

Project Bioshield (S.15 & H.R. 2122) National Debate in 2003-2004

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Recruiting a SARS Defense

Author: Andrew Pollack Date: Thursday, Apr. 17, 2003

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Recruiting a SARS defense U.S. urges drug makers to develop a vaccine

By Andrew Pollack

The New York Times

NEW YORK

The U.S. government is trying to enlist drug makers and biotechnology companies in the search for drugs and vaccines to fight SARS, the respiratory illness that has killed and sickened thousands.

But some analysts think the government will have some of the same problems it has been having trying to recruit companies to develop defenses against bioterrorism agents.

The Department of Health and Human Services met with pharmaceutical industry representatives last week in Washington to discuss the development of a vaccine for SARS, or severe acute respiratory syndrome. In an effort to impress upon companies the importance of the project, Tommy Thompson, secretary of the department, addressed the meeting himself.

"If we want to have a vaccine come about quickly we need to engage the companies that are ultimately going to be the manufacturers of the vaccines," said Bruce Gellin, director of the department's National Vaccine Program Office. The goal, he said, is to attract proven manufacturers to move things along quickly.

A few companies are responding in limited ways. Aventis Pasteur, a leading vaccine maker, donated cells to the National Institutes of Health and the Centers for Disease Control and Prevention that can be used to grow the suspected SARS virus in culture.

Still, the experience with defenses against biowarfare and bioterrorism suggests that recruiting companies, particularly large established manufacturers, can be difficult until it becomes clearer how serious SARS will become.

The same issue has plagued government efforts to involve drug companies in biodefense efforts. It is unclear how big the overall market will be for such drugs and vaccines, since there might never be an attack. So the government is trying to remedy

that with its proposed **Project Bioshield**, which would set aside billions of dollars to stockpile such drugs and vaccines.

Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, said he did not expect the same corporate reluctance with respect to SARS. "I think they would be interested in this because this is real, it's here," he said.

But some experts said it was not yet clear how serious and long-lasting a SARS epidemic might become.

"We sure don't know enough to embark on a five- or 10-year research program for what might, and we pray would, be a self-limiting epidemic," said J. Leighton Read, a California venture capitalist who is a co-founder of Aviron, a vaccine company.

Still, some smaller companies are looking at the opportunities. ViroPharma, which has been working with the U.S. Army on biodefense drugs, is now having its drugs and experimental compounds screened by the army for possible effectiveness against SARS.

AVI BioPharma, a company working on drugs against viral and other diseases, announced last month that its approach to turning off genes might work for SARS.

Advanced Viral Research said it planned to approach the government to suggest that a drug it was testing for AIDS be tried for SARS. It is a derivative of one that was used decades ago for flu, mumps and other viral diseases, apparently with some success. But it was taken off the market after the Food and Drug Administration in 1962 began requiring clinical trials to prove efficacy, which the owner of the drug at that time could not afford to do.

Perlan Therapeutics, a privately held company trying to develop a treatment for the common cold, is "watching and thinking" whether to try to develop a treatment for SARS, said Fang Fang, co-founder and chief scientific officer. To begin exploring SARS, she said she ordered samples of similar viruses from the American Type Culture Collection, a biological repository. But in a sign that other companies may be conducting similar research, the viruses were sold out.

President Seeks \$6.1bn Increase in Security Spending

Author: Demetri Sevastopulo Date: Tuesday, Feb. 3, 2004
Publication: [Financial Times](#) (London, England) Issue: 35,367

President seeks \$6.1bn increase in security spending

By Demetri Sevastopulo
in Washington

President George W. Bush yesterday asked Congress to increase spending on homeland security by \$6.1bn to protect the US from terrorist attacks.

In his budget request for fiscal 2005, Mr Bush requested \$47.4bn in spending on homeland security, which would represent a 15 per cent increase over fiscal 2004. The president's plan

provides the Department of Homeland Security, the 180,000-employee agency created in the wake of the September 11 2001 attacks, with a budget of \$30.5bn. This is a 9.7 per cent increase.

Mr Bush is facing growing criticism from Democrats and fiscally conservative Republicans over a ballooning federal budget deficit, which is expected to be more than \$521bn in 2004. But most politicians have supported increased spending

on homeland security while the threat of attacks on the US remains.

One of the largest increases in the White House budget is on border and transportation security, which would see an increase of \$1.7bn to \$17.1bn. The request includes an additional \$900m for the Transport Security Administration to fund measures to improve aviation security, some of which would be used to improve screening at US air-

ports. Increased concern about hijackings has led to several US-bound flights from Europe being cancelled over the past two months.

The budget includes \$60m to develop technology to protect aeroplanes against the threat of portable anti-aircraft missiles. US airlines, which are battling to restore profitability, consistently argue that the government should pick up the cost of developing the technology to protect their flights.

Under the budget plan, \$340m would be provided to fund the Department of Homeland Security's USVisit, a controversial programme designed to improve the ability to track when visitors enter and leave the US. The plan also earmarks an additional \$100m for the so-called Detention and Removal programme, which aims to catch and deport alien fugitives.

Democrats have repeatedly criticised the Bush adminis-

tration for not doing enough to protect US ports against possible attacks. As the November presidential election approaches, Mr Bush's budget asks for \$2bn for port security, which includes \$100m in new funding to help the Coast Guard ensure that foreign vessels comply with new international port security rules.

The outlay also includes \$450m in new spending to expand the Container Security Initiative to pre-screen

cargo containers, another area where Democrats in particular have argued that the US is still vulnerable.

The budget asks for \$3.4bn, a 19 per cent increase on 2004, to help defend the US against catastrophic threats, such as biological, chemical or nuclear attacks. It also asks for \$2.5bn for **Project Bioshield**, a programme to develop new vaccines and medication to counter biological attacks.

Companies profit off back of terror threat

Author: Gary Ingrid Duncan Mansell Date: Monday, Aug. 9, 2004

Publication: [The Times](#) (London, England) Issue: 68149

THE TIMES MONDAY AUGUST 9 2004

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BUSINESS

Companies profit off back of terror threat

By Gary Duncan and Ingrid Mansell

BILLIONS of dollars are being pumped into high-tech companies as the US Government boosts spending on security in an attempt to protect the country from a terrorist attack.

The ballooning budget of the new Department of Homeland Security (DHS) is offering a new and large source of revenue for companies, says Merrill Lynch, the investment bank. The pile of money is also spilling across the Atlantic where British companies are profiting from the increasing security consciousness.

America's homeland security budget has more than doubled to \$40.1 billion (£21.8 billion) since the DHS was created in 2001 in the aftermath of the September 11 attacks on New York and Washington.

"While the jury is out on how these programmes will affect the economy and our productive capacity as we become more of a wartime economy, it is clear that certain sectors within the defence industry stand to benefit," Merrill's Jose Rasco notes.

"This is especially true for

those in the technologically driven, productivity enhancing areas of the defence industry."

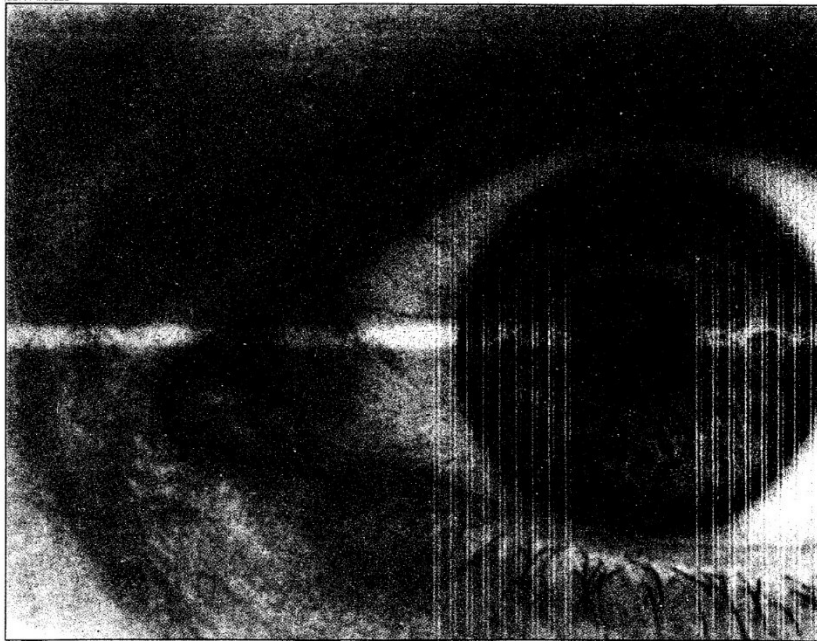
Other analysts believe the benefits of the massive security drive will spill over into other high technology sectors, including electronics and the biotech industries, both in America and in leading developed economies including the UK.

Justin Urquhart Stewart, of Seven Investment Management, the asset manager, said UK businesses — such as Smiths Group's detection operation, Chemring and Ultra Electronics — were already profiting from the burgeoning US security expenditure.

"There have been huge gains by high-tech development companies," Mr Urquhart Stewart said. "This is where we are seeing growth in the British defence industry — not in the traditional, big industrial companies, but in smaller, specialist high-tech ones."

The big opportunities for companies are emphasised by the wide sweep of the DHS's activities and spending plans. Key programmes in the department's 2005 budget include:

GETTY IMAGES



High-tech companies are finding a growing source of revenue from government spending on security to avert terrorism

■ \$890 million for explosive detection systems at US airports;

■ \$5.3 billion for transport security, including improved screening of passengers and baggage, with \$400 million of new baggage screening technology at airports;

■ \$2.5 billion under America's 2004 **Project BioShield** Act for the stockpiling of drugs and vaccines to prepare for the threat of chemical or biological attacks;

■ An extra \$79.8 million for

the DHS's National Cyber Security Division, in charge of assessing terrorist threats to key computer systems in the public and private sector;

■ \$50 million for new screening and detection technology at ports.

The scale of the build-up in security spending, as well as the steep increase in more traditional defence spending on the US Armed Forces, has created concern among some analysts over potential damage to America's economic

performance. These activities are seen by economists as frequently inefficient and their rapid expansion could undercut US productivity growth across the economy as a whole.

But Mr Rasco believes that use of next generation equipment in many of the new security programmes could mean greater efficiency as well as potential spin-off benefits.

"Many of the technologies being purchased and imple-

mented in the DHS are designed to increase security on US shores with cutting-edge technologies," he argued in his recent research.

"The good news is that they are often highly productive as well."

Mr Rasco also suggests that the development of high-tech security projects could lead to commercial spin-offs in the same way as America's 1960s Apollo drive to reach the Moon led to products such as Teflon.



BRIEFLY AMERICAS

■ WASHINGTON

Senate approves anti-bioterror program

The Senate unanimously approved legislation on Wednesday to encourage drug and vaccine makers to develop countermeasures against a potentially devastating bioterror attack.

The \$5.6 billion, 10-year **Project BioShield** program, approved by a vote of 99 to 0, creates incentives for research and basically guarantees a market for treatments, antidotes and vaccines that would otherwise not find a viable commercial niche.

(Reuters)

■ CAPE CANAVERAL, Florida:

NASA's efforts to return its aging space shuttles to flight will siphon so many workers away from operations to work on safety that the program could be plagued by a shortage of employees in the future, an oversight group warned Wednesday.

Since the Columbia disintegrated upon re-entry in 2003, NASA has created three departments focused on safety and engineering, making them independent of the shuttle program. But those departments are being staffed by workers from other shuttle operations who are not necessarily being replaced, the Return to Flight Task Force said. (Reuters)

■ **BOSTON:** Governor Mitt Romney demanded copies of all marriage applications issued by the four municipalities that openly defied his policy on same-sex licenses, and an official said Wednesday that the governor was thinking of seeking court action. City and town clerks in Provincetown, Worcester, Springfield and Somerville were ordered to hand over the documents Tuesday, a day after each issued marriage licenses to out-of-state residents. (AP)

■ **WASHINGTON:** A sixth-grade Muslim girl in Oklahoma can wear a head scarf to school under a settlement between the school district and the U.S. Justice Department, officials said Wednesday. The six-year agreement also requires the Muskogee Public School District to change its dress code to allow exceptions for religious reasons. (AP)

■ **CARACAS:** The vice president on Wednesday criticized the proposed new U.S. ambassador for urging other countries to be more involved in helping resolve Venezuela's political crisis. "The new ambassador's work in Venezuela has gotten off to a bad start," Vice President José Vicente Rangel said of William Brownfield, President George W. Bush's nominee for ambassador to Venezuela. (AP)

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Drug problem

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Biodefence

Drug problem

NEW YORK

A worrying failure to engage the drug industry in the war on terror

IF TERRORISTS had placed smallpox, rather than explosives, on the Madrid trains that blew up last month, tens of thousands, maybe millions, could have died instead of the 190 people who did. Few threats worry terrorism experts more than smallpox—not least in Washington DC, where the government has been trying to fortify its stocks of smallpox vaccine. But Acambis, its prime smallpox-vaccine contractor, has hit problems. It has just an-

nounced the halting of a pivotal third-phase clinical trial on a smallpox vaccine it has been developing, because some patients in the trial started to suffer from heart disease. This could delay development, and stockpile fortification, by years.

The Acambis project was the cornerstone of the Bush administration's biodefence efforts. It is now an example of the problems plaguing those efforts. Despite America being home to the world's largest, best-equipped, most innovative drug makers, building biodefence products is proving extraordinarily difficult.

Developing new drugs, though it can be hugely profitable, is hugely risky. Even if a drug performs well in clinical trials, which often involve fewer than 1,000 patients, it can later turn out to have nasty side-effects as a larger number of patients use it. Far more new drugs fail than suc- ►►

► ceed. No drug firm would dream of putting all its development bets on one product, and no investor with sense would put money into just one drug firm. Yet such obvious points seem lost on the Bush administration which has, in effect, bet the nation's safety on Acambis and its vaccine. While most of the biodefence grants and contracts it has handed out average less than \$10m, Acambis controls a \$771m contract to provide smallpox vaccine.

Even before the September 11th 2001 terrorist attacks, an independent panel of experts submitted a report to Congress noting that the military programme for developing vaccines and other countermeasures against bioweapons is "insufficient and will fail." Last month, a study by the Federation of American Scientists concluded that there are weaknesses in "almost every aspect of US biopreparedness and response." Nowhere is this more true than in America's stockpiles of biodefence diagnostic tests and medicines.

Big drug companies are looking the other way. And even America's leading biotech firms, which are best placed to develop such products, have shown little interest. Most publicly-traded biotechs are deterred by the tepid reaction on Wall Street to the few firms developing biodefences, such as Avant Immunotherapeutics, Cepheid and Acambis. Few firms are attracted by the meagre development grants doled out by the Pentagon, which largely oversees America's biodefence effort, nor by the accompanying paperwork and bureaucracy. The American Venture Capital Association, in a recent report, "Government Market Enigma Causes Industry to Stick with What They Know", concluded that biodefence "is not an open market; it is 'politically charged with shifting priorities'; and the appropriations cycles lack predictability."

America's bioterrorism experts reckon that close to 100 new diagnostics, vaccines and treatments are needed urgently. By most estimates, building these biodefences will take at least 5-10 years and \$50 billion. And if America's highly innovative drug industry does not rise to the challenge, such efforts that are underway elsewhere will not fill the gap.

The Bush administration's main programme, **Project BioShield**, was announced in January 2003, but is stalled in Congress and largely ignored by the drug industry. A fraction of BioShield's proposed \$6 billion budget has been advanced to help pay for biodefence research and development. Most of this money has gone to government and university laboratories, which have little experience of developing products. Besides, even \$6 billion is nowhere near enough.

■ In December 2001, a bill known as Lieberman-Hatch was tabled that would have bypassed the Pentagon procurement

system, introducing a sweeping new performance-based, market-oriented system of incentives designed to tempt the drug industry to take biodefence seriously. The bill would have introduced patent protections and restrictions on product liability, plus industry-standard profit margins for products that successfully make the journey from research to stockpile. Alas, the bill remains stalled—not least because of the feeling in Congress that it would be widely seen as a give-away to an already pampered drug industry. Yet without something like Lieberman-Hatch and its real-world market incentives, biodefence medicines and test kits simply will not be made. Let's hope they are never needed. ■

Business in China

D'Long caught short

SHANGHAI

One of China's new model companies runs into old-style trouble

IT IS usually badly managed state-owned enterprises in China that run into difficulties, while the country's dynamic private firms forge ahead. Usually, but not exclusively. Over the past week, local investors have become concerned about the financial health of D'Long Strategic Investments, one of China's biggest, most high-profile private firms—and one of the few to have successfully ventured abroad.

Three domestically-listed firms in which D'Long holds controlling stakes recently issued statements noting that D'Long has been using the shares it owns in them as collateral for loans. This has fuelled concerns that the group has overreached itself. In recent days, the share price of the three firms—Torch Automobile, which makes car parts, Shenyang Hejin, an electrical tool maker, and Xinjiang Tunhe Investment, one of the world's biggest ketchup producers—have plunged. Each has now fallen by half or more since the start of the year (see chart).

On April 16th, D'Long claimed that the announcements had sprung from a technical change in its banking agreements and that the shares are pledged against existing loans, not new ones. However, it also gave warning on its website that efforts by the government in Beijing to rein in China's overheating economy were making it harder to borrow from (state) banks and that this would force "necessary changes" to its development strategy. On April 21st, its chairman, Tang Wanli, admitted to the state-owned *China Securities Journal* that the speculation about D'Long's health—and the falling share prices—was leading to real financial problems, as worried banks



BRIEFLY UNITED STATES

■ NEW YORK

Officer is investigated after subway explosion

A police officer who said he was traumatized by the terrorist attack on the World Trade Center has become a possible suspect in an explosion in a subway station in Times Square.

Investigators believe Joseph Rodriguez, who reported the small pipe bomb explosion, may have planted it, a senior police official said. Stuart London, a lawyer for Rodriguez, said the officer denies responsibility.

Rodriguez, 27, was due to retire on psychological disability Wednesday, London said. The officer has not been charged with a crime. (AP)

■ CHARLESTON, West Virginia

Worker suspended for mistreating poultry

A supplier for Kentucky Fried Chicken suspended a worker without pay and was investigating three others after an animal rights group released video of workers kicking and stomping birds and throwing them against walls at a West Virginia plant.

The video had been made secretly at the Pilgrim's Pride plant in Moorefield, West Virginia, by an investigator for People for the Ethical Treatment of Animals who worked there from October to May.

The president and chief operating officer of Pilgrim's Pride, O. B. Goolsby, said in a statement late Tuesday that the company had ordered managers at all 25 of its plants to educate workers about animal welfare policies. (AP)

■ NASHVILLE, Tennessee

Vehicle explodes in hotel parking lot

A sport utility vehicle exploded in a parking lot at Nashville's largest hotel, killing one man inside.

The authorities said they suspected a homemade bomb had been involved. An FBI agent said there was no reason to suspect terrorism.

The explosion occurred late Tuesday about a half-mile, or a kilometer, from the main entrance of Gaylord Opryland Resort and Convention Center. (AP)

■ **WASHINGTON:** President George W. Bush signed legislation Wednesday to encourage development of drugs and vaccines to counter the effects of attacks using biological and chemical weapons. The \$5.6 billion, 10-year **Project BioShield** program expands research incentives in the public and private sectors for development of treatments, antidotes and vaccines that would otherwise not find viable commercial niches. (Reuters)

Briefly

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FBI and CIA to Form New Terrorism Watch Center

Author: David Johnston Date: Thursday, Jan. 30, 2003

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FBI and CIA to form new terrorism watch center

By David Johnston

The New York Times

WASHINGTON: President George W. Bush has said that he plans to create a Terrorist Threat Integration Center to merge separate units at the CIA, FBI and other agencies into a single government unit intended to strengthen the collection and analysis of foreign and domestic terror threats.

The center, announced Tuesday night by Bush in his State of the Union address, will be led by George Tenet, the director of central intelligence, a step that would for the first time give the Central Intelligence Agency full control over the collection and evaluation of all information relating to terrorist threats in the United States or overseas.

In announcing the formation of the

center, Bush said: "Our government must have the very best information possible, and we will use it to make sure the right people are in the right places to protect our citizens."

Several officials said the center, an expansion of an existing CIA counterterrorism center, would not require legislative action.

The unit will probably be housed in a location away from the CIA, a possible first step toward the creation of a permanent and independent agency to deal with terrorist threats in place of the Federal Bureau of Investigation and the CIA, which now have the overall legal authority for intelligence collection and analysis.

On Tuesday night, a senior Bush administration official said a new approach was needed because of the difficulty obtaining the necessary cooperation

among the FBI, CIA and other intelligence agencies. "The information sharing has been very good, but it's been by brute force," the official said.

Moreover, Bush's proposal appeared to be an effort by the president to respond to widespread criticism in Congress by lawmakers from both parties who have complained that the FBI and CIA failed to coordinate their intelligence efforts in advance of the Sept. 11, 2001, attacks and missed significant warning signs that might have provided a clue to the plot.

Bush's announcement also seemed to be an early effort to blunt the assertions of several Democratic presidential contenders who have criticized Bush's record on terrorism, saying that the president has failed to do enough to prevent another attack and that the United States was not much safer than it was

before the 2001 terror attacks.

On another terrorism issue, Bush proposed a research and production effort to protect Americans against bioterrorism, a program that he referred to as "Project Bioshield." The president proposed spending \$6 billion to make available vaccines and treatments against agents like anthrax, botulinum toxin, Ebola and plague.

"We must assume that our enemies would use these diseases as weapons and we must act before the dangers are upon us," Bush said.

Officials familiar with the project said it would give the administration emergency spending authority to rush drugs and vaccines now being developed into production if the White House concluded that such pharmaceuticals were needed to protect the American people.

Nothing to Fear but Fear Itself, and Some Side-effects

Author: Clive Cookson Date: Saturday, Feb. 1, 2003

Publication: [Financial Times](#) (London, England) Issue: 35,057

Nothing to fear but fear itself, and some side-effects

Vaccination plans against a smallpox attack could prove dangerous, writes **Clive Cookson**

Just as the US started a programme to vaccinate 500,000 healthcare workers against smallpox this week, a scientific and medical backlash was beginning. The terrible spectre of a bioterrorist attack has taken smallpox to the top of the political and media agenda – but experts are questioning the extent of the threat.

Virologists warned that the vision of millions of people dying if terrorists managed to reintroduce smallpox to a world from which it was eradicated in the 1970s was causing unnecessary alarm – and would only worsen the panic in the event of an attack.

The most outspoken was John Oxford, professor of virology at Queen Mary's medical school, London. "The smallpox virus is an old plodder, not a sure-footed fast-moving virus like 'flu or measles,'" he told a press briefing in London.

His comments raised the question of whether the US has overreacted to the threat.

In the US, fears of the side-effects of vaccination are already beginning to replace the terror of smallpox in the public consciousness. Many health workers are refusing the vaccine and there are signs that the uptake could be less than half the level the Bush administration had hoped.

Although safer "next generation" vaccines are under development, the only sort available now consists of a live virus called vaccinia, which is closely related to smallpox and can itself cause a nasty disease. According to the US Centres for Disease Control, vaccinia is likely to cause one or two deaths per million people vaccinated and about 1,000 serious reactions.

Another worry is that smallpox precautions are draining resources from other public health programmes. "Staff members who worked in communicable disease control are



Infectious threat: concerns about terrorists' use of the smallpox virus may be overblown Science Photo Library

now focusing exclusively on smallpox," said Patrick Libbey, executive director of the National Association of County and City Health Officials. This, he argued, would damage the healthcare system's "ability to prevent and respond to influenza, childhood diseases, contaminated drinking water, food-borne illness and chronic diseases".

The US was not the only country in danger of being distracted, Prof Oxford said in London. "It would not take much to divert all of us [infectious disease specialists] into anthrax and smallpox, when we should be focusing on the great natural killers such as HIV, TB and influenza."

Yet smallpox is the disease at the heart of **Project Bio** shield, the \$6bn biodefence programme announced by President George W. Bush in his State of the Union address. Dick Cheney, vice-president, is thought to take a particularly close interest in smallpox and to have been central in formulating the administration's ambitious bioterror policy.

Smallpox is a greater danger than toxins such as anthrax, ricin or botulinum, because it is a communicable disease that kills about one-third of unvaccinated people who are infected. Intelligence experts say terrorists might conceivably have got hold of smallpox from the former Soviet Union, while it is also possible that Iraq holds stocks of indigenous virus collected 30 years ago, before the disease was eradicated from that country.

But research in this week's New England Journal of Medicine shows that smallpox is less infectious than its reputation would suggest. The virus is spread by "close respiratory contact" – you normally need to be within about a metre of someone breathing over you to pick up his or her germs.

The scenario of a single infected terrorist triggering a huge global outbreak of the disease by wandering around New York is not plausible.

"Smallpox as a terrorist weapon corresponds more

closely to a grenade than to a catastrophic 'dirty' bomb or even a dissemination of anthrax spores," said Thomas Mack, an epidemiologist at the University of Southern California's Keck Medical School.

His blunt assessment was that vaccination could cause more harm than good: "A terrorist introduction of smallpox could produce a short outbreak of cases and deaths, but the current [US] vaccination policy will provide little protection and the cost in deaths from vaccine complications will outweigh any benefit."

Although direct side-effects of vaccination are well known in medical circles, another risk is much less discussed – transmission of vaccinia virus to unvaccinated people.

This was responsible for 12 of the 68 vaccine-related deaths in the US during the 1960s, and could have serious consequences if nurses and doctors were vaccinated in hospitals full of patients with weakened immune systems.

www.ft.com/weapons

Quiet Cheney Accrues Power and Influence

Author: Elisabeth Bumiller and Eric Schmitt Date: Saturday-Sunday, February 1-2, 2003
Publication: [International Herald Tribune \(European Edition\)](#) (Paris, France) Issue: 37294

Quiet Cheney accrues power and influence

'Adviser and counselor' to president is focused on economy and security

By Elisabeth Bumiller
and Eric Schmitt

The New York Times

WASHINGTON: As the White House buzzed with preparations for the State of the Union address and some allies protested the administration's march toward war in Iraq, President George W. Bush and Vice President Dick Cheney pulled up their chairs Monday for their weekly lunch. Their privacy was sacrosanct, administration officials said: No one but the steward was allowed in the small dining room off the Oval Office. Afterward, as usual, Cheney refused to tell even his top aides what had occurred.

The vice president has largely disappeared from public view since his high-profile campaign appearances last autumn. But he is hardly invisible to the president, the man Cheney's aides call his only constituent.

At the start of the third year of the Bush administration, White House officials and outside advisers say Cheney is ever more powerful. In the last three months, he has immersed himself in three critical areas: national security, the economy and domestic defense.

Cheney was a driving force behind the administration's **Project Bioshield**, a plan to protect the nation against biological attack that Bush announced in his State of the Union address. He was central to the creation of the president's \$674 billion economic package. He is wired into the White House plans for a postwar Iraq.

And on Thursday, Cheney opened a public relations offensive to sell Americans on action against Saddam Hussein. In a speech in Washington before the Conservative Political Action Conference, Cheney echoed the themes Bush laid out on Tuesday night, and closed with a sober warning: "We will not permit a brutal dictator with ties to terror and a record of reckless aggression to dominate the Middle East and to threaten the United States."

Administration officials say Cheney's largely secretive role — and the fact that he is viewed as not having designs on the presidency himself — are important explanations for his deep influence.

"The vice president is not looking to be president," Andrew Card Jr., the White House chief of staff, said in an interview. "Do you know how unusual that is? He is here to be an adviser and counselor to the president."

While Cheney spends almost no time

on social issues like education, Social Security or prescription drugs, aides said, he did serve as mediator among warring factions in the Justice Department and the White House counsel's office over the president's denunciation of the University of Michigan's race-conscious admissions policies.

"He was involved like he always is: deeply involved," said Alberto Gonzales, the White House counsel. Cheney, as is often the case, has not made his position known on the Michigan policies. He declined to be interviewed for this article.

One of Cheney's biggest concerns is bioterrorism, an issue that his advisers say he has studied and worried about for years. When he made an unannounced trip last summer to the Centers for Disease Control and Prevention in Atlanta, administration officials said, he asked intensive questions about the vulnerability of America to biological attack.

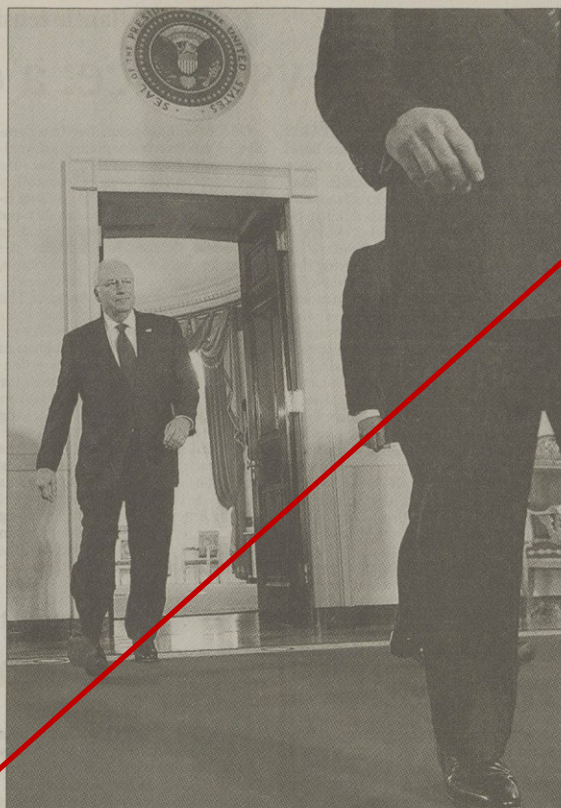
Dissatisfied with what he heard about the agency's plans to respond to a widespread outbreak of smallpox, the vice president returned to Washington and set up dozens of meetings, some at his home, with scientists, CIA officers and other specialists to figure out what needed to be done.

Within months, officials said, Bush had accepted almost all of Cheney's suggestions except for one: a call for every American to be vaccinated for smallpox. To the president, the idea seemed excessive. But the episode illustrates how Cheney immerses himself with great secrecy in the most momentous issues before the Bush administration, then quietly drives his tough views across the landscape of government.

"He's not the only reason that people are focused on this," said a senior official who works with Cheney on bioterrorism. "What he has excelled at is pushing the system because of who he is."

At the White House, officials say, Cheney's aggressive support for an attack on Iraq has prevailed, along with that of Defense Secretary Donald Rumsfeld, over the months of caution advocated by Secretary of State Colin Powell. He takes one of the hardest lines at the White House against North Korea, and has long been the administration's most outspoken critic of Yasser Arafat, the Palestinian leader.

The job, Cheney's friends say, suits him. He can both counsel the president and plunge into the subjects that interest him, using the full powers of his



Doug Mills/The New York Times

Vice President Cheney, "not looking to be president," walking behind George Bush.

office to assemble facts and marshal his arguments, without feeling any pressure to justify himself to voters.

Steady, solid and opaque, with a history of heart problems that his friends say will keep him from ever seeking the presidency, Cheney seems dismissive, if not disdainful, of the public obligations of his job. The vice president rarely gives interviews, infrequently gives policy speeches and spends large blocks of time — much of December, for example — at his mountain home in a gated community in Jackson, Wyoming, where he keeps in touch with the White House via videoconference.

Cheney has avoided all questions about his conduct as chief executive at Halliburton, the energy company under investigation by the Securities and Exchange Commission for its accounting practices. He has also repeatedly declined to identify the people who were consulted by his energy task force in 2001.

Both Cheney and Bush have said that the vice president, who turned 62 on

Thursday, will be on the ticket again in 2004, barring complications with his health, which his physicians have said is good.

On national security, Cheney has been consumed by planning for the political reconstruction of a post-Saddam Iraq. The plan, so far, is for an American military commander to run the country alongside a civilian administrator, with an eventual transition to an Iraqi-led government. Toward that end, Cheney met for 45 minutes in his office in mid-January with Barham Salih, the prime minister of the eastern portion of Iraq's Kurdish zone and one of several potential future leaders in Iraq.

"He asked questions that signaled to me he's deeply involved in this process," Salih said. "We talked about the issues of transition."

On the economy, Cheney was a forceful advocate of the centerpiece of the president's economic plan, the elimination of the tax on stock dividends. Aides said he immersed himself in the kind of detail that the president avoids.

PRESIDENT'S PRIORITIES

Bush presses home a sense of creeping danger

By James Harding
in Washington

At moments when George W. Bush has to make a call on the priorities of his presidency, Karl Rove, his chief political adviser, is said to remind him that above all he is a "wartime president". In his State of the Union address on Tuesday night, Mr Bush reminded the American people of the same thing.

Much like America, Mr Bush portrayed himself as a president whose destiny was recast on September 11 2001: "In the ruins of two towers, at the western wall of the Pentagon, on a field in Pennsylvania, this nation made a pledge: whatever the duration of this struggle, and whatever the difficulties, we will not permit the triumph of violence in the affairs of men - free people will set the course of history."

The terrorist attacks and the threat of an even greater catastrophe shape Mr Bush's sense of his presidency, and they were at the heart of his annual message to Congress.

This belief in an unknowable danger informed the most alarming, if unproven, assertion of his address: that Saddam Hussein "could provide one of his hidden weapons to terrorists" and "bring a day of horror like none we have ever known".

In one of the most heartfelt moments of his speech, Mr Bush said: "We will do everything in our power to

make sure that day never comes." He called on Congress to support \$6bn (£3.6bn) of funding for Project Bioshield - to provide Americans with vaccines and treatments against anthrax, botulinum toxin, ebola and plague.

In the "decisive days that lie ahead", Mr Bush set out to convince Americans that he is a reluctant warrior prepared to make the "most profound decision a president can make".

But Mr Bush is choosing to make that decision just as he burdens a presidency sinking in popularity with a weighty domestic agenda.

A jobless and anaemic economic recovery, teetering consumer confidence, senior citizens anxious about soaring healthcare costs and vocal opposition over Iraq from European allies and a growing anti-war movement at home have all conspired to take the sheen off Mr Bush in the past two months. His approval ratings are back to levels seen before September 11.

Still, the president has chosen to stick with his staunchly conservative agenda - cutting taxes and reforming Medicare. Thomas Mann, a political analyst at the Brookings Institution, noted this would be a hefty task even at a time of peace.

Mr Bush, according to Mr Mann, "will continue to be a very polarising president". The polls, not Mr Rove, are likely to remind him of that.

Bush Presses Home a Sense of Creeping Danger

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