evolve.
- **Terrorist Financing:** On September 23, 2001, President Bush opened a new front in the war on terror by signing an Executive Order to freeze the U.S.-based assets of individuals and organizations involved with terrorism, and authorizing the Secretaries of State and the Treasury to identify, designate, and freeze the U.S.-based assets of terrorists and their supporters. Since September 11, 2001:
 - The United States has designated 387 entities as terrorists or supporters of designated terrorists and frozen nearly \$142 million in terrorist-related assets. More than \$37 million has been frozen in the United States.
 - The U.S. Government has identified and frozen over \$4.5 million in al-Qaida-related funds. In addition, almost \$72 million has been frozen by other governments worldwide.
 - Almost 1,500 terrorist-related accounts and transactions have been blocked around the world, including 151 in the United States.
 - Over 80 countries have also introduced new terrorism-related legislation, and 94 have established Financial Intelligence Units.
 - Consistent with applicable UN Security Council Resolutions, more than 170 countries and jurisdictions have issued freezing orders.

The Coalition in Iraq Did You Know That...

- Besides the U.S., there are **32 countries** contributing to the **Coalition** operating in Iraq.
- These **32 countries** are contributing approximately **25,000 soldiers**.
- The **Iraqi government** has approximately **154,500 soldiers and police forces** on hand to provide security and stability throughout the country.
- **Iraqi soldiers and police** comprise approximately **49% of the Coalition**; U.S. troops comprise approximately 43%; and **U.S. allies** comprise approximately **8%**.
- **There are more Iraqi and non-U.S. soldiers on the ground stabilizing Iraq than U.S. forces.**

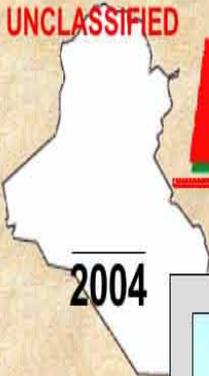
(data is based on information provided in State Department's September 8, 2004 "Iraq Fact Sheet" and "Iraq Weekly Status Report")

Countries Contributing Forces in Iraq:

Albania
Armenia
Australia
Azerbaijan
Bulgaria
Czech Republic
Denmark
El Salvador
Estonia
Georgia
Hungary
Italy
Japan
Kazakhstan
Korea
Latvia
Lithuania
Macedonia
Moldova
Mongolia
Netherlands
New Zealand
Norway
Poland
Portugal
Romania
Singapore
Slovakia
Thailand
Tonga
Ukraine
United Kingdom

15 September 2004

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IRAQ Iraq Elections Timeline

fact sheet

2004

01 Jun	Iraqi Interim Government (IIG) Announced and Governing Council dissolved	Phase I (Interim Government)
04 Jun	Election Commission established	
28 Jun	Transfer sovereignty from CPA to IIG	
15 Aug	National Conference convenes and selects Interim National Council	
31 Jan	Elections for the National Assembly complete: NLT 31 Jan 05	

2005

Early 05	Iraqi Transitional Government takes power	Phase II (Elected Government)
15 Aug	National Assembly completes draft of permanent constitution	
15 Oct	Referendum for permanent constitution	
15 Dec	Elections for government completed	
31 Dec	Elected government assumes office	

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