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Press Briefing by Press Secretary Jay Carney, 7/21/2011

James S. Brady Press Briefing Room

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MR. CARNEY: Okay. Make sure I don't have my devices here. Good.

Ladies and gentlemen, welcome to the White House. Thanks for coming to the daily briefing. Before I take your questions, I just wanted to anticipate one in particular and say that the breaking news report that you all have probably received is incorrect. There is no deal. We are not close to a deal. We are -- obviously the President is in discussions with all the leaders of Congress, as well as other members, and exploring the possibility of getting the biggest deal possible, which is a position he has held for a long time now, as you know.

The fact is that there is no progress to report, but we continue to work on getting the most significant deficit reduction package possible, because we believe that it's the right thing for the economy and that done in the right way, in a balanced way, it will be good for growth and good for job creation.

Q Filing break?

MR. CARNEY: You guys just tweeted it, right? I mean, isn't that how it works?

With that, I'll start -- Ben.

Q Thanks, Jay. So --

Q Are there meetings today -- before you start, Ben.

MR. CARNEY: I can say that I have nothing to announce in terms of scheduled meetings. As you know, this is a fluid situation. Yesterday I was able to announce a meeting, and then once another one had been scheduled was able to follow up with another announcement.

So right now we have nothing scheduled. But it's certainly possible. What I can tell you is that discussions are ongoing over the phone, in person, with a variety of different participants, including obviously the President, the Vice President and others. And that will continue. And when we have an announcement to make in terms of potential meetings, I will be sure to announce and make that announcement.

Yes, Ben.

Q So you said you're not close to a deal, and you also said there's no progress to report. Did yesterday's meetings yield any progress?

MR. CARNEY: Well, they were constructive and useful meetings. As you know, we're not reading out in any detail the contents of the negotiations. But they were constructive and useful. And we are going through the process of examining what's possible, what we can get, what can be done in a balanced way to achieve significant deficit reduction.

What is not in doubt is that Congress will act to ensure that the debt ceiling is raised and that we do not risk default. That is not in doubt. The only issue under discussion and debate right now is what kind of deficit reduction package can accompany a measure that would ensure that we do not, for the first time in our long history, default on our obligations.

Q Is it still a red line for the President that any grand deal include revenues?

MR. CARNEY: Yes, it is absolutely essential that any grand bargain, if you will, any significantly sized deficit reduction package be balanced; that it contain -- that it address all the drivers of our long-term debt and our significant deficits, and that includes non-defense discretionary spending, which, as you know, is only 12 percent of our budget but we can make significant reductions there. We can make cuts that represent very tough choices in many ways for Democrats; we should do that. We can find savings in defense spending, and we must, and we can do that and we can find significant savings in defense spending and do it in a prudent way that ensures that we maintain our national security.

We can find savings through the reform of our entitlement programs and -- reforms that strengthen those programs for the future and for future generations, make sure that those vital, vital programs are strong and providing services to not just this generation of seniors but to generations into the future.

And finally, we can and must, if we want to achieve significant deficit reduction, find savings through the tax

code. We have to close loopholes, unnecessary subsidies to industries. We have to address the fact that if we are asking for some belt tightening and sacrifice from average Americans, from the middle class, we have to also insist that the most fortunate among us also contribute to this. And that's the only way to do it. And if we do it that way, in a balanced way, then the kinds of things we need to do will not be draconian and will not be overly burdensome on any sector of society.

Q And as you figure out what's possible here, is it still the President's position that any expansion of the debt limit must take the country through 2012? Or would he be willing to accept something less than that, maybe --

MR. CARNEY: No, let me be clear. And I think there was some unfortunate reporting on this yesterday, or at least some unfortunate headlines. The President's position, his opposition to a short-term extension, a short-term lifting of the debt ceiling remains firm, period. He is opposed. He is against it, because it's bad for the economy. It only furthers the uncertainty that is already a drag on the economy, the doubt about whether or not Washington can get its act together, right, and whether or not Washington can be -- ensure that the United States remains the fundamental safe haven in the world in terms of investment. So he is fundamentally opposed to that.

What I said yesterday and what I then clarified in time for everybody's deadlines here is that all I was expressing an openness to was if there is a deal and that deal is in place and agreed upon, and because of the way Congress works and the need to cross t's and dot i's, we need to extend for a few days, we'd be open to that -- if there is a deal. That is a long way from the kind of six-month, nine-month, one-year extensions, short-term extensions that have been discussed in which the President is unalterably opposed to.

Q Okay, well, your last sentence there gets more to what I was asking about. I understand what you did yesterday --

MR. CARNEY: No, opposed, against.

Q But his premise has been that a grand deal should take the country through 2012 on the debt limit.

MR. CARNEY: Correct.

Q And that stands?

MR. CARNEY: His premise is that we have to raise the debt ceiling for an extended period of time into 2013 regardless. And that's not attached to the grand bargain or a significant deficit reduction deal. That is what we have to do for economic -- to create the kind of economic certainty that is essential to allow us to reach our potential in terms of growth and job creation. So his position on that hasn't changed.

Q Okay, thanks.

MR. CARNEY: Yes.

Q About 85 House Republicans have signed a letter opposing the McConnell-Reid contingency plan. I wondered if you can respond to that and say whether it remains a viable option.

MR. CARNEY: Look, what we know -- whatever it's called -- is that whatever the vehicle is to do this that Congress will act responsibly and ensure that the United States does not for the first time in its history risk default; that the United States will continue to be able to borrow money in order to pay the bills that it ran up in the past. That's going to happen. What it's called I can't tell you. What the name on the bill will be, I cannot predict at this time.

What I will say is that it is likely that no matter what we do here -- because these are hard votes, we understand that -- it's going to have to be done in a bipartisan way. I can predict with great confidence that whatever we pass will not pass unanimously and that whatever we pass will be voted -- that there will be some Republicans and some Democrats who will vote no. I think that is likely. That's the nature of these kinds of debates and these kinds of issues. But we remain absolutely confident that the United States will not for the first time default on its obligations or risk default on its obligations, that Congress will act appropriately.

Yes.

Q The President said that July 22nd is the date by which he'd like to see a deal. That's tomorrow.

MR. CARNEY: Actually, there's a lot of confusion about that. I don't believe the President said that. There's a lot of expression of this mythical deadline, which was expressed, as I understand it, as a walk back from August 2nd, which is a firm deadline established by the green-eyeshade folks over at Treasury in terms of when we no longer have the authority to borrow money, walking back, looking at what it takes for Congress to take action.

It is up to Congress to decide how many days they need to take action. So there is not -- which is not to say that we have the luxury of a great amount of time, but there is no July 22nd deadline. I think -- I've tried to be clear about that on numerous occasions from here. We are clearly under the gun here. The clock is ticking. That is why there is so much going on -- negotiations, conversations, discussions, et cetera.

But let me be clear about that, because it's not -- something magical doesn't happen on the 22nd. And I'm sure that members of the administration, the President, everybody will be working full-time to make sure that we achieve the most significant deficit reduction possible.

Q Is there a date by which he does think there needs to be a deal to get this done?

MR. CARNEY: Well, again, it's not -- I just want to be clear. This is about how the sausage gets made in Congress. And that's really -- I would rely more -- I would place more confidence in the estimates that the leaders in the House and the Senate give you about how long it would take for this process to work.

What we do know is we don't have a lot of time if we're going to get something significant done by the August 2nd deadline, which we believe there is time for that to happen. And, again, it's important for everyone to understand that what we're talking about here is the deficit reduction package that would be accompanying the move -- the measure to raise the debt ceiling.

Q Okay, quickly on another topic.

MR. CARNEY: Sure.

Q Grover Norquist wrote today that -- in answer to a question in The Washington Post -- that allowing the Bush tax cuts to expire would not, in his view, be raising taxes. That seems to be a sea change position. And now Speaker Boehner, when asked the same question, says he disagrees; that would constitute raising taxes.

MR. CARNEY: Well, I saw that Grover, whom I've known for a long time, has reverted to absolutism himself and said that, in fact, the position that was expressed in the newspaper is not accurate. And I think that's regrettable, because I think that the fact is that the wealthiest Americans have had a good decade compared to the rest of the country. And that's fine. That's terrific.

The problem is that the middle class, long before the recession hit, was seeing itself squeezed -- incomes flat or near flat and a lot of prices rising. And we have -- that's why this President since he came into office has acted to reduce taxes for the middle class.

And he continues to believe that it is -- in an environment like this, it is incumbent upon everyone to help the country tighten its belt. And that's why the Bush high-income tax cuts absolutely have to expire and go back to the rates, by the way, where they were during the longest peacetime expansion in history, the period of greatest economic growth, job creation in American history, in the 1990s. So he thinks that's an entirely reasonable and fair position to take.

Jake.

Q So the President a few weeks ago said in negotiations that he hoped that everybody would leave their ultimatums at the door. I count four ultimatums and they were -- all four of them were brought in, two of them are the President's and two of them are the Republicans'. The Republicans', obviously, is no tax increases and it has to be a dollar for dollar raising the debt ceiling versus deficit reduction. The President's are, this has to go through 2013, as Ben asked about, and that it has to have tax increases. Can you explain to the American people why the ultimatum that this has to go through 2013 is important? Because you and I talked about this, and I still don't understand why that ultimatum is more important than avoiding the risk of default?

MR. CARNEY: We're not going to default, Jake. I mean, it's a circular question. But we're not -- Congress will act and has said that it will act, and we remain confident that it will. And it's important not to have a short-term extension, because since Congress will act and raise the debt ceiling and ensure that the United States is able to pay its bills, that we do that for a period through 2012 into 2013, so that we do not contribute to the kind of uncertainty that many economists feel has been a drag on our economic growth and our job creation.

So it is a position I think that is eminently sensible, eminently defensible. And we believe that -- and we know that Congress will act to raise the debt ceiling.

Q But in a world where you're looking for the lesser of evils, the least horrible option, is contributing to that uncertainty not preferable to risking a default --

MR. CARNEY: But you're asking for a hypothetical that doesn't -- we're not going to default.

Q Saying it does not make it so.

MR. CARNEY: True enough.

Q Would that it were.

MR. CARNEY: But the issue is not just that I'm saying it or the President is saying it, it's that the leaders of the

House and Senate are saying it, and they're the ones who have to vote on it. So we remain absolutely confident that the debt ceiling will be raised, that the United States will continue to be able to pay its bills, including obviously the debt -- pay the holders of our debt and our treasuries, our beneficiaries of Social Security and veterans' benefits, et cetera, et cetera; that that will not -- that that is not an issue here.

The issue is a debate and a discussion and a negotiation with members of Congress over what kind of deficit reduction package we can get as part of this process. And the President remains optimistic that we can get something significant. And, again, we saw -- we have seen -- Mr. Norquist notwithstanding, we have seen a significant amount of movement in terms of both public opinion and Republican opinion about the need to take a balanced approach, the wisdom behind the idea that we need to have a balanced approach to it if we're going to have significant deficit reduction. And obviously we hope that that growing support creates some momentum and that we can do that.

Q Jay, just as a quick aside --

MR. CARNEY: I want to move -- remember, I said yesterday that I regretted not getting further back.

Q Okay, please go ahead.

MR. CARNEY: If you got a quick one, that's fine.

Q Well, it seems like the White House has been relatively quiet on the subject of Syria as of late and I was wondering if you had any comment on recent developments.

MR. CARNEY: Simply that -- I mean, we don't have -- I mean, not since the last time I addressed this. We continue to condemn the violence. We believe that President Assad has lost his legitimacy. He had the opportunity to lead the transition that the Syrian people are demanding, and he has not followed up or taken that opportunity. That's regrettable, because there will be -- there has to be a transition. The Syrian people are demanding that there be one. And --

Q Is there anything you guys are doing? Is there anything the White House or the State Department are attempting to do to effect that transition?

MR. CARNEY: Again, it's up to the Syrian people to do that. We have, as you know --

Q They're being killed.

MR. CARNEY: -- instituted a lot of sanctions, working unilaterally and multilaterally with our international partners. And obviously our ambassador there has gone to Hama and been with the people there who are among those protesting the kind of treatment they've been getting from the Syrian regime. And we continue obviously to monitor the situation there very closely.

Q Can I follow up on that?

MR. CARNEY: No. I'm going to work through here. Thanks very much. I'll get to you. Yes.

Q Jay, so there is a grand bargain worth about \$4 trillion that's back on the table?

MR. CARNEY: Norah, the \$4 trillion, or between \$3 trillion and \$4 trillion big deal, has been on the table, oh, I don't know, for a long time -- at least since the Simpson-Bowles commission reported. It is the size of deficit reduction that has been identified by the fiscal commission, named after former Senator Simpson and Erskine Bowles. It is the rough size of the deficit reduction package identified by the President in his framework. It is the size of the deficit reduction package that was passed by the House of Representatives. So, in that sense, absolutely it's on -- it was on the table; it remains on the table.

And the parameters of what a deal would look like -- that requires Democrats to do things that they're not entirely comfortable doing, and Republicans to do things that they're not entirely comfortable doing, but that together, if they were willing to do it, they could achieve something big -- the parameters of that deal are well known by the participants in the negotiations that have been ongoing now for several weeks.

Q Is it possible that the President could agree to some sort of two-part agreement, where there would be a way to raise the debt ceiling and perhaps have some spending cuts that don't have anything to do with revenues or entitlements, and then have a second train, if you will, that's heading towards the station that has -- some sort of agreement that is similar to what's laid out in the Gang of Six, or that was part of the original grand bargain or whatever -- would that be something that the President would be willing to accept?

MR. CARNEY: You know, that kind of granular analysis or hypothesizing I'm not going to do. I think that there is the potential here for a significant agreement. There are obviously differences, as there have been throughout this process. We believe there is momentum behind the idea of a balanced approach to a significant agreement. How the mechanisms would work if we were able to achieve that agreement, I will leave to the negotiators.

Mr. Goler.

Q Do you consider House Majority Leader Cantor's statement that there are some elements to the Gang of Six proposal that have promise to be a kind of threshold this thing has gotten over? He's been -- pretty much believed to be the toughest negotiator for the Republicans in this.

MR. CARNEY: Well, I think there have been a number of statements in public that have been mildly encouraging from a number of people.

Now, there have also -- and I get questions usually about the other kinds of statements that seem to be torpedoing any potential for progress or seem to be restatements of ultimatums that would prevent any significant compromise.

So I think it's important to take account of everything that's said in public, but also to, as veteran reporters like yourself clearly understand, listen with and evaluate the kind of comments you hear in public with some contextual understanding for how processes like these work.

So that's just simply to say that there have been a lot of positive comments about the potential for a bigger deal, the potential for a balanced deal, the potential for embracing the approach that the President supports. We are not there, but we remain hopeful that we could get there.

Q In The New York Times a couple days ago, there was a report on White House officials entertaining the idea they can run for reelection without being able to point to a strengthening economy. I want to question the accuracy of that, and whether or not you believe you might have to run, the President might have to run for reelection without the benefit of a strengthening economy.

MR. CARNEY: Well, two things remain uncontestedly true: The economy is vastly improved from what it was when Barack Obama was sworn into office as President. We were in economic freefall; there were predictions that we were headed to the second Great Depression. We were losing up to -- over 700,000 jobs a month. We were contracting at greater than 6 percent, our economy was.

So the economy has improved.

Q I'll stipulate that, but it looks like it's slowing.

MR. CARNEY: It has not improved enough. Well, there's no question that we face headwinds. And the President has been very direct about that, and we need to do everything we can across the front to ensure that we're doing what we can to spur growth, spur job creation. Part of that is doing the work he's doing this week and last week and probably next week to try to achieve a significant deficit reduction deal with Congress that does not restrain growth, does not undermine the recovery that we have, but strengthens it, so -- and allows us to continue to invest in the key areas that will allow us to grow and create jobs.

But what remains obvious to him and to everyone is that this economy is nowhere near where it needs to be. That's why he is focused every day, he wakes up every day and goes to sleep every night thinking about the fact that he will not rest, he will not cease in his efforts to grow the economy and create jobs until he knows that every American who's looking for a job can find one. And that will undoubtedly remain true throughout his first term.

Yes.

Q Jay, earlier in the briefing you said the leaders met yesterday going through what can be done. I assume that's a reference to votes -- vote counts.

MR. CARNEY: Yes, what can be done. Yes, what can pass.

Q -- in the House and the Senate. So do any of the plans currently being discussed, to the extent that we understand them, have the votes to pass? And if not, where are the sticking points?

MR. CARNEY: I think I mentioned yesterday that I spent a little time covering Congress and enjoyed it immensely, but I am --

Q I'm not looking for analysis. I'm asking for what was said inside the meeting.

MR. CARNEY: So the -- well, as you know, I'm not reading out what's being said inside the meeting. And I would simply suggest that the best judges of what can pass the House and the Senate are the leaders of the House and the Senate and the whips, the vote counters.

We are obviously listening very closely to them in our conversations about what they believe their members will support, what they believe they can persuade their members to support.

And as I said earlier, in answer to a question, it is clear that -- and it is historically true that in issues like this that are tough and difficult and intensely negotiated, that it's certainly unlikely we're going to get unanimous support

that are tough and difficult and intensely negotiated, that it's certainly unlikely we're going to get unanimous support, if and when we get a significant deficit reduction deal. But we are relying obviously -- well, we have our eyes and ears, but we speak regularly with leaders of both parties in the House and the Senate to get their assessments of what the institution will bear.

Q Okay. You also said any significantly sized package has to be balanced. Can you define where is the threshold for "significantly"?

MR. CARNEY: You know, I'm not going to get into numerical specifics about that. I think there is a general sense, as we discussed in the last couple weeks, about the sort of \$1.5 trillion in spending cuts that we believe --

Q Is significant?

MR. CARNEY: No. We believe is -- represents what folks on all sides can agree to. Beyond that, it requires some tough choices. Beyond maybe \$1.7 trillion it requires some tough choices. And we get into territory where there has to be a willingness to compromise, there has to be a willingness along the part of the Democrats to get out of their comfort zone to allow for the fact that some modest reforms in entitlement programs will strengthen those programs, as well as provide savings, and put them in a sounder fiscal condition for the future; and a willingness by Republicans to recognize that revenue has to be part of this deal if you want it to be big and significant --

Q Above \$1.7 trillion.

MR. CARNEY: -- and address -- again, I've given you the numbers of -- about the spending cuts that we've talked about. Beyond that, we begin to get into the territory that requires leaders to lead.

Q Okay. And finally, the House isn't in session this week. What do you think?

MR. CARNEY: I direct you to the House. I am confident that we will continue to work --

Q Would it be bleaker if they were here?

MR. CARNEY: Obviously, the leaders of both houses have taken action in terms of the schedule to deal with the fact that we are in intense negotiations and we need to get something done within a short period of time. But I leave it to them to decide how that will work for them.

Carol.

Q So you said earlier that you're not close to a deal; there's been no progress made.

MR. CARNEY: I said no progress to report.

Q To report, right. So why should anybody believe that in the next 11 days you guys are going to make progress and be -- and actually reach a deal, when you've been working on this for months?

MR. CARNEY: That's like saying, you know, why should anybody believe Christmas is going to come until Christmas Day. I mean, it's -- the --

Q Or Santa.

MR. CARNEY: Or Santa. (Laughter.) Because obviously there won't be a deal until there is a deal. So the fact that I can stand up to you and say that reports that we're close to a deal are incorrect doesn't mean that there won't be one. And what -- again, my confidence -- we remain optimistic -- we remain confident that a deal can be reached, that a significant deficit reduction can be reached and that there is time to do that.

We are also cold-eyed realists about the challenges that reaching such a deal are presented -- or present themselves. What we do know is that within the next 11 days, the Congress will do as the leaders have said it will do, which is to take action to ensure that we do not, for the first time in our history, find ourselves unable to pay our bills.

Q I guess I'm curious how you're not close when we're so close to the deadline.

MR. CARNEY: That's semantics, and I can just tell you that the suggestions that we're close to a deal are incorrect.

Q Has paper been exchanged?

MR. CARNEY: All kinds of paper has been exchanged over the last weeks and months.

Q A framework of a deal exchanged yesterday?

MR. CARNEY: I let me just go back. I'm not going to get into the specifics of these negotiations. What I can

... MR. CARNEY: ... not going to get into the specifics of these negotiations. ... I can tell you is that there are no -- there is not a participant in these conversations of either party, of either house, who doesn't understand what the general framework of a larger deal would look like and what the elements of that larger deal would look like. And most of you have reported on that and have a general understanding of what that would look like, but I'm not going to get into the back-and-forth of the meetings.

Mr. Knoller.

Q Jay, did the deficit stalemate play a role in the President not taking part in ceremonies marking the end of the space shuttle era today?

MR. CARNEY: No. We did not have --

Q Was it not considered, him going down there for the --

MR. CARNEY: You know, I don't torture myself with every scheduling meeting, so I'm not entirely sure, but I don't believe so.

Q Have events been canceled or trips been canceled because of the deficit talks this week and last?

MR. CARNEY: Not that I'm aware of. I could take that question. I mean, he's obviously spent a lot of time here in Washington focused on these negotiations.

Q And the -- not taking part in the shuttle mission era --

MR. CARNEY: Well, as you know, the President went to Florida very much hoping to witness the penultimate shuttle launch. And, regrettably, I was on that trip and regret it myself that that launch was scrubbed and postponed.

And he has tremendous regard for the program and for all the folks at NASA who participated in making it such a tremendous success. And he looks forward to NASA's future and moving forward with space exploration in the future. And we can -- if you want, we can talk more about that. But the fact that it wasn't on his schedule this week is not indicative of that.

I think we released a photograph of him watching the launch of the final shuttle mission.

Q Right. Okay, thanks.

MR. CARNEY: Julianna.

Q So I know you said that the report is wrong in that it says that they are close to a deal, but the report also said that a deal could include new revenue through a tax code rewrite, lowering individual and corporate tax rates and closing loopholes and ending tax breaks. Is that wrong?

MR. CARNEY: I will not address the current negotiations and the content of them. What I will say is that the parameters of what -- a significantly sized deal are clear, and they include spending cuts, reductions in defense spending, savings through entitlement reform, savings through the tax code. The kinds of savings through the tax code that we have talked about have also been -- are also pretty clear; we've talked about them, in terms of closing loopholes and subsidies. And we've talked about tax reform.

So, again, that's not -- that is a general -- that is a general statement about the parameters of what a balanced approach to deficit reduction would look like. And if we achieve an agreement on a balanced approach, it will look like that. But the details are obviously -- would have to be worked out.

Q So there would still be time, at this late in the game, to have some sort of deal that includes -- that includes new revenue in the way that --

MR. CARNEY: Absolutely. And remember that when we talk -- I mean, a deal would have to be implemented, and there would be stages of implementation and things like that. So it's not like everything has to happen instantly on August 2nd or 3rd. But there is -- in any case, in any kind of broad, sweeping legislation that would be true, and that would be true in this case.

Q Did administration officials notify top lawmakers last night that a grand bargain type of deal could be soon or imminent?

MR. CARNEY: Again, the report is incorrect.

Q But about the details that it's describing of what a deal would look like are not incorrect?

MR. CARNEY: There are conversations ongoing with members of Congress, involving members of the White House and the broader administration about what the various options of a big deal would look like, a smaller deal

would look like, and a really small deal would look like.

So were there discussions, have there been discussions ongoing about what a deal would look like? Yes.
Were there discussions -- have anybody here been telling folks that we're close to a deal? No.

Q Does the White House have its own proposal that it is floating?

MR. CARNEY: The President's framework is well known, so, yes.

Yes, Mara.

Q You said there's been a significant amount of movement in public opinion and Republican opinion on a balanced approach. Did you mean Republican opinion in Congress?

MR. CARNEY: No, I mean, Republican opinion broadly --

Q In the public.

MR. CARNEY: -- but also Republican opinion -- we have seen a lot of voices -- we have heard, rather, a lot of voices of late from former elected Republicans, from --

Q Well, they're not voting.

MR. CARNEY: Correct. From elected -- we've heard people talk about the need for balance, whether it's Lindsey Graham or Bill O'Reilly or others who have talked about from the conservative side of the political spectrum, elected officials, non-elected officials, participants, observers, commentators. There is a growing recognition that among the folks who actually do the voting and among those who used to or who influence, we think, or have opinions that are heard, that we need to take a balanced approach. And we think that is a positive development.

Q Well, do you -- does the President have a clear idea of what the Republicans' bottom line is now?

MR. CARNEY: I'm not going to get into specific negotiations. He has --

Q I'm not asking you what the bottom line is. Does he know -- does he feel he knows what their bottom line is?

MR. CARNEY: I think -- I would just say that they continue to have productive conversations about the possibility for an agreement.

Q Because I think it's been over a week since he said he wanted them to come in with their bottom lines. Did they come in with their bottom lines?

MR. CARNEY: Yes. We've had ongoing discussions. I don't want to characterize what's been said. I think we have --

Q I'm not asking you to characterize it.

MR. CARNEY: We certainly have a clear understanding from all parties about what they would like a deal to look like, what they are open to discussing and what they believe is absolutely essential to any deal. And that's true for all the parties. That's true for us as well.

Q Because when you talk to people on the Hill, a lot of them say they don't -- even Republicans -- we don't know what the House Republicans' bottom line is. There's some question about that.

MR. CARNEY: Well, again, you're talking about --

Q I'm wondering if the President has any --

MR. CARNEY: -- you're talking about a body in the House that's 435 members strong. And obviously all of them speak for themselves individually, as well as Democrats and Republicans. And there is no question, as I've said several times now, that there will not be unanimity. I would be shocked. I would buy everyone here lunch if there is unanimity in a vote here.

Q That's not what I meant.

MR. CARNEY: And that's not going to -- and I would be shocked if this weren't a tough vote.

But we would hope that there would be broad consensus around a bipartisan, significant deficit reduction deal that was balanced. But these are big issues and it requires a certain amount of persuasion and skill and negotiating

to get it done.

Q But would it be wrong to interpret your answer as no?

MR. CARNEY: Mara, I want to move. I want to keep moving.

Q Okay, one other quick question about the Gang of Six. Other than Durbin coming up for the meeting, has he talked to any members of the Gang of Six in the last couple days?

MR. CARNEY: The President has spoken to other members of the Gang of Six. I think I mentioned, or at least I meant to mention, that -- or I meant to say yesterday if I didn't, I could be repeating myself, that as you know two of the members of the United States Senate whom the President counts as friends happen to be members of the Gangs of Six. So you can be assured that he has conversations with them and he has certainly had conversations with others.

Q He embraced the broad outlines of what they've said; I'm assuming he's looked at the details of it. Does he -- is his interpretation of their proposal that it includes a net tax increase or a net tax decrease?

MR. CARNEY: I don't have an interpretation to give you. Let me move to David.

Q Yesterday, you were talking about when the President takes this case publicly to people, makes his arguments, that sometimes it can be difficult to explain this complicated, arcane terminology. Tomorrow, he has a town hall scheduled with students at the University of Maryland. How will he intend to really explain to them in terms they can understand, young people concerned about their futures and jobs, what this means for them?

MR. CARNEY: Well, I think that it's important -- it's a great opportunity for him to talk to young people -- I think there will be others as well but -- young people, students there about -- to explain that this really is a debate about the economy and about jobs and about how we need to stabilize the foundation of our economy so that we can grow and create jobs and lessen the economic anxiety that's out there. And I'm sure that it is felt by students.

So it's also important -- it's a great opportunity to speak to students, because there is and there has been for a long time now a lot of doubt among younger Americans about whether or not those kinds of programs that protect folks in their old age -- the Social Security and Medicare programs -- will be there for them. And I think the President will make the case that he is absolutely committed to ensuring that those programs will be there and they will be strong, and they will be providing benefits to their generation as well as current senior citizens, retirees.

So, no, it's a good opportunity, because we get -- we find ourselves here talking about raising the debt ceiling and what things look like in the out-years, and the alternative minimum tax, and that kind of stuff. And I think a lot of it is muddying up the picture and confusing to a lot of folks who don't have the time to focus on it. So it's a good opportunity to talk about what it means at its root, which is it's a debate about getting our economy in the best possible position for the future.

Helene. Mark? No? Going back. Ann.

Q Just one more on this -- late yesterday, one hour and 21 minutes, the President of the United States and the Speaker looked each other in the eye. Are they --

MR. CARNEY: The whole one hour and 21 minutes?

Q Well, according to your --

MR. CARNEY: Neither blinked? (Laughter.) No, no one blinked.

Q Are they not closer to a deal after an hour and 21 minutes than they were before?

MR. CARNEY: Again, I'm not going to characterize the discussions. They are certainly -- there is more clarity with every discussion they have. The President is meeting not just with Speaker Boehner. Majority Leader Cantor was there. He had meetings with House and Senate Democratic leaders yesterday. He's had conversations with all of them and many others, and will continue to do that.

This is -- there is not just one dance partner here. It's important to remember that this is something that has to get through both houses of Congress, and you have a two-party system here. And there are obviously a lot of disagreements and strongly held views. So it's not a matter of just can these two men agree; it's a matter of making sure that we can achieve something significant for the American people, and the only way to do that is to get majorities in the House and the Senate for a deficit reduction bill that the President can sign.

Christi.

Q Jay, so apparently the markets have reacted to the New York Times alert, and then again to -- since you've been speaking. And I just wonder if it's your impression that this is beginning to come to bear on the talks at all. I mean, was there any sign yesterday, for example, when the two different groups were here that people are

an. I mean, was there any sign yesterday, for example, when the two different groups were here that people are starting to put pressure?

MR. CARNEY: Look, I think everyone in the room is keenly aware of the fact that the world is watching, that the world wants to know if Washington can function; if this great democracy with its two-party system can tackle big problems; if the leaders who are elected and sent here can come together and compromise and take the necessary measures to ensure that we pay our bills -- and that will happen -- and to get our deficits and debt under control, so that we can continue to grow and be the greatest engine for economic growth in the world.

We can do that, and we hope that this process will eventually, as messy as it is, demonstrate that the answer to those questions is yes, across the board.

But, look, I mean, it's certainly not my intention to affect markets or anything like that. I'm simply clarifying that the reports are -- that we're somehow close to a deal are not accurate. They are talking. Lines of communication are open. They continue to have discussions. We continue to believe that a significant deficit reduction deal is possible. We certainly believe that is preferable. And we continue to be absolutely confident that the United States will continue to have the capacity to pay its bills beyond August 2nd.

So -- but certainly, there is a lot at stake here. Setting aside the issue of the debt ceiling, there is a lot at stake. We have an opportunity here to deal with a problem that has been with us for a while, and that if left unresolved, poses significant trouble for us in the future. We should grab that opportunity and do something big for the American people.

April.

Q Jay, can you at least give us where both sides are? The President was talking about this overlap yesterday. Could you at least detail what the overlap is, where they are in agreement, commonality --

MR. CARNEY: April, there will be a time when this is over, and hopefully we can all be celebrating a significant accomplishment to go through where people were on which day, and where the disagreements were and where the agreements were. I'm just -- it's not in the interest of achieving a result for me to do that.

Beyond what I've been able to say and what the President has talked about and others, I'm just not going to go -- because I want to allow everyone who is participating in these negotiations as much freedom of movement as possible so that they can get something done.

Q So is there a fear that it's so tenuous that if you say something that they -- one side may pull back saying something that they're not in agreement or something? Is that your fear?

MR. CARNEY: I think that these are difficult negotiations that will involve having to get something passed through the House and the Senate, and that we need to maximize the potential for success, and that's what I'm trying to do.

Q And also with -- also, Marc Morial and Ben Jealous are meeting with the President today about African American unemployment, which stands at 16.2 percent. This White House, this administration came out with a report not long ago -- the "Black Workforce in the Recovery." What can the President tell these two leaders as more cuts are expected and the black community is expected to have a hit -- especially as they once again are employed in a large number of the federal government and also benefit from federal government programs? What is the President --

MR. CARNEY: Well, look, I think that one of the reasons why the President is so committed to idea that we have to address our deficits and debt in a balanced way is so that we do not unfairly burden any segment of society as we tighten our belts and get our fiscal house in order.

He has also -- as he did from this podium -- made it clear that there is an important case to be made to progressives that we have to get our debt and deficit under control in order to allow us to continue to invest in the areas that are essential to create jobs, to grow the economy, and to allow us to maintain the kind of benefits that protect the vulnerable among us.

So this is all of a piece here. And as you know, this meeting -- the President meets regularly with leaders to discuss a range of topics, including economic stability and job creation. And he will thank both leaders whom you mentioned for their contributions in under-served communities across the country and congratulate them on their upcoming conventions. As you know, both organizations have conventions.

Q Did the President reach out to them, or they reached out to the President, this meeting?

MR. CARNEY: I would have to get back to you on that. I'm not sure.

Toshi.

Q Thank you, Jay. Back in April, when the government shutdown was looming, the administration issued a

guidance -- what would happen in the event of a government shutdown. Do you have any plan to do the same kind of thing here?

MR. CARNEY: I would refer you to the Treasury Department or Office of Management and Budget.

Again, I think we are absolutely confident that Congress will act in order to ensure that the debt ceiling is raised. But for anything more I would send you to Treasury or OMB.

Yes, sir.

Q Really quickly, back on the space shuttle program, of course, the program essentially ends today, and with it thousands of people -- NASA employees, contractors -- will be out of work. What's the President's message, Jay, to those folks down on Florida, Texas and Alabama who are going to be out of work now with the space shuttle program ending and very confused as to why the shuttle program is ending without any replacement for the shuttle there to replace it?

MR. CARNEY: Well, as you know, the President has laid out an ambitious vision for human space flight that will take American astronauts beyond where we've ever been before with the ultimate goal being a human mission to Mars. The President's vision, negotiated with bipartisan support from Congress, allows NASA to focus its resources on exploration and innovation while leveraging private sector resources to continue taking Americans to the International Space Station in low-Earth orbit, whose mission has been extended until at least 2020.

This new strategy -- addressing your point -- means more jobs for the country, more American astronauts in space over the next decade and more investments in innovation relative to the prior administration's plan.

So we believe that with the resources we have, it's important to focus NASA's mission on the kind of advances that I just discussed and that the strategy that we've worked with Congress in a bipartisan way to put together is the right way to go, and it will ultimately lead to more jobs, as well as more astronauts in space and potentially in the future something really dramatic like fulfillment of the goal of a human mission to Mars.

All the way in the back. Yes, ma'am.

Q So if you're saying that a readout of the meetings and a tick-tock could imperil negotiations, then if you were close to a deal you wouldn't tell us anyway? (Laughter.)

MR. CARNEY: Okay, next question. (Laughter.)

Mike.

Q Thank you, Jay. Senator Tom Coburn just said that he bets that if CC&B were able to pass the Senate and get to the President's desk, he's willing to bet a porterhouse that the President would sign it.

MR. CARNEY: If what -- or he really? Yes.

Q If it passed the Senate, he'd be willing to bet a porterhouse that the President would sign it. If, in fact, it did pass the Senate, should he go out and get the A-1?

MR. CARNEY: Well said. I have a feeling we're going to hear this exchange on the radio, but the -- (laughter) -- we would take that bet. And I would refrain from heading to the Safeway to buy A-1 because the President has very clearly vowed to veto a bill if such a bill were to arrive on his desk because it is a draconian measure that in terms of its impact on dramatic cuts in Social Security, Medicare, would make the Ryan budget plan pale by comparison. It's an irresponsible thing to do. We should not have to amend the Constitution so that Congress does the job that it was elected to do, and that the leaders in Washington do the job that they were elected to do.

We don't need to. We have before us the possibility of actually doing what Americans sent us here to do, which is compromise and achieve significant deficit reduction in a balanced way that puts us on the right path for the future.

Jon-Christopher.

Q Yes, quick. I think this may be a little breaking. A third of the House Republicans have signed a letter refusing to adopt the McConnell plan.

MR. CARNEY: I got a question about that before. And as I just said, whatever the vehicle is, we remain confident that at the very least, Congress will absolutely take appropriate action to ensure that we raise our debt ceiling.

Q Thanks, Jay.

MR. CARNEY: Last one.

Q Thanks, Jay. Top White House officials have been spotted on the Hill today. Jack Lew was seen going into a Senate Democratic lunch, and Rob Nabors was seeing waiting outside of Speaker Boehner's office. Some people are going to hear that and think it is suggestive that there has been movement towards a deal. What's your reaction?

MR. CARNEY: Well, I think I've made very clear, without detailing every meeting and conversation, that senior members of the White House and administration have been in regular contact, up to and including the President with leaders on Congress, as we try to negotiate a solution here, an agreement here. So that -- those sightings would be completely in keeping with what we've said about that.

So, yes, I did promise you a question.

Q Thank you.

MR. CARNEY: Yes. This is the last one.

Q Follow-up on Syria. What else you are expecting from Syrian people to do while the Syrian forces with tanks going into towns, like homes and shelling the houses --

MR. CARNEY: We absolutely categorically the violence. We call on the Syrian regime to cease the violence. We are working with our partners internationally to put pressure on the Syrian regime to get it to cease. And we believe that it is clear now that the -- that President Assad has given up the opportunity to lead the transition that the Syrian people will demand, and he has lost legitimacy by doing so. That's all I have to say.

Thanks very much.

Q Thank you.

END 1:45 P.M. EDT