WASHINGTON (AP) It is unclear whether a new system of computerized background checks envisioned by the Transportation Security Administration for airline passengers will protect travelers' privacy, a congressionally-ordered report said Monday.

Congress last year ordered the Government Accountability Office to report on whether the passenger screening project, called Secure Flight, met 10 criteria, including privacy protections, accuracy of data, oversight, cost and safeguards to ensure the system won't be abused or accessed by unauthorized people.

``TSA has not yet completed these efforts or fully addressed these areas, due largely to the current stage of the program's development,'' the GAO concluded.

The GAO said nine of 10 the 10 criteria had not yet been met.

The TSA wants to take over from the airlines the responsibility of checking passengers' names against those on terrorist watch lists.

Secure Flight is supposed to work by transferring the airlines' passenger name records which can include address, phone number and credit card information to the government, which would then check the information against watch lists.

One problem with Secure Flight, the report concluded, is that the government doesn't know if there are mistakes in the terrorist watch lists.

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Major Stories
- Filkins (NYT) has Iraqis very close to an agreement on a new Constitution.
- Baker and Murray (W Post) report on Democrats' internal split over the Iraq war, with elected leaders declining to question Bush and activists who want to challenge the President aggressively.
- Allen (W Post) reports Camp Casey has grown into a massive settlement, outpost is taking on a Woodstock air.

Challenges
- Bohan (Reuters) reports that the President will face protesters at VFW speech today.
- Brownstein (LAT) slams nation's political leaders for silence on Iraq.
- Dinan (W Times) reports on Richardson hitting the Administration for lax border security.
- Daniel (AP) covers Sen. Hagel's comment that Iraq is looking like Vietnam.
- Editorial (W Post) says the passenger screening system remains a mess, calls on Sec. Chertoff to improve system while the nation awaits the Secure Flight program.

Opportunities
- Wiess (W Post) reports that scientists for the first time have converted skin cells into embryonic stem cells – without having to use human eggs or make new human embryos in the process.
- Gaul (W Post) reports the Department of Veterans Affairs' revamped health care system is now a model.

Of Note
- Kuhnhenn (KR) reports that Democrats are planning a case against Roberts focused primarily on civil rights and women’s rights, not religious issues like abortion.
- Moniz (USAT) says the army risks a decline in force quality if it remains in Iraq for years.
- Kilpatrick (NYT) says Democrats are still split over how aggressive Senators should be in questioning Roberts before the confirmation hearings begin.
- Bumiller (NYT) discusses the “opposite worlds” Cindy Sheehan and President Bush have represented this month.
- Kiely (USA Today) covers document disclosure deadline will pass Monday without Democrats receiving certain documents, but noting 66,000 pages turned over by the White House.
- Hiebert (WSJ) reports on Lefkowitz assignment to North Korean human rights post.
- Fialka (WSJ) says that Republicans are looking at lifting federal moratoriums on coastal drilling.
- Seib (WSJ) looks at how oil dependence shapes US policy.
- Meckler (WSJ) examines the new trucking regulations.
- Graham (W Post) covers new leadership at the Pentagon, noting the new civilian leadership team is shaping up to be less ideological, more balanced and more attuned
Bush Names Lefkowitz as Envoy
On Human Rights in North Korea

By MURRAY HIEBERT
Staff Reporter of THE WALL STREET JOURNAL
August 22, 2005; Page A4

WASHINGTON -- President Bush named a former senior White House official to be special envoy on human rights in North Korea, with the appointment coming about 10 days before multilateral talks in Beijing are scheduled to resume on rolling back the Stalinist regime's nuclear-weapons ambitions. There was no quick reaction from Pyongyang, which earlier had cited criticism of its human-rights record by U.S. officials as one of the reasons it boycotted the six-party talks for 13 months before they resumed in July. "I believe the appointment will not draw a direct reaction from the North Koreans or influence the six-party process at this stage unless North Korea is looking for a pretext for delay," said Scott Snyder, a Korea specialist at the Asia Foundation in Washington.

The new envoy, Jay Lefkowitz, a former domestic-policy adviser to President Bush, is slated to take up his post in the State Department in September and to begin drafting a plan for working with other countries, the United Nations and nongovernment organizations to raise awareness about human-rights abuses in North Korea. Mr. Lefkowitz will work in this position part time and will remain a partner in the law firm of Kirkland & Ellis LLP in Washington.

The low-key announcement of his appointment was made by a White House press secretary rather than with fanfare by President Bush, suggesting that the administration was trying to avoid irritating Pyongyang ahead of the next round of talks. A U.S. official briefing journalists about the appointment said Mr. Lefkowitz wouldn't have a role in setting U.S. policy on the nuclear issue, as conservative religious groups had advocated.

Michael Horowitz, senior fellow of the conservative Hudson Institute in Washington who has worked with human-rights and religious groups to call on the administration to do more about human-rights problems in North Korea, welcomed the appointment but expressed concern that Mr. Lefkowitz could be undercut by officials focused on Pyongyang's nuclear-weapons program. Mr. Horowitz said the low-profile announcement "indicates that there
Christopher Hill, the top U.S. negotiator to the talks with North Korea, told a meeting at a think tank in Washington last week that he had raised human-rights concerns during the recent talks in Beijing. He said he told North Korean diplomats that increased attention on human rights was the “cost of admission” to the global community. Mr. Hill said he didn’t think a discussion of human rights would be "an impediment to reaching an eventual agreement" on North Korea's nuclear weapons.

The new position was created by the North Korea Human Rights bill signed by President Bush in October to champion human rights in North Korea. The bill also called for assistance to North Korean refugees who fled their country and funds for stepped-up radio broadcasts into the country.

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**Republicans Refine Natural-Gas Strategy**

**Revised Proposal Would Let Individual States Decide Whether to Allow Coastal Drilling**

By JOHN J. FIALKA

Staff Reporter of THE WALL STREET JOURNAL

August 22, 2005; Page A4

WASHINGTON -- Citing soaring natural-gas prices and rising electricity costs, Republican leaders in Congress are retooling a plan to let coastal states waive federal moratoriums on drilling for natural gas off 85% of America’s shoreline.

The proposal, which narrowly missed being included in the recently passed energy bill, could open areas in the Gulf of Mexico and on the outer continental shelf along the East and West Coasts that hold the promise of large undersea natural-gas reservoirs. Some states, particularly Virginia, have expressed interest, while others, led by Florida, California and New Jersey, remain opposed, claiming that drilling could spoil beaches and threaten lucrative tourism.

To end the political impasse -- and avoid a filibuster fight in the Senate -- the proposal would help states that oppose drilling by extending the ban on it off their shores beyond the year 2012, when one of the suspensions is set to expire.

"They want to control what happens off their coast," says Rep. Richard Pombo (R., Calif.), chairman of the House Resources Committee, who has been leading what he describes as lengthy negotiations with the California and Florida delegations on the measure. "I agree. I've always believed that this should be a state decision."

Legally, the matter is in federal hands because the 1.76 billion acres involved lie more than three miles from shore, the point where most state control ends. In most cases, the potential drilling areas extend out to 200 miles, where U.S. authority ends. The proposal would give states the right to lease the federal land for natural-gas exploration and receive a share of the royalties on gas that is produced -- money that ordinarily would go to the U.S. Treasury.

The proposal would give states the right to waive two moratoriums on exploration, one imposed annually by Congress and the other established by executive order of President George H.W. Bush that was later extended by President Clinton to the year 2012. Both date from the 1980s when natural-gas supplies in the U.S. were plentiful and cheap.

"There are a lot of people looking for something to happen here," says Paul N. Cicio, executive director of Industrial Energy Consumers of America, a Washington organization of
large corporations working with other business groups to let states waive the drilling bans. Mr. Cicio said the price of natural gas has more than tripled in the past five years, shutting fertilizer, chemical and other factories that use natural gas as a feedstock and driving up the cost of electricity from newer power plants that burn natural gas. The proposal is also backed by natural-gas companies, offshore exploration companies and shipyards. Environmental groups, which pushed for the moratoriums in the 1980s, still defend them. "This is just horrible policy, a wolf in sheep's clothing," says Michael Town, director of the Sierra Club's Virginia chapter, which has been fighting a losing battle against state politicians interested in what Virginia might get from offshore gas revenue if it exercised the waiver.

No one knows exactly how much natural gas is offshore. The Interior Department's Minerals Management Service estimates there are about 327.31 trillion cubic feet of gas -- about a 15-year supply for the U.S. -- along the Atlantic, Pacific, Alaskan and Gulf coasts where drilling is banned. Johnnie Burton, the director of the service, suggests the actual number could be significantly higher. "Our numbers are almost always low," she says, explaining that they are often based on relatively low tech surveys that are sometimes 40 years old. In the energy bill, Congress ordered Ms. Burton's department to make a new offshore inventory in six months, using the latest seismic detection equipment to make three-dimensional images of underground deposits. But Ms. Burton says such mapping can cost hundreds of millions of dollars and Congress provided no money for the project. "To comply, we're going to re-study all the data we have," she explains.

To show states where they might look for offshore natural gas, the Interior Department has drawn a new map, extending state lines into federal waters. During energy-bill deliberations, the map was approved by the White House, which supports the state waiver proposal. But Mr. Pombo, in his negotiations with state delegations, is using a different map, which he says is more equitable to states. One area of contention is called "the bulge," a potentially gas-rich area in the deeper waters of the Gulf of Mexico. Portions might fall into Louisiana, Mississippi, Alabama and Florida, depending on how the lines are drawn. A spokesman for Florida Gov. Jeb Bush, who opposes drilling, says the state's goal in the negotiations is to wrap the entire state in a federally guaranteed, no-drilling "buffer zone extending out for at least 100 miles." Others are exploring the possibilities. One way a state could get an up-to-date inventory would be to waive the moratoriums and offer to sell leases on promising areas, which would attract offshore exploration companies. That is the goal of state Sen. Frank W. Wagner, owner of a Virginia Beach shipyard, who introduced a bill in February to have Virginia lobby Congress for the right to waive the moratorium. It passed the state's Senate unanimously and later was approved by the House. Virginia Gov. Mark R. Warner, a Democrat, vetoed it. But Kevin Hall, his spokesman, says the rejection was for technical reasons and that Gov. Warner remains "open-minded" on the issue. "There's a lot more local support for this than I ever anticipated," says Sen. Wagner, who has heard from officials in South Carolina and Georgia who are preparing similar measures. Sen. Wagner believes production of offshore gas would help make Virginia's industries and farmers more competitive and provide more funds for state schools.

Because the measure only involves exploration for natural gas, Sen. Wagner says he's been able to deflate what he calls the "fear factor" -- worries about oil-soaked beaches. But Virginia Beach Mayor Meyera E. Oberndorf remains unconvinced. "When you drill for natural gas, you sometimes get oil and natural gas," she said, noting that 3.5 million tourists visit her city and its beaches annually.

In March, the issue was fought out before the Virginia Beach City Council. The mayor raised
the possibility that drilling would soil the beaches, but the council voted 6-3 to support the waiver of the drilling moratorium. "The council is very pro-business," Ms. Oberndorf says.

How Oil Dependence Fuels U.S. Policies
By GERALD F. SEIB
Staff Reporter of THE WALL STREET JOURNAL
August 22, 2005; Page A2

From Iraq to China, from the Gaza Strip to Iran, the biggest foreign-policy problems of the summer all are setting off the same alarm: It is imperative for the U.S. to become more energy independent.

But that, of course, is precisely what Washington's policymakers have been unable, or unwilling, to accomplish. Instead, America's exposure to trouble in the world's volatile oil-producing regions actually is on the rise, even as the summer driving season heads toward its climax with oil near a once-unthinkable $65 a barrel. In brief, while the 20th century was the century of oil, the 21st already is unfolding as the century of whatever follows oil, or the century of fighting over what's left of oil -- or both.

The omnipresence of oil in America's foreign calculations will be underscored this week. The interim government in Iraq -- an oil-rich country that's actually pumping less now than it did before the U.S. invaded -- will try again to write a new constitution that's supposed to start stabilizing the nation. At the same time, Israel will be trying to force out the final die-hard settlers in the Gaza Strip so it can be turned over to the Palestinians. There's no oil in the Gaza Strip, of course, but the whole episode is a wrenching reminder of how vulnerable the broader, oil-soaked Middle East remains to continuing upheaval.

Meantime, President Bush will be getting ready for a September meeting with China's president, Hu Jintao. Overhanging that meeting will be a nasty midsummer episode in which Congress effectively stopped oil company Cnooc Ltd. of China -- which has its own unquenchable thirst for oil -- from taking over an American oil firm, Unocal Corp. Simultaneously, the U.S. and Western Europe are cruising for a September confrontation at the United Nations with Iran, the world's fourth-largest oil producer, over the Iranian nuclear program.

If it seems that the odor of oil hangs over America's whole international agenda right now -- well, that's about right. "The overwhelming national-security issue is that we are becoming increasingly dependent for the lifeblood of an industrialized economy, oil, on the most unstable parts of the world," says Robert Hormats, vice chairman of Goldman Sachs International. "And there doesn't seem to be a sense of urgency about energy policy in this country."

Yes, Congress did pass an energy bill earlier this summer, after four years of dithering. But even its champions found it a bit of a letdown. It does open the way to more nuclear power and better use of coal for power generation, but doesn't promise to make a big dent in America's gasoline consumption, at least immediately. There are, among other things, hefty subsidies for ethanol, which should decrease gasoline use gradually over the longer term, and modest incentives for buying hybrid cars that burn less gasoline, but nothing revolutionary.

Meantime, oil imports as a share of total American oil consumption are more than 60%, up from about 50% a decade ago.

Cynics, of course, thought President Bush decided to invade Iraq to acquire its oil cheaply, but it turns out they were exactly wrong. Whatever the president's motivations in Iraq, one
can hardly claim now that inexpensive oil was one of them. Not only is Iraq producing slightly less oil, but it is probably more vulnerable to terror-ist supply interruptions than ever before. Meanwhile, Iranian officials, facing a move at the U.N. this fall to punish it for running a covert nuclear program with definite weapons implications, are making noises about using the oil weapon to retaliate if necessary. As for the Gaza Strip, the struggle to expel Israeli settlers from a mere slice of a potential Palestinian state simply illustrates just how long and slow the road will be to creating a politically stable, nonextremist Middle East -- and one in which radical Palestinians can no longer call on their Arab brothers to use oil for leverage. The tussle with China over Unocal, meanwhile, is a reminder that China now is America's primary and growing competitor for world oil supplies. Which leads to one very useful thought: Mr. Hormats suggests that when President Bush and Chinese President Hu meet next month, they set out to devise a plan for the two countries to become energy partners rather than energy competitors. That quest might well begin by paving the way for more U.S. oil companies to take their oil-finding and energy-extracting expertise into China to help pump up production there. Imagine, Mr. Hormats muses, if oil could be a source of cooperation instead of tension, for once.

U.S. Sets New Trucking Rules, But Safety Advocates Cite Concern

By LAURA MECKLER
Staff Reporter of THE WALL STREET JOURNAL
August 22, 2005; Page A8

WASHINGTON -- Federal regulators will let truckers continue driving longer hours and longer workweeks under new regulations welcomed by the industry and denounced by safety advocates. The regulations, issued Friday, were the Transportation Department's second attempt at setting new rules governing truckers' hours. The department issued regulations in 2003, but a federal court found that it failed to consider driver health and ordered officials to try again. The 2003 rules stayed in place in the interim. The new rules are similar to the 2003 rules, but administration officials said they have done a better job of documenting that drivers can get adequate rest. "The court said we needed to reference the studies in a more thorough manner. That's what we have done," said Annette Sandberg, administrator of the Federal Motor Carrier Safety Administration. She said the agency reviewed more than 1,000 articles and studies on fatigue and considered almost 1,800 public comments submitted. Last year, 5,190 people died in crashes involving large trucks, up slightly from 2003. The agency estimates that about 5.5% of those involved trucker fatigue. Like the 2003 rules, the new regulations allow truckers to drive as many as 11 hours after spending 10 hours off duty. Before 2003, truckers could drive 10 hours straight, but they also were guaranteed just eight hours off. The new regulations also require that truckers take 34 hours off after a certain number of hours of driving each week. But after that time off, the driver doesn't have to wait until the end of the week to climb back behind the wheel. That means a driver can spend many more hours on the road in a given week or month.
Safety advocates accused the administration of simply repackaging the old regulations. "It still includes all of the major unsafe elements that the court struck down," said Jacqueline Gillan, vice president of Advocates for Highway and Auto Safety, an insurance-industry funded group. Truckers will always push themselves to drive more, even if they are exhausted, because they are paid by the mile and by the load, she said. "You're going to drive and drive and drive because as long as your truck is moving, you make more money," she said.

Public Citizen, a Washington consumer group that filed the initial suit, said it had no immediate plans for another court challenge.

The trucking industry said it was pleased the 2003 rules won't be significantly changed. "The current hours-of-service rules have been measurably effective in improving safety on our nation's highways," Bill Graves, president of the American Trucking Associations, said in a statement.

Among the changes included in the new rules is a requirement that truckers using a sleeper berth within the truck take the 10-hour rest period in a single block. The 2003 version allowed them to split up the rest period. The new rules also allow some short-haul operators to extend their work time two days each week.

The agency estimated that the change for short-haul truckers will save the industry $280 million per year, while the change to sleeper-berth time off will cost the industry $10 million.

It estimated that an additional three to four lives would be saved each year under the revised rules, compared with the 2003 rules. Compared with guidelines in place for decades before the 2003 regulations took effect, about 78 lives per year will be saved, the agency estimated.

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