

MEMORANDUM

March 18, 2002

TO: Governor

FROM: John

RE: CNN "Financial News Network" appearance

CC: Philip / Lee Ann / Bill

I spoke this morning with Carmina Perez at CNN/FN. You are scheduled to appear live on the network at 7:40 am CST, with anchor Deborah Marchini. The discussion will center on the state of the economy in various parts of the country and the meeting of the Federal Open Market Committee later in the day, where Greenspan and the other regional governors will discuss interest rates.

You will be one of three governors on the show. As of this morning, I was able to confirm that Governor Bob Wise of West Virginia and Governor Michael Leavitt of Utah will also be on the program.

I spoke this afternoon with Jason Feutschwanger at NGA about the information they had provided to CNN. Jason offered the following issues to CNN for discussion:

- The estimated state budget shortfall (total) is \$40-50 billion.
- Medicaid costs are reaching crisis proportions, and states can't afford the program under the current structure.
 - Failure of FMAP to be included in stimulus package.
 - Long-term need for Medicaid Commission.
- Homeland security costs were not anticipated.
- Proposed decrease in federal highway funding (about a 27% decrease).

Positive points from a state standpoint:

- Advantage Mississippi Initiative to help bring high-quality, high-paying jobs to State of Mississippi
 - Aggressive economic development package key in landing \$1B Nissan plant and in expanding existing businesses
- In spite of a national recession, Mississippi has created over 21,000 new jobs and more than \$6 billion in new investments
- Top 10 for *Site Selection* magazine "Governor's Cup" award, based on criteria including new and expanded facilities, business climate and capital investments
- Mississippi competed for Hyundai plant, one of four final states for new \$1 billion plant (along with two other southern states – Alabama and Kentucky)
- Example of expansion – Alcoa facility scheduled to close; instead, chose to stay in Mississippi, double its workforce to 500 employees and invest \$16 million in expansion of facility
- After 9/11, strategic marketing of MS tourism sites has resulted in increased tourism revenues.