

**From:** Schmalzer, Tracy (OPA)  
**To:** 'Lehrich, Matt'  
**Sent:** 10/5/2011 6:32:44 PM  
**Subject:** RE: Press Briefing #82 by Jay Carney

Thanks - Just looked at it.

DP

**DP**

**From:** Lehrich, Matt [mailto:Matthew A. Lehrich]  
**Sent:** Wednesday, October 05, 2011 6:24 PM  
**To:** Schmalzer, Tracy (OPA)  
**Subject:** FW: Press Briefing #82 by Jay Carney

This hasn't gone out to press yet, but here's our internal copy.

**From:** Nielsen, Jennifer D. (Contractor)  
**Sent:** Wednesday, October 05, 2011 6:09 PM  
**Subject:** Press Briefing #82 by Jay Carney

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 5, 2011

PRESS BRIEFING

BY PRESS SECRETARY JAY CARNEY

James S. Brady Press Briefing Room

1:51 P.M. EDT

MR. CARNEY: Good afternoon, ladies and gentlemen. Thanks for coming to your daily briefing at the White House. I have no announcements, so I go to the Associated Press.

DOJ-FF-61438

Q Thank you. Given that White House officials have said that you worked with Senate Democrats on their millionaire surtax proposal, has the White House also been working with congressional Republicans on changes to the pay-fors?

MR. CARNEY: I'm not even sure -- that question doesn't make a lot of sense to me. We are interested in Congress taking up, in the Senate and in the House, the American Jobs Act. We are pleased, obviously, that the Senate will be taking up the President's American Jobs Act next week. We hope that the House will do the same.

And we are -- to answer your question broadly, as I've said before, we are in communication with Congress -- both parties, both houses; leadership, both parties, both houses -- in general about the agenda going forward this fall. And the primary -- the highest priority on the President's agenda is the American Jobs Act.

So regarding the Senate bill, or the process in the Senate -- and this would apply to the House -- we have said all along, from the very beginning, that we are open to different ways of paying for the very important, broadly supported measures in the American Jobs Act that would grow the economy and create jobs, and of course we've worked with the Senate as they've settled on a way to pay for it.

That would be true, too, in the House. If the House -- if the obstacle in the House to taking up the full measure is coming up with a way to pay for it, we're certainly open to that, as I've said many times from this podium, and we'll have those discussions, as long as -- but the principles have to be met here. It has to be paid for in a way that is balanced and fair; that doesn't put the burden on the middle class, which has borne such a substantial burden, both of the Great Recession and the essentially middle-class -- what was essentially middle-class stagnation for the decade prior to it -- or on seniors through voucherization of Medicare or any other segment of society.

The President's belief and approach is based on the idea that those who have succeeded in this country, in this great country of ours, should pay their fair share. And when we have to make choices between taking measures that create jobs and put teachers back to work and construction workers back to work and put -- through tax cuts, put money in every working American's pocket and give tax cuts to small businesses so that they can grow and hire, or giving preferential tax treatment to the wealthiest Americans -- the President thinks the choice is clear.

So if there's a way that the House wants to approach this that reflects those principles, we are more than willing to have that discussion.

Q I just want to make sure I'm clear, though. When you said that the White House has also been in discussions with Republican leaders, does that mean that the White House has talked with McConnell about -- or Boehner about the millionaire surtax?

MR. CARNEY: I'm not going to get into specific conversations. There is an obsession with --

Q But we know that you have been in conversations with Democrats.

MR. CARNEY: -- with process that the American people, the consumers of your product, do not care very much about. What they want is --

Q It's not about process, though.

MR. CARNEY: It is process.

Q It's not, though, because there's an impression -- if all we know is that the White House is dealing with Democrats and not Republicans, then it gives off an impression that the objective is to rally a unified Democratic Party and set the Republicans --

MR. CARNEY: Well, let me just -- let me just -- no, no. I said the other day, we would be elated if the result of this process were passage of the American Jobs Act, in its entirety, all the component parts --

Q What process?

MR. CARNEY: What's that?

Q What process? You said the result of this process.

MR. CARNEY: No, but if the idea that our goal here is to use this as a political weapon -- it's not. Our goal is to take action to put Americans back to work and to deal with our economy.

Look, we can't be casual. We can't be sitting back, hoping that things get better. This President believes that we are in a precarious situation in our

economy as we continue to struggle to recover from the worst recession since the Great Depression. We have an employment crisis that continues to need to be -- needs to be addressed. And it is simply not an option to do nothing. And it's not an option to pass measures that, even if they were all the right things to do -- and we certainly debate that, but I'm talking about the House Republican proposals -- no economist -- serious economist, independent economist, would suggest that those measures would have a direct, immediate impact on growth or job creation.

The problem is, we need to take measures to address our short -- medium-term and long-term economic health and fiscal health, but we also have to do things right now to address our short-term problems.

So to back up again, we are -- we will, as this process goes forward, be more than willing to have discussions with the leaders in the House, of both parties, about how we can move this legislation forward in the House. And we look forward to those discussions.

Q Are you waiting for them to come to you?

MR. CARNEY: But the -- look, the Majority Leader of the House, as the President noted yesterday, declared preemptively that he wasn't even going to bring it up to a vote. Well, we just think that's unacceptable. What is it that he opposes in this bill?

Q Where's the process? To go back to his question.

MR. CARNEY: Why not -- well, look, bring it up for a vote, and if we then get to a point where we can -- where we need to move on individual provisions within the jobs act, then let's do that. And as we've said in the past, as long as they're paid for in a way that meets the President's principles, he will sign them into law and then say, where's the rest? Because all of these provisions are essential for the health of the economy.

I mean, we're not -- we are aggressively pursuing this because we think it is absolutely the best thing for the American economy.

Q Jay, can I just ask one question on the substance of the Senate Democrats' proposal? It sounds like this surtax would start January 1, 2012. Is the President comfortable with the idea of raising taxes on a percentage of Americans at a time of economic uncertainty?

MR. CARNEY: Well, I haven't -- I confess that I haven't studied the provision to that level of detail. So I would just say in general that we

believe that the jobs provisions, the economic growth provisions in the American Jobs Act need to be paid for -- that was the principle the President set out from the beginning, and that's why the legislation he sent up contained within it provisions that paid for it entirely -- and that in doing so, you need to do it in a way that's fair and balanced, and that puts the burden not on the middle class and not on seniors and other sectors of our society who have borne such a heavy burden in the recent past. So we're open to different ideas. The Senate has put forward -- Senate Democrats have put forward a different idea that we think would work.

The important part -- the important aspect of this is, is that the bill they will vote on is the President's bill in its entirety, in terms of putting teachers back to work, up to 280,000 laid-off teachers around the country, up to a total of 400,000 teachers overall; putting construction workers who are idle back to work building bridges, rebuilding schools, highways; putting \$1,500 on average into working Americans' pockets next year through the payroll tax cut and expansion; a tax cut for small business so that they can grow and hire; incentives for small business -- rather, for all businesses to hire our incredibly talented and experienced veterans returning from Iraq and Afghanistan.

These are all provisions that will be contained in what the Senate votes on, and we think should get 100 votes in the Senate, because they are all -- first of all, they'll be paid for in a way that's fair, that the vast majority of the American people support. And there are provisions that absolutely make sense at this time of economic need -- when we need to grow the economy and create jobs.

Yes.

Q The Senate is expected to take up -- to vote on the China currency bill tomorrow. You have said several times that the administration shares the goal of China letting its currency appreciate, but the House Speaker has called it a dangerous overreach by Congress.

Does the administration share that concern, that this might -- compelling another country to appreciate its currency might be an overstep? And where are you on the -- is the administration on its review? When can we expect that to be completed?

MR. CARNEY: Let me answer this way -- that we share the goal, as you noted, of this legislation in taking action to ensure that our workers and businesses have a more level playing field with the Chinese, including addressing the undervaluation of their currency.

It is also the case that aspects of this legislation do, however, raise concerns about consistency with our international obligations. And we are in the process of discussing those issues with members of Congress. If this legislation were to advance, those concerns should be addressed.

So to restate: We share the goals, we share the concern about the need for our workers and businesses to be able to compete on a level playing field; we have, from the beginning, as an administration, worked on the issue of the undervalued Chinese currency, and it has appreciated to some degree as a result, we think, of those efforts. More needs to be done, and we certainly also have concerns about this particular legislation and whether or not it would create consistency issues with our international obligations.

Q Could you explain more about the consistency issue? What do you mean by that?

MR. CARNEY: Well, I think we have a series of international obligations that we adhere to, and that we wouldn't want legislation that would be less than effective because it conflicted with our international obligations.

Q Is there a concern that this could lead to a trade war, as the Chinese have said it might?

MR. CARNEY: Well, that's speculation that I don't want to engage in. I think that we're talking with members of Congress about it. We will -- if this legislation were to advance and emerge from Congress, we would continue to talk with members about the need to address these concerns.

Q So the review is done, and this is the --

MR. CARNEY: Well, I think the process is ongoing, obviously, as it's ongoing in Congress. And our conversations about it will continue.

Q And so, what was -- sorry, one other quick subject. The Nobel Peace Prize will be announced in coming days. The President said when he was awarded his Nobel Peace Prize, in October 2009, that he was humbled by it, that he felt it was more of a call to action than a reward for actions that he had actually taken. Does the President feel that at this stage he has earned his Nobel, given the current --

MR. CARNEY: I can assure you that that is not a conversation probably any of us have had with him, because he does not think about it in those terms at

all. He's focused -- as concerns matters of war and peace, and of national security and the need to protect the United States and advance our interests around the globe, he takes an approach that he thinks increases American stature, enhances our security, and enhances our opportunities to affect events globally in a way that increases the prospects for peoples around the world to enjoy democracy and peace and freedom.

That is the approach he's taken with the uprisings in the Middle East, in the Arab Spring. It is the approach he's taken around the world. And it is a component part of the approach that he's taken to ensuring that he does everything he can, as President of the United States and Commander-in-Chief, to take the fight to those who would do harm to Americans and the United States and our allies, principally al Qaeda, and to ensure that we are, through all our means, advancing American interests around the globe in a way that both protects us and improves our cooperative relationships with our allies and partners.

Q He feels like he has promoted peace in the two years since he was awarded --

MR. CARNEY: I think he has promoted a foreign policy and a national security policy that he believes has been in the best interests of the American people, and judgments about -- like that, he'll leave to others to make when he leaves office in about six years.

Yes. (Laughter.)

Q The President -- and the White House in general -- are not talking to Republicans in the way they did during the --

MR. CARNEY: Do you guys all get a memo in the morning to, like -- "Remember to ask Jay about meetings that should be happening"?

Q I'm not talking about -- I'm not even -- I'm just -- I'm not trying to get processy. But if there aren't -- if there isn't the outreach that we saw in the past on trying to avert a government shutdown or increase the debt ceiling -- I mean, you have to read into that. Why the change?

MR. CARNEY: We've been very candid and transparent about the approach that we're taking in promoting the American Jobs Act and trying to get Congress to act on it, because it's in the interest of the American people.

Someone I think on the Republican side suggested yesterday or the day

before that it's somehow a problem or wrong that the President is out there talking about the American Jobs Act with the American people as opposed to sitting in a room with members of Congress. His responsibility as President is to have these conversations with the American people, to take his message out and explain the approach he's taking, and, in this case, and to urge Americans who believe, as he does, that Congress needs to act, that Washington needs to act, to take action to grow the economy and create jobs, to make their voices heard with their representatives, their senators and congressmen that they've sent to Washington.

But one does not preclude the other. I mean, the fact of the matter is, we are now going to have the Senate vote on the President's jobs bill. So something is working. And we believe that the approach we're taking will hopefully get the House to --

Q But it won't pass. But it won't pass. It likely won't pass. So how is that anything more than setting up a political argument of Republicans are protecting the wealthy, which it seems the White House is doing?

MR. CARNEY: I think, again, our goal, our highest priority, is to pass this bill and all the elements within it. If we were to get only some of the bill, that would be a good thing; it would not be enough, and we would keep up the fight.

If, in the end, we get all of it, whether in whole or in part, by the end, if we get it all, that would be a victory for the American people. We would be very satisfied with that if Congress took that action in that way.

So I think that predictions about what Congress will do -- I think a couple days ago folks were predicting that the Senate wasn't going to vote on it, and that looks not to have been a wise forecast.

So we'll see how this plays out. When it does get to the Senate, I think that every -- if 100 senators will not vote yes, then those who vote no will have to explain what is it they oppose, and why, and what priorities are they balancing if they're revenue increases on the wealthiest Americans to pay for legislation that would put teachers back to work and construction workers back to work and would give a tax cut to every working American, 150 million Americans, \$1,500 next year for the average American family. They don't want to do that because they don't think -- they think that the choice is not fair, that the most successful and affluent Americans shouldn't pay more, shouldn't pay their fair share, then they ought to say so.

And if, then, we come to a point where we get pieces of the legislation, if your grim predictions prove true that we don't get the entire bill here at the



White House to be signed in whole, then we will ask that question as each piece is passed and others are left behind, because we think that there is enormous widespread, bipartisan support out in the country for the provisions contained within the bill, and there is an enormous need here.

I mean, you've heard what people are saying about where our economy is right now. We need to take action. This is not -- it's really not an option to just sit on the sidelines and say, well, I hope it gets better. Certainly that's not the way that the American people feel.

So we think Congress needs to take action. We're going to continue to press for Congress to take action. We're gratified by the progress being made in the Senate, and we hope that we see the same kind of progress in the House.

Q So the President is okay with --

MR. CARNEY: And we will meet -- we will discuss and meet with leaders, as well as take the -- take this discussion out among the American people, which we certainly think is a worthwhile thing to do.

Q So the President is what with the 5 percent surcharge?

MR. CARNEY: We have said all along that we put forward our proposal that we thought was the best way to pay for it, that alternatives --

Q But these are (inaudible) Senate Democrats' alternatives.

MR. CARNEY: Yes, alternatives to pay for it were obviously available. Remember that our provision for the pay-fors was designed so that we could submit to Congress specific legislation that if it passed in a vacuum would be paid for, and nothing else happened. But as you know, within our legislation, it's linked to action by the super committee, and it would, if passed, would compel the super committee to extend or increase the amount of its savings in order to pay for this. It was basically a trigger-off provision.

So if the super committee found alternative means to pay for the jobs bill that were different from our pay-fors, then it would trigger off, turn off the pay-fors we had.

So what is important to us in the bill are the job-creating, economy-growing measures. The pay-fors, as long as they're -- they meet the principles

the President has set forward, are up to Congress to decide.

Q And sorry to monopolize your time, but you said that Republicans would need to say why they don't stand for it. Mitch McConnell has actually already told our Hill producer, Ted Barrett, that he would be against the surcharge because raising taxes during a recession is not a good idea. Your response?

MR. CARNEY: I would simply say that that's unfortunate; that the American people are making it very clear that they want action on the economy, they want action on jobs. The American people are very clear that they feel that an appropriate way to pay for the necessary action on the economy and jobs is to ask the wealthiest Americans to pay a little more, and those who disagree obviously have to explain that to their constituents.

I don't expect that we'll get every Senator; it sounds like we've lost one and I suppose we'll lose more. But this President is focused on a proposition here that has broad support in the American public. And it's just -- again, what's the alternative? Whatever you think of -- I mean, the jobs proposal that -- or so-called jobs proposal that has been put forward, for example, by the Republicans on the House side contains within it some provisions that this President fully supports and actually has acted on -- free trade agreements which, as you know, are moving through Congress as we speak; the patent reform bill which this President signed into law recently, and we expect and hope will unleash innovation in this country, which in turn will help create jobs.

But what that -- those proposals don't do, separated from the free trade and patent reform, is address the immediate problem. Even if you agree that everything in that proposal was the right thing to do -- and we certainly take issue with that -- but even if you did, I don't think anybody who's seriously looked at it as an economist would suggest that it would have the kind of impact on our economic growth and employment in 2012 that the President's proposal has -- not even close.

So what's the answer that those who oppose the American Jobs Act have for the problem that we have? The President agrees that we have medium- and long-term issues that we need to address. That's why he put forward his sweeping proposal for significantly greater deficit reduction than is mandated by Congress to the super committee. He agrees. And he put forward a balanced approach. He also believes we have a short-term immediate problem that we need to act on now, and we need to do things that have an effect on the economy and that accelerate hiring now. And what we haven't seen yet are proposals from others in Congress that would do that -- alternative proposals. So if they aren't available, let's vote on the jobs act, pass it, make it law.

Mr. Tapper.

Q I assume you know that the quote she said about raising taxes during a recession is not a good idea is pretty much a word-for-word quote of something President Obama said in 2009.

MR. CARNEY: I do. I think the context is different. And, again, I don't know the -- I'm hesitant to make comments on the specifics of the Senate pay-for proposal because I haven't examined it.

The fact of the matter is, if low taxes on millionaires were the answer to economic growth, what exactly happened in 2007, 2008 and 2009? Is that the answer? Because we had our lowest tax rates on the wealthiest Americans --

Q I'm not the one that said it, the President is.

MR. CARNEY: -- and we experienced a catastrophic recession.

Q So he's changed his mind?

MR. CARNEY: No. Again, I'm not going to -- this goes to what happens with the Senate provision, and I'm just not familiar with it so I don't want to address it.

This is about choices. The President thinks that if it's a choice between millionaires whose successes are a blessing of being American and being part of this great country and the opportunities that it provides, should pay a little more to help this economy move forward, to put teachers back to work and construction workers back to work and give a tax cut to working Americans, then, yes, he thinks that tradeoff is sensible.

Q It's actually -- I mean, I think it's actually more a question of timing, in some ways, because the President's proposal raises taxes, but as he has pointed during his barnstorming tour, not until 2013, and the Democrats' proposal actually would raise taxes, I believe, as of the first of the year. So is the President going to stop saying that in his speech?

MR. CARNEY: Again, I would have to look at the provision here. I think that --

Q I'm telling you what it --

MR. CARNEY: Well, I would --

Q You don't trust me. (Laughter.)

MR. CARNEY: I do trust you, Jake, but the problem is I wouldn't want to comment if there were specifics that I'm missing here, and -- but look, the broad point stands -- the second broad point also stands, that if we have to make choices here, that this trade-off is an acceptable one, whenever the revenue increases kick in, because of the urgent need we face to address an economic problem.

Q Okay. So since you had your briefing last, a couple bits of news have come out. One is, the House Democrats released some emails about the Solyndra controversy, and specifically about the Department of Energy's vetting process. And as you know, there are a lot of officials at the Department of the Office of Management and Budget who are concerned about the vetting process at the Department of Energy -- the word "oblivious" was used. Another OMB official said that -- I forget the exact language -- but implied that the Solyndra case is just the tip of the iceberg -- "Bad days are ahead."

Has the administration gone back to the Department of Energy to make sure that this vetting process for these taxpayers' dollars -- billions in taxpayer dollars -- is as rigorous as is necessary?

MR. CARNEY: I got a version of this question a few days ago and I can tell you that as this process has moved along, from the beginning -- and this is a program, as you know, that existed in the Bush administration before we took over; its funding increased through the Recovery Act but it was an existing program where loan applications, loan guarantee applications were reviewed by career experts, and that --

Q They were (inaudible) at Solyndra, though --

MR. CARNEY: And that is -- well, no. They sent back the application. And the person who headed that office under President Bush, for a large part of President Bush's two terms in office, has said that he might have made the very same call on Solyndra.

There is no question -- I think you have to step back and say, look, if you're going to do a loan guarantee program, a loan guarantee program has within it a risk. There is no guarantee -- the reason why you're backing up these loans is because there's no guarantee of success, but you believe, as a matter of policy, that these investments are worthwhile because you believe that the industries represented by these investments are essential to the economic future

of the country.

The Chinese certainly believe that, and they're investing billions and billions of dollars in clean energy technologies and it --

Q I'm talking about the officials in OMB who are saying that the guys that manage the department aren't doing due diligence.

MR. CARNEY: I understand that there was -- there were differing opinions here. What is also true is that -- and there is substantial data on this about all the people who thought that this was a bet, and -- but a worthwhile one, including all sorts of private investors who thought it was worthwhile, as well as assessments made by The Wall Street Journal and others about the potential for this company as an innovative company.

It is obvious that not every investment is going to succeed, and we are disappointed that this one didn't. But the overall program continues to succeed. And what we refuse to buy into is the defeatist attitude that was expressed just the other day -- yesterday, I think, maybe the day before -- by the Chairman of the Energy Committee in the House who said, we can't compete; the United States cannot compete with China in the solar energy field or the wind turbine field.

Really? So that's it? For the next -- I mean, in these vital industries we're just going to be buying our technology and our products from China? I don't think that's an approach that the American people want to hear from Washington. Because we're the United States of America. These are vital industries. We should be investing in them, helping them grow so that they can create jobs here and they can enhance our energy independence.

Because don't forget, if we're reliant on foreign countries for the technology for renewable energy, we're only -- then we just become reliable -- even as our reliance on oil decreases, we rely on imports for other forms of energy. And that's just -- that's not sensible national security policy, and it's not sensible economic policy. So we remain --

Q Is the vetting any more rigorous? That's really just the question.

MR. CARNEY: I'm sorry. But the -- and I think I addressed it, and I addressed it in the past -- it has been evaluated and adjustments have been made -- not in the last few weeks or months because of these stories -- but all along, from the beginning. And that's my understanding. And for more specifics

I would refer you to the Department of Energy. But it's important to just step back and look at why this program is worthwhile, why folks in the previous administration thought it was worthwhile, why people who understand the vital importance of the clean energy industry, in general, to the 21st century, believe it's worthwhile. And the President remains committed to it.

Q There have been calls for a general counsel to investigate whether or not the Attorney General perjured himself when testifying about Fast and Furious. Does the President have a reaction?

MR. CARNEY: Well, there has been one call -- and I think it's a biannual call for a special counsel by this particular congressman. Once every six months we hear something similar. And the fact is, the Attorney General's testimony to both the House and the Senate was consistent and truthful.

He said in both March and May of this year that he became aware of the questionable tactics employed in the Fast and Furious operation in early 2011, when ATF agents first raised them publicly. And he then asked the Inspector General's Office to investigate the matter, demonstrating how seriously he took them.

Q The question in May was when did he first hear about Fast and Furious? Not the questionable tactics, but when did he first hear of the program?

MR. CARNEY: Look, the Attorney General's testimony was consistent and truthful. And calls for special counsels, which seem to be a regular occurrence, do not change that fact.

And when the Attorney General learned about the questionable tactics, he asked the Inspector General's Office to investigate the matter.

Yes.

Q On Solyndra for just a second before we get back to the --

MR. CARNEY: Sure -- urgent need to create jobs and grow the economy.

Q -- urgent need to create jobs. The question was never whether you were going to lose money on venture capital. Of course you can. The question was whether this particular program was properly vetted and whether the

technology itself was vetted properly in addition to the financial arrangements. I mean -- and that's the question.

MR. CARNEY: Well, sure. And I think that -- that is a question. One question has been about was the -- was there undue, inappropriate influence. And there is no evidence to suggest there was because -- precisely because career experts at the Department of Energy were evaluating these loan applications and recommended that we move forward on Solyndra.

The fact that people knew that, as you would expect --

Q But the people at OMB raised questions about this, as you very well know.

MR. CARNEY: Again, and the experts -- rather than here at the White House, the experts at the Department of Energy made that judgment. But to say that every -- if these things were absolutely, patently obvious and clear, and 100 percent everybody agreed, then they wouldn't be in an industry that requires the kind of investments that we're talking about. The reason why you have these loan guarantee programs is because you need to help seed these industries so that they then can grow and attract private capital, which you understand.

Q Sure, but there are also questions raised about the kind -- the particular kind of solar technology --

MR. CARNEY: No, actually, the questions were raised -- this has to do with Chinese actions on the pricing of solar panels and subsidies and that kind of thing. The technology itself, as I understand it, was widely celebrated within the community --

Q There were questions raised about the particular kind of technology Solyndra was --

MR. CARNEY: Well, again --

Q Anyway --

MR. CARNEY: That's a process that was evaluated by -- over at the Department of Energy. And for more details on that, you can -- I refer you to them.

Q So you're aggressively pursuing the American Jobs Act. What does that mean apart from the President going out every couple of days and saying "pass this bill"?

MR. CARNEY: Well, there is an extraordinary amount of contempt expressed here and apparently on Capitol Hill for the idea that the President of the United States should actually go out and meet and talk with the American people.

Q No, I'm not expressing contempt for that at all.

MR. CARNEY: I find that rather surprising because --

Q I'm just asking if that's all you're doing.

MR. CARNEY: First of all, he's spending a lot of time focusing on this, as he should be, because it is the number-one priority of this administration, this President, and this American public. And he is engaging -- it's another way of asking what kind of conversations is he having with members of Congress.

And he's having those conversations, and he will continue to have those conversations. His senior team here will continue to have those conversations, and eventually I'm sure negotiations as we move forward. But I simply reject the idea that there is not a compelling reason for him to go out and talk about this --

Q I didn't suggest there wasn't.

MR. CARNEY: -- in Texas, or Ohio. In Kentucky or Virginia. All over the country -- Seattle, California. This is the urgent priority the American people have made clear they have, so I think Presidents deserve to hear from -- rather, the American people deserve to hear from their President.

Q Senate Democrats were not going to vote on this bill until they're ready, which is sometime next week. Durbin himself said --

MR. CARNEY: Six days is not --



Q No, Durbin himself said -- Durbin himself said last Friday --

MR. CARNEY: -- soon enough for you?

Q -- they didn't have the votes, and yet the President is ragging on the Republican House to vote.

MR. CARNEY: Here's what I'll tell you, Bill. First of all, the Senate, as you know, today announced that it's moving forward and will have a vote on this legislation. I am confident --

Q Right. They didn't say when.

MR. CARNEY: No, they said next Tuesday. Pretty soon.

Secondly, I am absolutely confident that the overwhelming majority of Democrats who have an opportunity to vote on the American Jobs Act will vote yes. And I hope that that would be true of the Republicans as well. So, I mean, there's no question where this President stands, where Democrats stand, and outside of the hothouse of Congress, where Americans stand who identify themselves as independents, Democrats and even Republicans about what we need to do to address our economic problems.

Q Thanks, Jay. I want to go back to Fast and Furious because what you said the Attorney General said is not what he said. He said, quote -- and this is in May of this year -- "I'm not sure of the exact date but I probably heard about Fast and Furious for the first time over the last few weeks." Now these documents that Jake was referring to say that he was actually told the first time about this July 2010 and October of 2010 --

MR. CARNEY: Well, you're suggesting -- first of all, I would refer you to the Department of Justice that is handling this.

Q He's the President's Attorney General, so --

MR. CARNEY: Yes, and the President believes he's an excellent Attorney General and has great confidence in him, and we absolutely know that the testimony he gave was consistent and truthful. And --

Q So how does he have confidence in him if he's a year off on what --

MR. CARNEY: If a piece of paper in a document that's many, many pages long contained a phrase that discussed nothing about the tactics that are at issue here, I think what we're talking about --

Q But he didn't talk about -- I just want to be clear. In his quote he never said tactics. He said --

MR. CARNEY: Ed, the Attorney General's testimony --

Q -- the first time he heard about it --

MR. CARNEY: -- was consistent and truthful.

Q -- and in the document, in July, he heard about it.

MR. CARNEY: Consistent and truthful.

Q Okay, but you're not addressing the fact that he was not talking about questionable tactics.

MR. CARNEY: I think I just did.

Q In his quote in May, he said, "The first time I heard about it was a few weeks ago."

MR. CARNEY: The issue here is not the name, it's what happened and the questionable tactics. When he heard that, as testified, he asked the Inspector General's Office to investigate it aggressively, and he has cooperated with -- the Department of Justice has cooperated with the congressional investigation. So what he's testified to is consistent and truthful, and his cooperation -- both the fact that he believes it was a problem that needed to be investigated is demonstrated by the action he took, and the department has cooperated with the Congress as it looks into the matter.

Q So to clear up any confusion, when was the first time the President --

MR. CARNEY: Again, I --

Q No, no, not the Attorney General. When was the first time the President heard about this program?

MR. CARNEY: Well, as he said in public, in a press conference, he heard about it when he read about it. And that was sometime earlier this year. I think the press conference was in El Salvador when he was on that trip, and he referenced having heard about it recently. I don't have a specific day.

Q Okay. And Sheryl Atkinson of CBS News is saying that a few days ago, I believe, a White House official and a Justice Department official was yelling and screaming at her -- she's been reporting about this for some time -- about this whole story.

You were a reporter once. When government officials start yelling at you, sometimes it's because they're getting defensive, right? Why would they be yelling at her?

MR. CARNEY: First of all, I have no insight into the conversations she may or may not have had. Second of all, I know that you guys are all hard-bitten, veteran journalists and probably don't complain when you have tough conversations with your sources sometimes. Again, this is just generally speaking.

I don't know about it. I think it's --

Q But she's a credible reporter. When you say, "I'm not sure what conversations she had," I mean, she said this on the record that she was yelled at and screamed at. Why would the administration be yelling at her about this story? I don't --

MR. CARNEY: Again, I take issue with the report. I don't know that it's true. I'm just -- what I think is that I know you are tough enough to handle an extra decibel or two in a phone conversation. I'm not sure that that happened here, but it's a surprising complaint.

Q Last thing. There were some riots in Greece today, and Mayor Bloomberg recently suggested that because of high unemployment there could be riots in the streets of the United States. And right now we don't have riots

but there's the Occupy Wall Street movement that's going on. What's the White House view about Occupy Wall Street, and what do you think about the riots in Greece and whether or not something like that could happen here?

MR. CARNEY: Well, I'll leave aside the comparison to Greece. The fact is that there are Americans out there who are understandably frustrated with the economy, with their difficulty in finding a job or holding onto a job. I mean, this is exactly why the President is -- despite Bill's contempt -- barnstorming around the country arguing for the urgent need for Congress to act on the American Jobs Act.

So I think that it's understandable that there's frustration. And need I remind you that this President fought -- and it wasn't always pretty -- to make sure that we passed sweeping consumer protections in the Financial Reform Act that was opposed by Congress, and that which members -- I mean, Congress, by Republicans in Congress -- Republicans now who want to repeal it.

Why? I mean, in part because millions and millions of dollars are being spent to lobby against it by the industries who don't like it. But the -- look, we got into an awful mess because of in part some of the actions that were taken by Wall Street. And two things are true about the actions this President took in the wake of that, when he took office during the worst recession since the Great Depression -- a catastrophic contraction in the economy, catastrophic job loss.

One, he had to ensure that we stopped the bleeding and we prevented a depression. He also wanted to make sure that we -- he believes very strongly in capitalism and the absolute need for the United States of America to have a vibrant, strong financial sector. And he took actions that weren't necessarily popular to make sure that that remained the case -- and he's got the scars to prove it.

He also believes that that industry needs to be held to account, and that we need to take actions to ensure that the kind of things -- the kinds of things, the kinds of actions and behaviors that helped cause this incredible crisis can't happen again. And that's why he fought to pass the Financial Reform Act. And it provides protections to consumers that are vital, and lays out some rules of the road that Wall Street should follow, and that, again, the vast majority of Americans agree with him on this.

Q Jay, over the last couple of days, a plot to assassinate Hamid Karzai was apparently foiled. Mr. Rabbani, the designated peacemaker, was assassinated about two weeks ago. President Karzai has suspended talks with elements of the Taliban who may or may not have been willing to lay down their arms. And now the Pew Research Center has a poll out this morning saying one in three American veterans -- post-9/11 veterans say the wars in Iraq and Afghanistan are not worth it.

Given everything that's going on and all the corners that have been turned in Afghanistan only to lead to wide alleys, what does the President say to those veterans?

MR. CARNEY: Thank you. Because their country asked them to do heroic, extraordinary things. And for the veterans who came back, we honor their service every day.

This President's position on Iraq, which was the principle preoccupation of the previous administration in terms of these wars, was clear during the campaign, and his promises are being kept. He is ending that war, has ended it. And we are on track to remove all troops from Iraq by the end of the year. And we are doing it -- we're ending that war in a responsible way.

On Afghanistan, he made clear during the campaign that partly because of the preoccupation and focus on Iraq, the effort in Afghanistan was neglected. He has kept his promise to refocus our attention on Afghanistan and to make clear that our objective and primary goal there is to defeat al Qaeda, the enemy that attacked us on September 11, 2001.

He is meeting those objectives and he is keeping those promises. As you know, the drawdown from the surge forces is underway. It will be complete. And then we will -- by next year, next summer, I believe -- and then we will continue to draw down forces to the point where we turn over security lead to the Afghans by the end of 2014.

These are hard fights, and the sacrifice is immense and tremendous. And, again, to go back to the beginning, he is extraordinarily grateful -- we all are, and everyone I believe here -- for their sacrifice and service.

Q A final question. When you -- when the President unveiled his stimulus/not a stimulus, the \$450 billion jobs plan, the Buffett rule was only a principle. Now Senate leaders have gone further than simply a principle and probably further than the principle that was enunciated, as I understood it, anyway, to make sure that millionaires pay their fair tax -- Warren Buffett pays the same rate as his secretary.

The President has been criticized in the past over the course of his administration for ceding leadership to Congress and elsewhere on health care and ending up with sort of half a loaf. Core Democratic supporters even say that.

MR. CARNEY: I don't actually think so. Let me stop you there. I think achieving health care reform --

Q I mean, is he ceding leadership again on this issue?

MR. CARNEY: -- after 100 years of effort, ensuring that 30 million Americans get ensured, ensuring that people with preexisting conditions get insurance coverage, ensuring that, as we've already seen, millions of young Americans get to stay on their parents' policies -- that's a lot more than half a loaf.

Q Did the President misread Congress on the pay-fors in this issue?

MR. CARNEY: No. I'll go back, Mike, to what I said. The pay-fors are incidental, if you will. The meat of this legislation, the President's proposal, is, are the provisions that put teachers back to work, put construction workers to work, that cut taxes for working Americans, incentivize small business to grow and hire and increase their wages. And that will be voted on.

How you pay for it we've always said was something we were hoping to negotiate and debate as long as it meets the President's principles. And the Senate is taking action accordingly.

As you know -- and we had this discussion as we were trying to explain the complexity of it -- when we put forward the American Jobs Act with the pay-fors in it, we explained that they were isolated portions of what the President would put forward in his very broad deficit reduction plan, the revenue increases from that, that we were attaching to this provision to make is a standalone piece of legislation.

There was -- within it was always the possibility, because of the link with the super committee, that if other means were found to pay for it through the super committee, the pay-fors that we put in the bill would be turned off and not used.

So I think that makes clear that from the beginning we were focused on the job-creating and economy-growing provisions, and not the specific means to pay for it, as long as those means meet the President's principles.

Yes.

Q The other day the President said that he was opposed to the Bank of America new debit fee, and that this was -- the government should do something to stop it. Is there anything the administration --

MR. CARNEY: I'm not sure he said that. I think that -- two points about that. One, let's be clear that the consumer protections -- the financial reform that passed contains within it no compulsion, no provision that compels banks to do this -- quite the opposite. It protects consumers from hidden fees.

And the other point is, obviously, that banks have to decide how they adjust to the provisions within that act, and consumers have to decide what they're going to do in reaction to that. I mean, that's how the system works. But there's nothing in the legislation that was passed -- financial reform -- that compels banks to do this.

Q Right. So is it -- is this fee a legitimate fee, albeit one that consumers may want to take into account when choosing their bank? Is this a legitimate fee that the government has no particular cause to try and stop?

MR. CARNEY: Well, it's up to the companies -- the banks, in this case -- to decide what approach they want to take, and I think that then consumers to judge accordingly. Again, this is not -- what the provision with regard to the bank swipe -- I mean, to the card swipe fee that is in the legislation has to do with insuring that small enterprises are able to -- are not gouged by the companies, the credit card companies, and therefore so that they are able to accept debit cards from consumers and customers.

How the banks decide to deal with the overall legislation is up to them. It's not a matter of compulsion that the government might engage in.

Q In his interview with ABC, he said, regarding the debit fees, "You can stop it," meaning the government could stop these fees -- and, presumably, he favored they would. And he also said that the government can tell the banks, "You don't have some inherent right to just, you know, get a certain amount of profit if your customers are being mistreated."

So does Bank of America have the inherent right to get the profit it's going to get from this \$5 fee or no?

MR. CARNEY: I think that the point is, is that there's not an inherent right. If they make decisions, they make decisions. And customers, the market reacts accordingly. We can -- he can, or anybody can, express an opinion that

they think it's excessive or unfair, and some have done that.

But the point is, they didn't have to do this. And other -- different institutions will take different actions.

Q So you're saying that there's no plans, and the President has not directed any way for any agency of the government to try to stop or --

MR. CARNEY: Correct.

Q -- this fee.

MR. CARNEY: Yes.

Q Getting back to paying for the job creation bill, Jay. You said the Senate Democrats have put out an idea that we think will work. Have you now concluded that this is the best way to pay for this thing?

MR. CARNEY: Well, we put forward what we thought was the best or a good way to pay for it. Again, going back -- and I won't repeat them -- all my comments about the relative --

Q Thanks. (Laughter.)

MR. CARNEY: You hurt my feelings -- (laughter) -- but the relative importance of --

Q Nothing personal. You're a veteran --

MR. CARNEY: That's right, I can take it. I got thick skin. The relative importance of the job provisions and economic growth provisions versus how you pay for it. So we're interested in the President's bill, the American Jobs Act, moving through Congress, being voted on. The Senate is going to do that. We've said from the beginning that there may be adjustments or changes in the pay-fors. Looks like they're doing that; that's ok with us. Again, it's about meeting the principles and then getting a vote, and hopefully a law that allows for these tax cuts to go into effect and for all the provisions that will put teachers back to work and veterans and construction workers back to work.



Q A quick logistical thing I've been asked to ask you about: Is the President going to be part of this ceremony with Captain Kelly and Congresswoman Giffords tomorrow in the Vice President's office? Is he going to see them at all?

MR. CARNEY: I'll have to get back to you. Not that I'm aware of.

Q Okay.

MR. CARNEY: I don't know.

Yes.

Q All right, thanks. If you would.

Q Just to clarify. You said DOE vetting has been evaluated. Is that since Solyndra, or before?

MR. CARNEY: I think -- well, what do you mean by -- I mean, Solyndra was a program that was --

Q Since the controversy.

MR. CARNEY: Okay. I think I addressed that and said that the process is, as I understand it -- and I would refer most of these questions to those who know the details at the Department of Energy -- has been evaluated and adjusted throughout. But not in reactions to stories in the last few weeks, but throughout the two years plus that it's been under our watch.

Q And any calls to European leaders in the past couple of days?

MR. CARNEY: I don't believe so. I can check that. We'll get back to you if there were.

Q And one final thing. Can you confirm that al-Asiri and Samir Khan were killed in the Awlaki --

MR. CARNEY: I don't think we've confirmed any death from that incident beyond Awlaki.

Q It's been reported in a lot of places.

MR. CARNEY: I understand that. But I think we've confirmed Awlaki's death.

Q Jay, you sound as if the President is agnostic about what the pay-fors are.

MR. CARNEY: I can restate it. It has to meet his principles, but yes.

Q Right. But it's not one of his principles. The substantive tax cuts and spending are the principles, but the pay-fors are just -- you're saying making the rich pay is a principle, but whether it -- when it kicks in is not a principle.

MR. CARNEY: Ensuring it is balanced and fair, or fair and balanced, you might say, in its pay-fors is -- those are his principles, as regards how you pay for the legislation, which would put Americans back to work.

Q Right. But you're saying you're agnostic as to when the pay-fors would kick in.

MR. CARNEY: Again, I'm hesitant to engage in a discussion about the Senate proposed pay-for when I'm not familiar with the details of when it would kick in.

Q It's just that on the campaign trail since he's been going around the country he says nobody is talking about raising taxes right now. That's one of his selling points.

MR. CARNEY: Again -- well, I know, because you were sitting there, that you heard the discussion I just had. I just -- I'm not familiar with, in enough detail, to comment on that difference. And, again, the overall approach is one that we feel meets the President's principles.

Q But as part of economic policy it seems important.

MR. CARNEY: And as a matter of tradeoffs, we think those tradeoffs are worthwhile. But, again, without addressing when it would take effect, because I haven't -- I don't have the information, I'm happy to take that question tomorrow.

Q But it seems like as a matter of economic policy whether you think there should be tax hikes now or later is kind of important.

MR. CARNEY: Well, I mean, the President said what he said. Again, I will address the issue of the Senate provision when I have more information about it.

Q One other question about this. I know that in the weeks past you've been asked various versions of this, but the package itself, as you point out over and over again, is very popular. It's the pay-fors that are controversial.

MR. CARNEY: The pay-fors are very popular, too.

Q Well, it seems like the pay-fors are opposed by enough Democrats that it's allowed Republicans to point out the difference between the President and his own Democrats on this issue. So I guess my question is, why not --

MR. CARNEY: If you're saying -- and, again, this is hypothetical -- the fact that 100 percent of Republicans in the Senate presumably, if that's what they're saying, oppose something that the vast majority of the American people support, and 90 to 95 or 98 percent of Democrats support what the American people support, I think --

Q Well, whatever --

MR. CARNEY: -- who's on whose side is pretty clear.

Q -- the Democrats is not enough for you to get it passed.

MR. CARNEY: It's a -- well, the reality of the way that the Senate has been functioning is that you need 60 votes, which is why -- not a majority, but 60, for anything; naming a post office, practically -- we are going to work hard to try to convince Republican senators about the wisdom of putting teachers back

to work in their states, construction workers back to work in their states, giving an expanded payroll tax cut to the citizens of their state.

So the reality of this system in the Senate is that what you need exceeds even 100 percent "yes" votes from the Democrats. But we are confident that the overwhelming majority of Democrats support this provision.

Mark.

Q Jay, just one -- just one question.

MR. CARNEY: I'm going to Mark, Lester.

Q Excuse me. And, Jay, that leads directly to my question, which is: You and the President were both really scathing over the summer about the whole idea of holding votes on things that can't pass.

MR. CARNEY: I don't remember that.

Q Excuse me?

MR. CARNEY: Look --

Q Can I just finish my question?

MR. CARNEY: Sure.

Q I mean, seriously, you were talking about how the Republicans insisted on putting their -- the House Republicans had their deficit plan that could -- the President had threatened a veto; it wasn't going to become law -- why do it? Do you still -- even with that history, do you want the House Republicans to vote on the President's plan, even though Eric Cantor says, I know my guys are not going to vote for it; it won't pass. And you don't want Harry Reid to hold a vote on the whole package, even though, when the appointed hour comes, he may well not have enough to get past a filibuster? You want that to go ahead?

MR. CARNEY: We do, Mark. And we were engaged in obvious negotiations. There were provisions that -- the absolute important difference is that the

things that you were talking about that were being voted on in the House, that had no chance of clearing Congress, let alone being signed into law by the President, were overwhelmingly unpopular, unsupported by the American people. Voucherizing Medicare -- check your data -- not popular. The kind of approach that was represented in the House Republican budget -- not -- this was not something that had the American people's support.

What we know about the American Jobs Act and the provisions within it is not only does it have the support of the American people, every provision in it has been supported -- or similar provisions to it -- the kinds of provisions that are in the American Jobs Act have been supported overwhelmingly by Republicans in the past, including Mitch McConnell.

So that's a big -- that's a huge difference. When you talk about -- and it's a huge difference when you talk about the admittedly difficult task, but possible task, of convincing members of Congress to actually vote with the people they represent, to vote in line with how they voted in the past. So I would say that distinction is pretty significant.

Q So a symbolic vote is okay --

MR. CARNEY: I don't think it has to be symbolic.

Q -- if it polls well.

MR. CARNEY: I don't think it has to be symbolic. And I think that we need to take urgent action on the economy, and that's what the American people are saying. There wasn't a groundswell of the American people saying, you know what? What we need right now is to dismantle Medicare, charge seniors \$6,000 more per year, and that will answer all our problems. I can guarantee you that wasn't what we were hearing from the American people.

Carrie.

Q Jay -- Jay, I was next.

MR. CARNEY: Carrie.

Q I was next.

MR. CARNEY: I'm afraid --

Q One question.

MR. CARNEY: I'm afraid the Washington Post was next.

Carrie.

Q Thanks, Jay.

MR. CARNEY: Now Politico is next.

Q I was confused for a second. Shifting gears a little bit to the super committee, does the President believe that the Pentagon can take -- handle any more cuts above the \$350 billion that was prescribed in the Budget Control Act? Does he think that the Pentagon can take any more cuts as part of any kind of next phase of this deficit deal?

MR. CARNEY: Well, I don't want to get into sort of incremental stuff. I think that one essential truth about the trigger --

Q I'm not asking about the trigger.

MR. CARNEY: Well -- but is that those cuts, with regard to defense spending, are significant and not ones that we think are the right way to go, which is just another reason for the super committee to avoid that outcome and take action that represents a balanced approach to deficit and debt reduction.

Q But there is that possibility of a figure that's lower than the \$600 billion that could -- just the Pentagon could take --

MR. CARNEY: What we think --

Q -- does the President think that that should be on the table, even an amount less than \$600 billion?

MR. CARNEY: Well, I don't want to get into drawing lines about what dollar figure is acceptable. The President put forward his proposals and contained -- and those proposals contain within them reductions in spending, as well as cuts in entitlement costs and revenue increases.

He believes that's the right approach to take, and that you don't need to do anything dramatic to entitlements, to defense, certainly to non-defense discretionary if you approach this in a balanced way. You can achieve significant long-term deficit and debt reduction on the order of the \$3 trillion he put forward, in addition to the \$1 trillion already agreed upon, if you do it in a balanced way that doesn't put the burden unduly on any sector of the government and its responsibilities, including national security, or on any segment of society.

Q And I just have one follow-up question on the -- or I'm sorry, the \$1 million threshold that you were talking about. The Senate Democrats -- talking about the surtax, the President in his principle seems to start at \$1 million or above millionaires. Why is -- is there an attempt to back away from the \$250,000 level? I mean, is there any kind of now protected status for people under \$1 million? Has it changed at all, or is this just something --

MR. CARNEY: This President supports the expiration of the Bush tax cuts for the highest-income earners, those making more than \$250,000. That has not changed. Full stop.

He also supports tax reform that would as a guiding principle contain within it the Buffett rule, and those things coexist happily, as does the Senate approach to this. One does not cancel out the other. But, again, the Buffett rule -- or Buffett principle is an approach that he believes should guide Congress as it deals with the complex issues of tax reform.

Let me go to April. Yes.

Q Jay, there's been a groundswell on the issue of voter suppression. What is the White House and the Justice Department doing to look into issues of voter suppression to include the voter ID issue?

MR. CARNEY: April, it's a good question. Those kinds of things are handled by the Department of Justice. I mean, we obviously believe that the right to vote is a fundamental right of every American citizen that should be honored and upheld and certainly not suppressed. But I don't have any details about what Justice might be doing to look into those issues, but it's a vital principle.

Q I know it was -- I know early on the White House said it was basically a state issue. But because it's become more of an issue, has the White House called, worked with Justice on this?

MR. CARNEY: I don't know the answer to that. Again, Justice would be working on it if there was actions of any kind, so I would refer you there.

Q And I want to ask you one more question. As you are actively involved in campaigning now, 13 months out -- the administration, President, to include the campaign has said this is going to be a hard-fought election. Has there been attacks on this President or the presidency in regards to issues of race? Do you think it's both? Or do you think it's just one?

MR. CARNEY: Honestly, April, we're just not focused on that, not because it's not a question that you might ask, but because this President firmly believes that Americans out there have serious challenges and problems that need to be addressed. And he's been hired to lead the country and to address these challenges, and he's not worried about himself at all. He's worried about a recovery that's not moving quick enough, unemployment that's unacceptably high. And he feels like if he puts forward ideas and articulates them well and convinces Congress to take them up and pass them, and that, in turn, results in some much needed help for the American people, some much needed help for this economy, and for those who are looking for work, that that -- that would be a big success, and that's why he's focused on that.

So he doesn't -- I mean, campaigning is one thing. And he's obviously going to engage in the campaign, and he's -- and he has campaign events. But, I mean, I just know, from spending so much time with him, this is not about him. It is not at all about him. It is about the reason he got in to begin with, which was he saw leadership in Washington that had sort of taken its eye off the ball, both on our domestic issues and our national security issues; that we were -- that the middle class was falling behind; that in a decade where the wealthiest Americans had seen their incomes and their share of the country's wealth expand dramatically, the middle class had been running in place or falling behind.

And so that's what he really is focused on. He doesn't -- we don't spend any time talking about the kinds of issues that you're raising.

Q But wait a minute, what we're seeing -- and many people have remarked we've seen attacks on this President that we have not seen with other presidents before. And this is a question -- if you attack him with his race, is that an attack on the presidency? Because he is the President of the United States.



MR. CARNEY: I think, again, we're just -- it's not the kind of thing we're focused on. Politics is -- can be a rough-and-tumble business, but it's a business that, at its best, is engaged in doing right by the American people. So that's what he's focused on.

Thanks very much, guys.

Q Thank you.

END 2:55 P.M. EDT