

From: "Maya B. Kara" <maya@saipan.com>
Reply-To: "Maya B. Kara" <maya@saipan.com>
To: "Donna Cruz" <gov.donna@saipan.com>
Date: Mon, Oct 1, 2001, 8:36 AM
Subject: Fw: Lobbying Contract

----- Original Message -----

From: abramoffj@gtlaw.com <mailto:abramoffj@gtlaw.com>
To: maya@saipan.com <mailto:maya@saipan.com>
Cc: gov counsel@saipan.com <mailto:govcounsel@saipan.com>
Sent: Monday, October 01, 2001 10:18 AM
Subject: RE: Lobbying Contract

Thanks Maya. I certainly understand the difficulty you guys are in. I received your message on the phone and can still call you if you want (just let me know by return email). The tragedy has certainly made a tough situation worse for you guys and I can certainly understand that our continued retention as of tomorrow is probably not happening. I feel very badly, not because we lost a client, but because you guys are having to go through such financial difficulties. I hope they reverse soon.

Given that we are going to have to pull back, I still obviously want you guys to be OK, so I thought it might help to give a road map to you of what you can expect and where the fight is holding. Perhaps you can put some pressure on Babauta to do his job and take care of the CNMI interests in DC for the next few months. There are, frankly, a lot of crises right now, and a few opportunities you guys need to jump on. The pressures will be as follows:

We are told that the White House is near agreement with the Ds to include Kennedys minimum wage package on the supplemental. Babauta needs to pick up the ball from us and push the WH to get Kennedy to drop the CNMI provision. This will take a lot of meetings with Justice (they are in this mix, oddly), Commerce (they are an engine) and mainly the WH, both political and policy shops. Also, he will need to get the Senate Republican leadership to weigh in heavily with the WH that this provision is unacceptable to them (we have found that the best approach is to get a letter signed by the Senate leadership and other key Senators up for re-election, Smith, Hutchinson, Sessions, who they care about). He also needs to get the House leadership to weigh in big time and fast on this. They can do so through the legislative folks at the WH, but remember that they are fighting at times (and the House is particularly upset that WH leg affairs does not include them) so he has to walk this very carefully and assess each personality in the leg shop at the WH and how he/she fits in with the House guys.

If he does not keep the WH from including Kennedy with the CNMI provision (which he probably wont), then he has to launch a major effort on the Hill among the Republicans to push the Administration on this and make sure they dont do it. He also needs to get the conservative Ds (Blue Dogs) to weigh in on this. Breaux is particularly important. We just hired his Legislative Director and she spent a good deal of time getting them ready to support us on this. He will need to get a couple of op eds published, the talk radio folks activated, and the conservative movement guys screaming and kicking. The travelers to the CNMI of the past would be the best base of support (though, honestly, they really dont like Babauta; they do have some working knowledge of Ben Fitial, but I would imagine he is quite busy right now).

The other immediate (next two weeks) challenge is the Justice Department. Last week the bad guys who still work there (the ones who got that bad letter on Murkowski issued) started a drum beat that the CNMI had to be taken over, because it was a loophole in the federal immigration network, and that, as such, was a threat on terrorism. They have been spending a week or so telling everyone who will listen that the CNMI, if it is not taken over, will be a major entry point for terrorists. This, of course, is patently ridiculous, actually just the opposite, and we have been working to counter this, but they are not backing down. We had the COS of the Justice Department in our box at todays Redskins game and it seems that there might be a classified document floating in the department which deals with this matter. Making it classified, if that is indeed the case, was a good idea by our opponents, since that means we cannot get it. Hopefully Babauta has some connections there and can get a copy (perhaps at least on a redacted version), which he can pass on to you to draft a response. If this is at a stage where it is gaining momentum, he will need to leak into the press that they are considering this and how it is exactly the opposite of what should be happening. This is a real potential threat. It will require some major action from the Hill and a press attack to get this back in the bottle. He should just follow the example we have used in the past, where we get the press out front carefully and push the Administration back.

I am supposed to see the Attorney General next week (the Thursday after Simchas Torah) and Kevin was slated to play basketball with him before then. We will both mention this to him. The AG will be fine, but the underlings are a worrisome matter. I am not sure what to suggest on this one, other than well pass on what we get from the COS, and you guys should do your best to hook up with as many of the Asst AGs as possible and the political folks there. There are, I believe, some former travelers (folks who visited the CNMI during Froilans time) among them. Well hope that the higher ups will take some time to squash this on their own. If not, it could get to be a fire fight.

The final immediate issue to watch (though we dont know that there is yet a problem) is the Murkowski bill. The rumor last week from inside Interior was that Senator Bingaman (the new chair of ENR) is going to move the bill through the Senate or push to get it on the supplemental, as a favor to Akaka. Given the position paper floating at Justice on the terrorism threat, this could be a major source of problems.

Ironically, it might not even be Beirne or Murkowski pushing this. Babautas staff should do everything they can to monitor this and, if it is moved or placed on the supplemental, they need to get to Hansen and House leadership to stop it. That will take a major effort within the Congress, but they have a lot of staff in their office and they really should get to work. Were only talking about three months (until the predicted December recess). Surely they can do something?

On the positive side, even though you did not authorize us, Kevin and I did start the team on getting funding for you guys from Defense (it was a rather bizarre twist, but was working oddly), Commerce and Justice. Interior is bone dry. I had dinner with Norton last week and she said they are stripping away their money, so we switched the guys to other departments. Even Energy has some money we think we might be able to have tapped, but Commerce is actually the biggie. They are doing a ton to help the economy and our friends there (their top ASs were at the game with us today too) included some travelers. There are millions there, Babauta just needs to figure out the road map to get them and get in there. He really needs to get out of the CNMI and return here. Of course, it is not something I can tell him. J

Another idea is to get Mark Zachares, if he is named to the OIA, to get to DC as soon as possible and do as much of this as he can. I would imagine that Babauta and his staff are, frankly, incapable of making most if not all of this happen. Actually, I am not certain that his staff is with us anyway on these issues, though I understand that he lately has been more positive to the interests of the CNMI. It would be a disaster, as you can well imagine, if you were to tell him that I was behind any of these suggestions. Just tell him that this is what you picked up from friends. Hopefully you can convince him to do this. After all, it is his job for which he has been getting a ton of money from you guys for years.

I wish we could continue with you, of course, but I certainly understand the financial situation you guys are in. Similarly, I am sure you can understand that the firm, once I inform them tomorrow of the situation, is going to have to re-deploy my team to other clients. As you can imagine, our defense clients have all doubled and tripled their representations with the new availability of funds to fight the terrorism. Just last week, I personally landed three clients who make some rather exciting communications devices and early bio-terrorism detection systems. Ill see, if the feds fund, if we can get you guys included in the program, if that will help.

Again, I am sorry that the situation has brought us to where we are. I will personally do anything in my power to help you, but I just cannot ask my team to do additional work (the firm, again, will undoubtedly be assigning them tomorrow to other urgent tasks) since their paychecks depend on billing hours for clients who are paying. Nevertheless, I will ask them to keep an eye out and report to me anything they see in the course of normal business. Again, I will do anything I can do. Unfortunately, a one-man band can only

play so much music. But, I will play as fast and furious as I can. Just let me know if Babauta or anyone can pick up the major efforts so things do not collapse. I wish the situation was not as critical as it is, but unfortunately, our enemies have not gone away, just been beaten back. they have not stopped their attempts even in the face of the tragedy of 9-11.

Please let me know if you want to chat. As you know, as of tomorrow (Monday) night through Wednesday night my time, Ill be out of commission because of Succos. Hope you are doing as well as can be expected.

Your friend,

Jack

-----Original Message-----

From: Maya B. Kara [mailto:maya@saipan.com]

Sent: Sunday, September 30, 2001 12:24 AM

To: Jack Abramoff

Cc: govounsel@saipan.com

Subject: Lobbying Contract

Jack:

Yes, I received your several e-mails. Unfortunately, I cannot give you assurances about another change order.

The terrorist attacks of several weeks ago in the Us have had a very negative effect on an already declining CNMI economy. Tourism and garment manufacturing were both severele hit. We won't know the full extent of the damage until after the third quarter tax collection. Recovery is uncertain to the same degree that the future of American policy and its ramifications are uncertain. The Governor is preparing to send a revised bodget message to the Legislature which will be \$27 million down from July's estimate. The Governor has been in emergency meetings with staff for the last two weeks trying to find ways to further contain and reduce government expenditures. We are implemintina stept which will freeze hirina. suspend all promotions and pay