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ONE HUNDRED SEVENTH CONGRESS

# Congress of the United States

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February 5, 2002

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INDEPENDENT

Mr. Mitchell E. Daniels, Jr.  
Director  
Office of Management and Budget  
Washington, D.C. 20503

Dear Director Daniels:

On January 15, 2002, I wrote to ask you for information about communications you had with Enron Chairman Kenneth L. Lay and possibly other employees of Enron. I finally received your reply on February 1, 2002. Unfortunately, your response does not address my questions.

Rather than responding to my requests for information, your letter seeks a retraction from me for my statement in an op-ed in the *Washington Post* on January 24. In that op-ed, I wrote that Mr. Lay "called Office of Management and Budget Director Mitch Daniels to lobby for the repeal of the corporate minimum tax. The administration subsequently endorsed the House-passed stimulus bill, which repealed the tax and gave Enron a \$254 million windfall."<sup>1</sup> There is nothing inaccurate about my assertion.

You have asserted in a letter to the editor that Mr. Lay could not have called to lobby you because "the provision to make the corporate alternative minimum tax [AMT] relief retroactive had not even surfaced then, and neither I nor anyone else to my knowledge had even heard of the idea."<sup>2</sup> Contrary to your claim, however, I never said Mr. Lay lobbied you for retroactive relief. My statement referred to repeal of the AMT, which was clearly an issue when Mr. Lay's call took place on October 11. President Bush had endorsed repeal of the AMT on October 5,<sup>3</sup> and the idea of AMT repeal had been widely reported on by the time of your phone call with Mr. Lay.<sup>4</sup>

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<sup>1</sup>Henry A. Waxman, *All Enron Cards on the Table*, Washington Post (Jan. 24, 2002).

<sup>2</sup>Letter to the Editor from Mitch Daniels, Washington Post (Feb. 1, 2002).

<sup>3</sup>White House, *President Urges Tax Relief Aimed at Recovery; Remarks by the President on the Economy* (Oct. 5, 2001).

<sup>4</sup>See, e.g., *Bush Pushes Economic Stimulus Plan*, Associated Press (Oct. 6, 2001); *Economic-Stimulus Bill Gets Regular Legislative Priority*, Washington Times (Oct. 6, 2001).

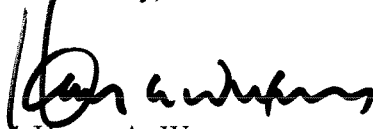
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Moreover, your assertion that neither you nor anyone else had even heard of the idea of retroactive repeal of the AMT is surprising. The stimulus bill passed by the House Ways and Means Committee on October 12 -- the day after your phone call with Mr. Lay -- included that very provision.

Your second point is that the call from Mr. Lay "was solely about the legislative prospects" of the bill and "no lobbying occurred."<sup>5</sup> As the *Wall Street Journal* has reported, Enron "headed the lobbying coalition of companies seeking repeal" of the ATM.<sup>6</sup> Mr. Lay's interest in the bill was not academic, and his inquiry was not an idle one. If there is a distinction between Mr. Lay talking about the legislative prospects of a bill he was intensely interested in and lobbying on that bill, it eludes me.

In conclusion, let me express my dissatisfaction with your response of February 1. I hope that you will reconsider your decision not to respond to the questions and requests I posed to you in my letter of January 15, 2001.

Sincerely,



Henry A. Waxman  
Ranking Minority Member

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<sup>5</sup>Letter to the Editor from Mitch Daniels, Washington Post (Feb. 1, 2002).

<sup>6</sup>*Enron's Washington Clout Before Collapse Draws Scrutiny*, Wall Street Journal (Jan. 15, 2002).