

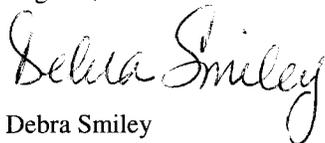
facsimile transmittal

To: Dan Seligman **Fax:** 360-695-7426
From: Debi Smiley (503) 230-3084 **Date:** 1/3/2005
Re: BPA Responsive Docs to OIG FOIA **Pages:** 4 (including cover)
CC:

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

Dan: Per our telephone conversation, enclosed are copies of the BPA originated documents that we received from the DOE Office of the Inspector General in response to your FOIA request to them. BPA is releasing them to you in without any additional redactions from those already made by the OIG's office. Originals will follow in the mail.

Regards,


Debra Smiley

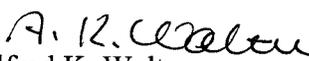
memorandum

DATE: December 17, 2004
REPLY TO:
ATTN OF: IG-40
SUBJECT: Freedom of Information Act Request F2004-00651
TO: Annie Eissler
Freedom of Information Act Officer
Bonneville Power Administration

The Office of Inspector General (OIG) has received a request from Mr. Daniel Seligman pursuant to the Freedom of Information Act (FOIA) for a copy of the OIG's referral memorandum to the Bonneville Power Administration (BPA) regarding OIG Case File No. I04RS076, dated August 23, 2004, and BPA's response, dated September 30, 2004.

Among the responsive documents in the OIG's files was the attached document, Document Number 3, which was originated by BPA. Consequently, this document is being returned to BPA for review and a release determination. Please note that the OIG has determined that certain material pertaining to the OIG, as marked, should be withheld from Document 3 pursuant to Exemptions 6 and 7(C). Also attached are copies of Mr. Seligman's FOIA request and a copy of our response.

Please respond to Mr. Seligman directly and provide a copy of your response to Geoffrey W. Gray, IG-40, Room 5B-250, in order to complete our files. If you have any questions concerning this matter, please contact Mr. Gray on 202-586-4109.


Alfred K. Walter
Assistant Inspector General
for Inspections and Special Inquiries
Office of Inspector General

Attachments

cc: (w/o attachments)
Adrienne D. Martin, ME-74

Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

CORPORATE

January 4, 2005

In reply refer to: KDP-4

Mr. Dan Seligman
Columbia Research Corporation
209 W. Evergreen Blvd., Suite 605
Vancouver, Washington 98660
(360) 695-7422

RE: FOIA Documents

Dear Mr. Seligman:

Per our telephone conversion on January 3, 2005, enclosed are copies of the BPA originated documents that we received from the Department of Energy, Office of the Inspector General (OIG), in response to your FOIA request to them. BPA is releasing these documents to you without any additional redactions from those already made by the OIG's office.

Sincerely,



Debra Smiley
Freedom of Information Office

Department of Energy

Official File

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

CORPORATE

February 10, 2005

In reply refer to: KDP-7

Mr. Dan Seligman
Columbia Research Corporation
PO Box 99249
Magnolia Station
Seattle, WA 98139
(206) 493-2320

RE: FOIA Request #05-016

Dear Mr. Seligman:

This letter responds to your Freedom of Information Act (FOIA) request dated January 11, 2005, designated as FOIA #05-016. You requested copies of all written information and advice provided by Washington2 Advocates since the contract was signed in 2001.

Enclosed in their entirety are all documents responding to your request.

If you are dissatisfied with this determination, you may make an appeal within thirty (30) days of receipt of this letter to: Director, Office of Hearings and Appeals, Department of Energy, 1000 Independence Avenue SW, Washington, D.C. 20585. Both the envelope and the letter must be clearly marked "Freedom of Information Act Appeal".

In your original letter you agreed to pay fees up to \$100 to fulfill this request. You will be sent an invoice in the amount of \$72.80 under separate cover by our accounting department.

Sincerely,



Annie Eissler
Freedom of Information Officer



Department of Energy

Washington, DC 20585

December 17, 2004

Mr. Daniel Seligman
209 West Evergreen Boulevard
Suite 605
Vancouver, WA 98660

Re: Freedom of Information Act Request F2004-00651

Dear Mr. Seligman:

This is the Office of Inspector General (OIG), Department of Energy (DOE), response to the above referenced Freedom of Information Act (FOIA) request. In that request, you asked for a copy of the OIG's referral memorandum to the Bonneville Power Administration (BPA) regarding OIG Case File No. I04RS076, dated August 23, 2004, and BPA's response, dated September 30, 2004.

The OIG identified three documents responsive to your request. With respect to your request, a review of the responsive documents and a determination concerning their release has been made pursuant to the FOIA, 5 U.S.C. § 552. Documents 1 and 2 are released with certain material withheld pursuant to subsections (b)(6) and (b)(7)(C) of the FOIA or Exemptions 6 or 7(C) respectively.

Exemption 6 protects from disclosure "personnel and medical and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy"
Exemption 7(C) provides that "records or information compiled for law enforcement purposes" may be withheld from disclosure, but only to the extent that the production of such documents "could reasonably be expected to constitute an unwarranted invasion of personal privacy"

Names and information that would tend to disclose the identity of certain individuals have been withheld pursuant to Exemptions 6 and 7(C). Individuals involved in OIG enforcement matters, which in this case include OIG personnel, are entitled to privacy protections so that they will be free from harassment, intimidation, and other personal intrusions.

Under 10 C.F.R. § 1004.1, DOE will make records available which it is authorized to withhold under the FOIA whenever it determines that such disclosure is in the public interest. In invoking Exemptions 6 and 7(C), we have determined that it is not in the public interest to release the withheld material. In this request, we have determined that the public interest in the identity of individuals whose names appear in these files does not outweigh such individuals' privacy interests. Those interests include being free from intrusions into their professional and private lives.

Document 3 was received from BPA and has been forwarded to BPA for a determination concerning its release. That office will respond directly to you concerning the releasability of the



documents. In addition, the OIG has withheld certain material from Document 3 pursuant to Exemptions 6 and 7(C).

As required, all releasable information has been segregated from the material that is withheld and is provided to you. See 10 C.F.R. § 1004.7(b)(3).

This decision may be appealed within 30 calendar days from your receipt of this letter pursuant to 10 C.F.R. § 1004.8. Appeals should be addressed to:

Director
Office of Hearings and Appeals
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, DC 20585-0107

Thereafter, judicial review will be available to you in the federal district court either (1) in the district where you reside, (2) where you have your principal place of business, (3) where the Department's records are situated, or (4) in the District of Columbia.

Sincerely,



Alfred K. Walter
Assistant Inspector General
for Inspections and Special Inquiries
Office of Inspector General

Enclosures

FOIA-Central

From: danseligman@teleport.com
Sent: Monday, November 01, 2004 2:58 PM
To: FOIA-Central
Subject: EFOIA Request

FROM: danseligman@teleport.com
NAME: Daniel Seligman
REPLYTO: Webmaster@www.hr.doe.gov
SUBJECT: EFOIA Request
CN:
FAX:
FEE: 100.00
PHONE: 360-695-7422

NOV 02 2004 01
COMMERCIAL SEARCH REVIEW & REPRODUCTION

WAIVER:
ADDRESS: 209 W. Evergreen Blvd., Suite 605 Vancouver, Washington 98660
DOCDESC: I would like to receive two documents from a closed Inspector General's Office investigation, no. IO4RS076. Specifically, I would like to receive: 1) a copy of the IG's "referral memorandum," dated on or about August 23, 2004 to the Bonneville Power Administration and 2) BPA's complete response, dated on or about September 30, 2004.
EMAILTO: FOIA-Central@hq.doe.gov
COMMENTS:
CONTYPES: Contract
DOCUMENT: other
MEDIANAME:
OTHERDESC:
DESCRIPTION: company
MEDIATYPEOTHER:

F2604-00651

adriana

Document Number 3

TO BPA W/OIG REDACTION
Department of Energy
b6, 7(c)

United States Government

Bonneville Power Administration

memorandum

DATE: September 30, 2004

REPLY TO
ATTN OF: A-7

SUBJECT: Possible Irregularities Regarding a Bonneville Power Administration Contract
(Case File No. I04RS076)

TO: [] b6, 7(c)

This responds to your August 23, 2004, memorandum to the Administrator concerning possible irregularities regarding a Bonneville Power Administration (BPA) Contract (Case File No. I04RS076). We have reviewed the administration of this contract and have concluded that both the contract's purpose and BPA's recordkeeping associated with it comply with applicable BPA policies.

The contractor, Washington2 Advocates, assists and supports BPA's Vice President for National Relations in his duties as the liaison between Bonneville and the Department of Energy, other Executive Branch agencies, and the Congress. The contractor's duties include providing advice and information to the BPA Administrator and the V.P. for National Relations, as well as assisting BPA in providing information on BPA policies, decisions, and actions to interested Members of Congress and their staffs, and to various Executive Branch officers and their agencies' staffs. Much of the communication between the contractor and BPA personnel – primarily the V.P. for National Relations – takes place in weekly meetings described in the contract's statement of work, in other face-to-face meetings as necessary, and over the telephone. The contractor has not been requested to provide his information and advice in written form, though he occasionally does so. The contract's statement of work is as follows:

“Consultant will report to the Bonneville Power Administration's [Vice President] for National Relations.

“Consultant will provide strategic counsel (including advice, opinions, and written reports) to the BPA on national and northwest energy issues. These services are essential for the successful execution of BPA's mission and duties by BPA's Washington, D.C. office.

“Consultant will acquire information for Bonneville through regular contacts with Administration officials, Members of Congress, congressional staff, and others who have knowledge and interests in national and regional energy issues and the electric utility industry. Consultant will provide weekly briefings to the V.P. for National Relations and receive instructions for work in the following week at the briefings.

“Consultant will perform no inherently governmental functions and will inform others when consultant's relationship and limited role with BPA may be misunderstood.

“Consultant will abide by any Federal or Department of Energy lobbying restrictions.”

The complaint that you summarized in your memorandum states that "the contract appears to be unprecedented because BPA traditionally relies on its own staff to perform analyses." This is not the case. BPA has employed contractors for a wide variety of purposes, including the provision of strategic advice, analytical assessments, and communications assistance. Furthermore, the claim that BPA employs Washington2 Advocates to serve as a "lobbyist" is not true. Lobbying is explicitly prohibited in the contract, and BPA's oversight of the contractor's activities is frequent and direct.

The complaint also alleges that BPA staff improperly destroyed e-mail communications between the BPA Administrator, the BPA V.P. for National Relations and the contractor in violation of BPA's records retention policies. For procurement/contract files, six-year retention of the following records is required:

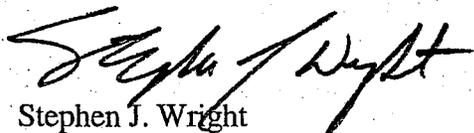
"Contracting documents with original signatures. Contract and contract modifications, requisition and requisition changes, purchase order and purchase order revisions, lease, and bond and surety records, including correspondence and related papers pertaining to award, administration, receipt, inspection, acceptance, payment and warranty, internal reviews and approvals of procurement actions." (BPA Records Manual, Chapter 810)

E-mail messages, except those that constitute any of the records specified in the cited paragraph, above, are routinely deleted from the BPA system pursuant to BPA Manual Chapter 1111, Section 5, which states:

"If the content of an E-mail message possesses longer-term business value, employees are required to move the document from the E-mail system for storage elsewhere. The maximum period for retaining all BPA E-mail is 90 days from the date of receipt. All E-mail will be automatically purged upon the expiration of this retention period. Some E-mail messages may constitute Official Records. Specific guidance and definitions of Official Records and working papers are provided in the BPA Records Manual."

Therefore, it is not surprising that e-mail messages between Bonneville and this contractor are no longer in the BPA system.

In further response to your inquiry, BPA will review Washington2 Advocates' performance under the contract to ensure that the contractor is complying with its terms. If it is determined that the contractor has failed to perform appropriately under the contract, or that restrictions included in the contract have been violated, BPA will notify you and take appropriate corrective action.



Stephen J. Wright
Administrator and Chief Executive Officer

cc:

S. Hickok - D-7

R. Roach - L-7

M. Sparks - KN-7

DCUPDATE

With a new Congress in place, talk of change abounds. Republicans seem giddy with political capital they won when they cemented their control of Congress and the White House in November's elections. Democrats in the House are sullen as they look at a minimum of another six years in the minority (realistically, the 2010 Census is probably their only shot at taking the majority from the Republicans), and in the Senate, the Democrats will have a tougher time holding on to their filibuster power.

But as the Congressional session gets underway, and inauguration preparations continue in Washington, it seems the mood of both parties may be approaching equilibrium. House and Senate GOP leaders have yet to decide how to spend their touted political capital, and it's far from certain that they'll be able to (or want to) turn the President's wish list into reality prior to the 2006 midterm elections.

With fights looming over the federal budget, Social Security, the war in Iraq, the tax code, tort reform, and judicial confirmations, and a battle for "agenda control" between the White House and Congressional Republicans that began before the ink on the ballots had time to dry, it seems the 109th Congress has gotten off to a start that is producing more questions than answers – and perhaps the most important question may be not what to do, but where to start.

So with that, here are our "picks" – call them legislative agenda items or calls to battle – for the 109th Congressional Session.

JUDICIAL NOMINATIONS

The President announced last month that he'll renominate several appellate judicial picks Democrats successfully filibustered last year. And there is little doubt that any votes on controversial circuit court and appeals judges will be the precursor to the expected fight over a future Supreme Court nomination. Chief Justice William Rehnquist's current battle with thyroid cancer has increased the chances of at least one vacancy on the high court this year. Senator Arlen Specter, Chairman of the Senate Judiciary Committee, has already warned that President Bush should be mindful of nominating Supreme Court justices who would overturn *Roe vs. Wade*, and even though Senate Democrats number just 45, the caucus is likely to be more unified in opposing the President's picks.

CABINET CONFIRMATIONS

Confirmation hearings are already well underway in the Senate as many committees with jurisdiction scheduled hearings prior to the inauguration. Unlike judicial nominees, however, Democrats are likely to go along with the President's choices, although they are using the hearings as an opportunity to highlight what they view as weak spots in the President's agenda. Most of the media's focus has been on Attorney General nominee Alberto Gonzales, and will shift next week to Secretary of State nominee Condoleezza Rice, when the Senate Foreign Relations Committee holds hearings on the 18th and 19th.

FEDERAL BUDGET/DEFICIT

Problems are sure to arise between the White House and Congressional Republicans when the President delivers his budget to the Hill on February 7th, in which the White House has made no plans to include the cost of the politically perilous changes to Social Security, the anticipated \$100 billion dollars in supplemental Iraqi war funding, nor is he expected to incorporate potential savings or costs from any tax code rewrite he may propose.

This will most likely pose a problem for Congressional Republicans, many of whom are already demanding more fiscal responsibility from themselves and the Administration through rule changes adopted by the House in early January and current Senate rules that could make it difficult to pass a Social Security bill or tax rewrites unless they are protected from a filibuster. Simply put by budget hawks on the Hill – it doesn't look good.

TAXES

Fiscal policy is the one area where the President successfully pushed an aggressive agenda, centered on tax cuts, having won a tax cut each year in his first term. Now in his second term, he sets out to simplify the tax code. Possibilities include a national sales tax or a flat tax.

Additionally, numerous GOP candidates promised to make some of the 2001 tax cuts permanent, so look for action on that front as well.

IRAQ

Congress will need to pay continued attention to Iraq, where elections are scheduled for January 30th. Democrats will cite the war's cost in dollars and casualties, but the President will argue that a continued – and possibly increased – US presence there is needed.

SOCIAL SECURITY

This was another of the President's first term goals that he'll revisit in the next four years. Private accounts, which allow workers to divert part of their payroll taxes to invest in stocks and bonds, will be part of the President's proposal.

The President will try to secure Democratic support for the plan, in part, by invoking the late Sen. Daniel Patrick Moynihan (D-NY), who backed the idea. But even convincing the most conservative House Republicans to tinker with Social Security is no slam dunk for Bush, and several key Members in both chambers have yet to weigh in.

Certain to overshadow the process, particularly for Republicans nervous about voters experiencing the "six year itch" in 2006, is the fact that Bush won't be on the ballot again, while Members of Congress will be.

ENERGY

Republicans couldn't pass an energy bill in the 108th Congress, even though it was one of the Administration's top priorities and the Republicans controlled both ends of Pennsylvania Avenue for most of the President's first term. But with Senator Lisa Murkowski's (R-Alaska) victory and the increased majorities in Congress, GOP lawmakers are appearing to feel a growing sense of empowerment, and there is talk of bringing back some parts of the bill, such as drilling in the Arctic National Wildlife Refuge and increasing the number of nuclear power plants.

TELECOMMUNICATIONS

Congress is gearing up for a massive overhaul of the 1996 Telecommunications Act this session. Already, Members have begun to meet with industry leaders to look for a way to mesh tax policies with rapidly evolving telecom technologies.

Already, the issue is muddled in political battles, as Senate Commerce Chairman Stevens proposed this week to eliminate the panel's Communications Subcommittee, a move rumored to be a direct shot at Senator McCain, who had hoped to chair the subcommittee this Congress, who clashed often with Stevens during his tenure as Senate Appropriations Chairman.

Many predict that this move will not have a significant impact on the agenda, since the 1996 law is one of Stevens' priorities, and since the overhaul will likely be hammered out at the full committee level, regardless of whether the Communications Subcommittee is eliminated. Sources on the Hill believe that for the overhaul effort to be successful this Congress, there will need to be a bill off the floor of the Senate by the end of the year. In our opinion, this legislation will end up being one of the hotly debated issues this entire Congress – we will be watching it closely for you.

TORT REFORM

Another unfinished Bush priority, the White House wants to limit some damages in medical-malpractice suits and curb class-action litigation. The President punctuated this priority by traveling to an Illinois county in early January that is best known for the large settlements it hands out to plaintiffs in lawsuits.

The Senate may also take a page from the President's travels and push for tort-reform following inauguration. Still, Senate Majority Leader Frist has a choice to make – either start out with a battle in which the outcome is unclear, or pick a fight it is clear he can win. Before Christmas, Democrats predicted a rousing bipartisan win for Frist if he were to bring up the compromise measure negotiated in the last Congress. Less attractive to a majority of Senate Democrats is a bill to limit jury awards in medical-malpractice cases, particularly those associated with OBGYN's.

EDUCATION

Bush's No Child Left Behind bill was one of the accomplishments he touted most on the campaign trail. Now he wants to require higher standards and more accountability from schools. Democrats who say the President has under funded the original legislation are likely to put up a fight on this measure, unlike 2001, when they worked closely with the President on the plan.

MEDICARE

Bush won a major victory on Medicare reform last year. Republicans will seek to build on their success by promoting health savings accounts. Democrats, meanwhile, will push for drug reimportation.

END

Smiley,Debra L - KDP

From: Tony Williams [tony.j.williams@att.net]
Sent: Tuesday, November 30, 2004 2:05 PM
To: Stier,Jeffrey K - DC
Subject: The Bone

Can you do The Bone this week? I'm good either Thursday or Friday.

TW

Tony J. Williams
Washington Advocates, LLC
701 Pennsylvania Avenue, NW
Suite 675
Washington, DC 20004
Phone: 202.234.0950
Fax: 202.234.3573
Email: tony.j.williams@att.net

2/10/2005

Smiley, Debra L - KDP

From: Tony Williams [tony.j.williams@att.net]
Sent: Friday, November 12, 2004 9:45 AM
To: McIntyre, David; scelley@TriWest.com; Jaeger, Gillian; Wright, Stephen J - A; Stier, Jeffrey K - DC; chuckbundrant@TridentSeafoods.com; Joe Plesha; Carolyn Robertson; Minter, Rob; Agnew, Creigh H.; Biggs Brock, Heidi; Beckett, Bruce; 'Linda Jones'; Tim Culbertson; Anna Hirz; 'Christine L. Stallard'; Chris Koch; janderso@nwifc.wa.gov; Tony Forsman; Bill Dewey; Bill Taylor; Bill Wilkerson; bgeddes@popud.com; mcauchy@popud.com; dpeterson@popud.com; Adamson, Dan; Craig Gannett; Greg Vigdor; Joni Earl; Ric Ilgenfritz; McNeil, Ann Snell; 'Hosken, Charlie'; Wright, Wayne; munro@chelanpud.org; Doug Jewett; Curt Smitch (E-mail); Tim Thompson; smcbee@mcbeestrategic.com; Gorton, Slade (SEA); J Vander Stoep; Liz Fortunato; Dennis Phelan; Jarlath Hume; Nina Collier; Jessica Rubie
Subject: 2004 Election Analysis

Clients -- No crowing here...just a little discussion on the reality of 60 votes in the Senate.

TW

Tony J. Williams
Washington Advocates, LLC
701 Pennsylvania Avenue, NW
Suite 675
Washington, DC 20004
Phone: 202.234.0950
Fax: 202.234.3573
Email: tony.j.williams@att.net

MEMORANDUM

TO: W2A Clients
FR: Tony Williams
DT: November 11, 2004
RE: "60"

I've never been a fan of conventional wisdom. It probably comes from serving as Slade's Chief of Staff for six years. Depending on the day (or hour), I would get advice from conservative Republicans who would tell me that Slade would be more popular (and albeit easier to get re-elected) if he were more conservative, particularly on social issues and natural resources issues in rural Washington state.

And that advice would usually be followed by the next phone call when a friend or colleague (usually a Democrat) from the Seattle area would tell me just the opposite – be more moderate, get the Times and P-I to say nice things about Slade, and Slade's popularity will fly through the roof.

Sure.

For six years it seemed those two conflicting viewpoints formed the conventional wisdom on Slade, and the result of all that advice is that it's made me quite skeptical about conventional wisdom.

I start with that little introduction because I wanted to share some thoughts with you as to what it all "meant" when President Bush was re-elected last Tuesday.

I've read several articles where national Democratic leaders wring their hands over the future of their party (this weakness is part of the reason why 51 percent of the electorate voted Republican) and I've read several articles proclaiming this the Age of Republicanism because the President won 286 Electoral Votes and the Senate is now 55-45 Republican (this cockiness is part of the reason why 48 percent of the country voted Democratic).

The national media loves to rush to judgement on these things, and they are doing it now. If you believe the old-line national media (the same people who on Sunday before the election were predicting a solid Kerry victory, by the way), privatization of Social Security is done, more tax cuts are coming, the national energy bill will be revived and passed by Easter, a slew of conservative judges will be approved by the August recess, large numbers of Democratic senators will fall into line and support the President's agenda, Pat Robertson will substitute for VP Cheney on days he's not feeling well, mass numbers of senior Democrats in the House and Senate will retire in 2006 than serve in perpetuity in the minority, etc etc.

Sure.

Here's the big reality – no matter what happened last Tuesday (and don't get me wrong, it was a huge victory for the President) – it still takes 60 votes in the Senate to pass ANY legislation. Even if the House passes every piece of legislation with 350 votes that doesn't mean the Senate will follow suit and rubber stamp those bills. In fact, the opposite is often always true – the easier it is to pass a tough bill in the House, the tougher it gets in the Senate (Slade and I learned that reality in 1995 on a number of issues) because no bill can move to even a final vote until 60 senators vote to invoke cloture, or in plain English, prevent a filibuster.

Because the cloture vote is a process vote (if you vote no, you can tell voters that you don't want "rush the process" as opposed to saying you're against tax cuts), it's easier for Senators to stand firm in opposition. Final passage is another thing – voters understand that pretty easy. You're either for it, or against it.

On some issues, I believe it just got easier for the President to get the 60 votes he needs to pass major legislation and approve judicial nominations. He starts with 55 Republicans, and then there are a slew of Democrats who can be wooed and swayed to the Republican side, at least on cloture votes, if not final passage.

Those Democrats include Sen. Bill Nelson (Florida), Sen. Mary Landrieu (Louisiana), Sens. Blanche Lincoln and Mark Pryor (Arkansas), Sens. Byron Dorgan and Kent Conrad (North Dakota), Sen. Tim Johnson (South Dakota), Sen. Max Baucus (Montana), Sen. Ben Nelson (Nebraska), Sen.-elect Ken Salazar (Colorado), Sen. Harry Reid (Nevada) and Sen. Jeff Bingaman (New Mexico).

These senators all come from states that Bush won, many of them by large margins. All of these senators watched what happened to Senate Minority Leader Tom Daschle (South Dakota) and would prefer that the same thing doesn't happen to them – a new term in D.C. Democratic circles is to prevent being "Daschled". ["Don't vote that way, Senator, you don't want to get 'Daschled' by Karl Rove do you?"]

The White House and the National Republican Senatorial Committee brilliantly made Sen. Daschle the chief obstructionist on the top issues in the President's agenda – issues that most people in South Dakota would have liked to have seen passed and signed into law (nearly 60 percent of S. Dakota residents voted for President Bush last Tuesday).

So, 60 votes for the President's agenda should be a breeze because at least five of these "red state" senators should vote with the President on a regular basis, right?

Well, not exactly, because there are several Republican senators who reside in blue states. Most of them are committed moderates who work hard to not be forced into being viewed as "conservatives." This group includes: Sens. Susan Collins and Olympia Snowe (Maine), Sen. Lincoln Chafee (Rhode Island), Sen. Arlen Specter (Pennsylvania), Sen. Gordon Smith (Oregon), Sen. Norm Coleman (Minnesota), and two red-staters, Sens. Mike Dewine and George Voinovich (Ohio).

At any time, given the subject, any of these senators can vote against the Party because it's what they believe, but also because it helps them establish their independence from the White House and national party leaders.

What this all means is that the President and his conservative supporters can't count on the 109th Congress to simply rubber-stamp his agenda.

Soon, the liberals in Congress will be done licking their wounds and wringing their hands, and they will settle back into being the loyal opposition – they will have plenty to oppose given that although it won't be easy to pass a conservative agenda, it's pretty obvious that the legislative agenda will have a right-of-center tone to it.

Once the liberals settle into their game plan that will make it difficult for the red-state Democrats to easily back the President on major issues – a number of them will do so, but they will need to be part of the decision-making process on major bills. The same can be said of the blue-state Republicans.

What this all means for 2005 is that the President and the Republicans *CAN* get a lot done, and they don't necessarily need to begin by offering up major concessions to a handful of Democrats in order to pass their agenda. Far from it – what they need to do is something that seems impossible in modern Washington, D.C., and that's truly work with a select group from the other party on the “guts” of major legislation.

Bring them in early, understand their key pressure points, incorporate their ideas, and then let them be part of the victory when it's all said and done.

That's tough in today's Washington, D.C. because of 24-hour news cycles, the rich and aggressive outside political groups that subsist by being in attack mode at all times, and the belief amongst many that the “next election” will always make the current tough situation seem better.

In the end, I believe that there will be a period in 2005 when the President and his supporters in the Senate seek 60 to 65-vote majorities on major legislation. The President will be very popular after the Inauguration and he will re-establish his “uniter, not divider” credentials in his inaugural speech, at least in the short term.

That will create a dynamic for bi-partisan legislation in the Senate. The key to how long that lasts is this – if there is some early success (passage of the long-stalled energy bill, bi-partisan passage of the FY2006 budget, and other early bills), there might be a chance for long-term success that includes passage of the FY 2006 Appropriations Bills in a timely manner.

But if things break down – particularly over the budget and any large national agenda items the President pushes (such as Social Security reform), or Iraq continues to be a very

messy situation – then I believe it will get much tougher for Senate Republicans to get 60 votes for cloture.

Watch for this – if the partisan warfare we’ve seen the last few years is again at a fevered pitch this fall, then the 2006 elections will be just a year away, and leaders will decide that it’s a better strategy to keep fighting with each other in hopes of improving their situation through the results of the upcoming election.

My goal isn’t to paint a bleak picture because I’m not bleak – I’m rather optimistic that a lot can be accomplished in 2005 because of the clear decision made by the voters on November 2nd. But the scales are truly even right now in terms of whether people will be able to work together back here.

Most cynics say the answer is “no” – the two parties in Congress won’t be able to work together. That’s the safe bet – the conventional wisdom bet.

I’m not so sure – the President and his staff are now focused on his legacy and how his Presidency is viewed by historians. In my opinion, there are many steps to be taken that will leave this President viewed favorably in the future. The immediate steps are these: step one was to win convincingly in 2004, step two is to favorably end the situation in Iraq, step three is continued positive growth in the economy and jobs numbers, step four is to develop and pass a positive domestic agenda that also reduces the federal budget deficit. There are, of course, other steps but for now, let’s focus on 2005.

Step one is done – the other steps lay ahead and are difficult. How Iraq turns out is a toughie, of course, and in some cases, the President can’t control every step of that dynamic. The economy seems on track, so that step seems achievable this year. And then there’s the domestic agenda – getting some good things done while also lowering the deficit is a tough challenge, but it’s achievable if people are willing to work together.

The President sets the tone on working together – for now, the ball is in his court because Republicans largely get to set the agenda for the weeks leading up to the Inauguration. The President will give a big, important speech that day, and then we’ll see what comes next. If both sides return to old ground, and begin scrapping immediately after the Inauguration is over, it will be a long year. If some success can be gained, then there is a chance for success because I believe success breeds success.

My goal then with this memo is simple for you, my clients – I want to give you something to think about and watch, and, I want to help you manage your expectations for what we can all accomplish together this year.

So, remember this whenever you think about getting something done in 2005.

“60”.

END

Smiley,Debra L - KDP

From: Tony Williams [tony.j.williams@att.net]
Sent: Wednesday, November 03, 2004 7:12 AM
To: Stier,Jeffrey K - DC
Cc: Doern,Martin E - DC; Wilcox,Jessica D - DC; Seifert,Roger E - DC
Subject: Re: Thursday

yes, cocktails...as you can see out here, we have a gov's race that is going to take at least 10 days to declare a winner...i'm having some serious deja vu out here! also, living off 2 hours sleep, so a little goofy this morning.

i'm easy on where to meet...we can go up on the hill if that's good for you all...that's probably the best...it's hokey, but at 4pm, we can get a table and have a nice discussion over drinks at the Monocle.

Tony J. Williams
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----- Original Message -----

From: Stier,Jeffrey K - DC
To: Williams, Tony
Cc: Doern,Martin E - DC ; Wilcox,Jessica D - DC ; Seifert,Roger E - DC
Sent: Wednesday, November 03, 2004 9:54 AM
Subject: Thursday

We're meeting at 4 pm. Tomorrow. I plan to salve my psychic wounds with some beer during our discussion. Any thoughts on where we should meet?

In the meantime, I am attaching my political landscape thing - formatted to allow you to print it and jot down your thoughts in the appropriate spaces.

Smiley, Debra L - KDP

From: Tony Williams [tony.j.williams@att.net]

Sent: Monday, November 01, 2004 2:14 PM

To: McIntyre, David; scelley@TriWest.com; Jaeger, Gillian; Stier, Jeffrey K - DC; Wright, Stephen J - A; Joe Plesha; Carolyn Robertson; Minter, Rob; Agnew, Creigh H.; Biggs Brock, Heidi; Beckett, Bruce; Gabriel, Kay; 'Linda Jones'; Tim Culbertson; Chris Koch; Doug Schneider; dohare@worldshipping.org; janderso@nwifc.wa.gov; Tony Forsman; Randy Harder; Bill Dewey; Bill Taylor; Bill Wilkerson; Cindy Mitchell; bgeddes@popud.com; mcauchy@popud.com; dpeterson@popud.com; Ric Ilgenfritz; Joni Earl; McNeil, Ann Snell; 'Hosken, Charlie'; munro@chelanpud.org; Wright, Wayne; Doug Jewett; Jarlath Hume

Subject: Election Predictions Memo

Dear Clients -- Thank you so much for working with our little firm. We appreciate your business and trust in our ability. I begin with that statement -- because here are my annual predictions...please, no wagering!

TW

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MEMORANDUM

TO: Clients and Friends
FR: Tony Williams
DT: November 1, 2004
RE: Election 2004 Predictions

Well, it's time – time to make predictions on what's going to happen tomorrow. While I'm rather uncertain as to what is *really* going to happen tomorrow, I *am* certain that I'll likely make of fool myself with this memo.

Alas, we trudge forward, so here we go – Predictions 2004. Let's begin by poking holes in some of the pre-election conventional wisdom.

1. **The winner of the Presidential race will be known by 11pm EST:** It's not going to take weeks or months to decide the Presidential election. Despite all the media hype and the thousands of lawyers who have been dispatched to battleground states, one of the candidates will make a victory speech before midnight EST. The big battlegrounds are all located east of the Mississippi, and the big three (Ohio, Florida and Pennsylvania) close their polls by 8pm EST. By 10pm EST, I'll bet we'll know who has won in those three states and that will tell us who our next President is going to be.
2. **It's not going to be as close as 2000:** I believe the winner is going to have 300 Electoral Votes or more, and will finish with more than 50 percent of the popular vote.
3. **The networks will still call it before all the polls are closed:** The networks are going to have their exit polls, and while they will try really hard not to tell us early who has won, they won't be able to stop themselves from calling the election before the night is over.
4. **It's going to be a status quo election:** For all the talk of change, massive numbers of new registrants, and the almost feverish media coverage of this year's election, when it's all over the landscape is going to look similar to what it is today. Republicans will be in charge, but we're still going to have a closely divided country.
5. **Yo, Celebrating Republicans, beware 2006:** To my clients and friends who are disappointed in tomorrow's results if my predictions are right, here's some solace to you – 2006 is probably going to be a very ugly election for Republicans.

OK, enough with the big picture stuff, let's get to the races.

The White House

President George W. Bush is going to be re-elected with 301 Electoral Votes, and he's going to get 50.5 percent of the popular vote – not a landslide, but a victory. He'll do it by winning the following toss-up states: Florida, Ohio, Wisconsin, Iowa, New Mexico, Nevada, Colorado, Hawaii, and he's going to win in Maine's 2nd Congressional District (that means he'll get one of Maine's four electoral votes).

Senator Kerry will come very close and will finish with 48.5 percent while Ralph Nader will get 1.5 percent. Senator Kerry will finish with 237 Electoral Votes and he will win in the battleground states of Michigan, Pennsylvania, Minnesota, and New Hampshire.

The U.S. Senate

Lots of tough races here, and I believe that with President Bush winning re-election, the Senate majority will stay in Republican hands. Of course, one thing helping the Republicans this year is that there are five open Senate seats in the South, and the Republicans have a good chance of winning all five.

In fact, I'm going to predict a two seat Republican pick-up, which will leave them with a 53-46 majority heading into early December when Louisiana picks its new senator (which also could be a Republican). We'll discuss Louisiana later in this memo.

Last comment before the predictions – we start with the presumption that Illinois' new senator will switch from Republican to Democrat and Georgia's new senator will switch from Democrat to Republican. No blood after those two races, which leaves us with the toss-ups. OK, here are the predictions:

Florida:

The candidates: Mel Martinez (R) vs. Betty Castor (D)

The pick: Castor

The comment: Yes, I think President Bush will win Florida, but I think voters will do some ticket-splitting in the Senate race. That will tip the balance to Castor in a very close race.

The skinny: **Democrat Hold**

South Carolina:

The candidates: Rep. Jim DeMint (R) vs. Inez Tennenbaum

The pick: DeMint

The comment: If South Carolina weren't such a strong Republican state, Tennenbaum would be the winner. She has run an excellent campaign, and DeMint hasn't. I want to make her my upset special, but I just can't because S. Carolina is so Republican.

The skinny: **Republican Pick-up**

North Carolina:

The candidates: Rep. Richard Burr (R) vs. Erskine Bowles (D)

The pick: Burr

The comment: Burr's chances seemed remote two months ago, but reminding voters that Bowles was President Clinton's Chief of Staff seems to be enough to make Burr a senator in a state that President Bush will win easily.

The skinny: **Republican Pick-up**

Kentucky:

The candidates: Sen. Jim Bunning (R) vs. Daniel Mongiardo (D)

The pick: Bunning

The comment: If Democrats had done a better job recruiting an opponent (Bunning won by just a few thousand votes in 1998, but he was largely given a free pass in this election), they would have won this race given Bunning's "unique" behavior on the stump.

The skinny: **Republican Hold**

South Dakota:

The candidates: Sen. Tom Daschle (D) vs. John Thune (R)

The pick: Thune – **upset special**

The comment: This is the race that could take weeks of counting, recounting and litigation to decide, not the Presidential race.

The skinny: **Republican Pick-up**

Oklahoma:

The candidates: Rep. Brad Carson (D) vs. Tom Coburn (R)

The pick: Coburn

The comment: Carson looked like he was going to pull off the upset, but Coburn seems to have solidified his lead in the past two weeks. In the end, Oklahoma is too Republican of a state for a Democrat to win in a Presidential election year.

The skinny: **Republican Hold**

Colorado:

The candidates: Pete Coors (R) vs. Ken Salazar (D)

The pick: Salazar

The comment: There are 180,000 more Republicans than Democrats in Colorado, but not enough of them will say, "hey, beer man" in the election booth to save Coors.

The skinny: **Democrat pick-up**

Alaska:

The candidates: Sen. Lisa Murkowski (R) vs. Tony Knowles (D)

The pick: Murkowski

The comment: Sen. Murkowski needs to buy Sen. Ted Stevens a VERY expensive Christmas gift because his campaigning on her behalf will be what put her over the top in this very close race.

The skinny: **Republican Hold**

Louisiana:

The candidates: Rep. David Vitter, Rep. Chris John (D), State Treasurer John Kennedy (D) and State Rep. Arthur Morrell (D).

Race #1: An open primary where the two top candidates compete in a run-off in early December unless one candidate gets 50 percent of the vote in the primary. President Bush is going to win the state, and the three Democrats are beating each other up in hopes of getting to the run-off. This dynamic means Vitter has a chance to get to 50 percent but he will probably finish in the high 40s, which will require the runoff.

The pick: Vitter will not get to 50, but he'll win in early December.

The comment: The only people excited about one more big race occurring a month after the November election will be reporters, election lawyers and political hacks thrilled to be spending a week in the French Quarter in early December.

The skinny: **Republican Pick-up**

If my predictions come true, the Republicans will pick-up two seats tomorrow night and one more in early December and will begin next year with a 54-46 majority that could become a 53-47 majority in the spring if Sen. Lincoln Chafee (R) of Rhode Island decides to switch parties. If President Bush is re-elected, I expect that Sen. Chafee will switch parties. For the record, even after I write this, I feel like it's an awfully rosy scenario for the Republicans, but as I look at the races and the states where the battles are taking place (largely in states where Bush is going to win), that's where things fall. So, that's my story and I'm sticking to it, albeit nervously.

Key Northwest Races

It's harder for me to be objective about these races because of personal relationships – in fact, my wife begged me not to make any predictions in these races – but I can't stop myself from doing so.

Washington-President

Sen. Kerry will win Washington state, but it might not be the huge victory that many are expecting. I'm predicting something like Kerry 51, Bush 46, Nader 3. That's still a comfortable victory, but it's not a blow-out. The combination of that modest margin and

Bush looking like a winner before polls close on the West Coast will help a few Republicans pull off surprising victories in Washington.

Washington Senate Race:

The candidates: Sen. Patty Murray (D) vs. Rep. George Nethercutt (R)

The pick: Murray

The comment: It will be a lot closer than most observers expect.

Washington Governor

The candidates: Dino Rossi (R) vs. Christine Gregoire (D)

The pick: Rossi

The comment: A lot of ticket-splitters (people who vote Kerry-Murray-Rossi) will put Rossi into the Governor's Mansion by a razor-thin margin. This one might take a while to sort out because over 60 percent of the vote will be absentee and a huge chunk of those votes won't arrive via mail in election offices until *after* Election Day (note: in Washington, absentees just need to be post-marked by 8pm on Election Day to be valid).

Washington Attorney General

The candidates: Rob McKenna (R) vs. Deborah Senn (D)

The pick: McKenna

The comment: McKenna will win by a larger margin than expected.

Washington CD-8

The candidates: Dave Reichert (R) vs. Dave Ross (D)

The pick: Reichert

The comment: It will be very close and Reichert will be one of the Democrats' top targets in 2006.

Washington CD- 5

The candidates: Cathy McMorris (R) vs. Don Barbieri

The pick: McMorris

The comment: McMorris will win comfortably and will be a rising star in Congress by the end of next year.

Oregon-President

Sen. Kerry will complete his West Coast sweep with a victory in Oregon. Early on, the Bush team thought Oregon would be a battleground state, but I always thought that was a stretch – like Washington, a tough state for Republicans.

Oregon CD-1

The candidates: Rep. David Wu (D) vs. Goli Ameri (R)

The pick: Wu

The comment: He'll win comfortably.

Oregon CD-5

The candidates: Rep. Darlene Hooley (D) vs. Jim Zupancic (R)

The pick: Hooley

The comment: Because Bush will carry the 5th District, Hooley will finish under 55 percent, but she'll win by a modest margin.

And that's it for this year's predictions – as always, I enjoy your comments, particularly those that I guess I should describe as “edgy”.

Best wishes to all of you for a pleasant election night, and please remember this: no matter who wins tomorrow night, America will persevere. Right now, it might not seem like it, but this is too great of a country to fall completely into a hole based upon what happens tomorrow night. At least, that's my opinion.

END