

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit [www.djreprints.com](http://www.djreprints.com)

See a sample reprint in PDF format.

Order a reprint of this article now

## **THE WALL STREET JOURNAL.**

WSJ.com

JANUARY 28, 2009, 3:52 P.M. ET

# Obama Pushes Stimulus Plan Ahead of House Vote

*Relief Package Nears \$900 Billion in Senate; President Has 'Sober' Meeting With CEOs*

By HENRY J. PULIZZI, GREG HITT and ELIZABETH WILLIAMSON

WASHINGTON -- President Barack Obama took the case for his economic recovery package to business leaders Wednesday, telling a group of 13 corporate chieftains that he's positive the stimulus legislation will make it through Congress.

"I'm confident we're going to get it passed," Mr. Obama told reporters at the start of his meeting with chief executives in the Roosevelt Room.

The House of Representatives is expected to pass the bill later Wednesday. At issue is the amount of support it will win from Republicans, who have balked at the bill's size and complained it doesn't focus enough on tax relief.

Meanwhile, Mr. Obama has invited Republican and Democratic lawmakers for drinks at the White House Wednesday evening, the Associated Press reported. The guest list includes six House Democrats, six House Republicans and five senators from each party.

The economic stimulus package proposed by Democratic House leaders totals \$825 billion and includes three broad pieces: a \$365.6 billion spending measure for such brick-and-mortar projects as highways and bridges; a \$180 billion measure to boost jobless benefits and Medicaid, among other things; and a \$275 billion tax-relief package, which includes a plan to give a \$500 payroll tax holiday to all workers, a proposal from Mr. Obama's presidential campaign.

On Capitol Hill, most Democrats pressed for passage and trumpeted the measure as the elixir for what ails their jobless constituents; Republicans generally griped about "insane" programs that would be funded in the plan and "minuscule" tax relief for small businesses.

"Some say we're moving too quickly to pass this legislation. I say this legislation is long overdue," House Speaker Nancy Pelosi said. "We simply cannot wait."

"Another week that we delay is another 100,000 or more people unemployed. I don't think we want that on our consciences," added David Obey (D., Wis.), chairman of the House Appropriations Committee.

His Republican counterpart, Rep. Jerry Lewis of California, suggested that Democrats were putting politics over progress. "It's not too late to make this a better bill, a bipartisan bill," Rep. Lewis said.

Earlier, House Minority Leader John Boehner of Ohio, wouldn't say how he thought the vote would turn out. He promoted a GOP alternative and said the Democratic plan "won't create many jobs, but it will create plenty of programs and projects through slow-moving government spending."

In the Senate, Democrats need only the support of a few Republicans to collect the 60 votes needed for passage. But Mr. Obama wants broad support, and to win over some of the Republicans seeking less spending and more tax cuts. Wednesday morning's meeting was part of Mr. Obama's effort to appeal to GOP critics and big business.

### *'Sober' Meeting*

The president said the CEO session was "sober," given the recession and thousands of layoffs across a swath of industries. He said policy makers and industry will be responsible for lifting the country out of its funk.

Attendees included Steve Appleton, CEO of [Micron Technology Inc.](#); David Barger, CEO of [JetBlue Airways Corp.](#); Greg Brown, co-CEO of [Motorola Inc.](#); John Bryson, CEO of [Edison International](#); David M. Cote, CEO of [Honeywell International Inc.](#); Debra Lee, CEO of [BET Holdings Inc.](#); Anne Mulcahy, CEO of [Xerox Corp.](#); Sam Palmisano, CEO of [International Business Machines Corp.](#); Antonio Perez, CEO of [Eastman Kodak Co.](#); Eric Schmidt, CEO of [Google Inc.](#); Michael Splinter, CEO of [Applied Materials Inc.](#); Wendell Weeks, CEO of [Corning Inc.](#); and Ron Williams, CEO of [Aetna Inc.](#)

"These are people who make things, who hire people. They are on the front lines in seeing the enormous problems in our economy right now," Mr. Obama said. "Their ideas and their concerns have helped to shape our recovery package, and I'm grateful that they're here today to talk about why it's so important that we act, and act swiftly, in order to get this economy back on track."

Ahead of Mr. Obama's meeting with CEOs, Applied Materials' Mr. Splinter said action on solar energy could create jobs and boost economic growth. Specifically, Mr. Splinter called for short-term refundability of the federal solar investment tax credit, the adoption of renewable and solar energy sources for federal properties, and enhancement of the renewable technology loan guarantee program, according to a company release.

IBM's Mr. Palmisano said a \$30 billion stimulus investment in health-care technology, smart electric grids and broadband could yield almost one million new jobs within a year.

"In the end, it's businesses -- large and small -- that generate the jobs, provide the salaries, and serve as the foundation on which the American people's lives and dreams depend," Mr. Obama said. "All we can do, those of us in Washington, is help create a favorable climate in which workers can prosper, businesses can thrive, and our economy can grow. And that is exactly what the recovery plan I've proposed is intended to do."

### *Plan's Urgency*

Addressing critics, Mr. Obama urged unprecedented transparency in the way the government spends stimulus money.

"I know that some are skeptical about the size and scale of this recovery plan," Mr. Obama said Wednesday. "I understand that skepticism, which is why this recovery plan will include unprecedented measures that will allow the American people to hold my administration accountable."

On Tuesday, Mr. Obama's trip to Capitol Hill revealed the urgency in Congress and the White House over a cure for the souring economy. His administration indicated it would agree to a \$69 billion Senate proposal to shield tens of millions of middle-income Americans from the so-called alternative minimum tax, a priority of Iowa Sen. Charles Grassley, the top-ranking Republican on the Senate Finance Committee. The panel later folded the change into the Senate bill.

White House officials also spread the word that Mr. Obama was willing to drop a proposed expansion of contraceptive coverage under Medicaid that has become a symbol for Republican critics. Late Tuesday, Democratic leaders agreed to drop that provision, as well as another measure providing support for refurbishing the capital's National Mall. Both measures had been lampooned by Republicans.

The magnitude of the spending bill, and its urgency, drew a swarm of lobbyists seeking money and tax breaks. The concrete and asphalt industries battled over how the government should spend billions proposed for road and bridge repairs, while dairy and beef cattle producers butted heads over talk that the government might buy up dairy cattle for slaughter to drive up depressed milk prices. Unions backed infrastructure spending. States sought budget bailouts.

"When you've got 800-plus billion dollars to spend, you'll have an equal number of opinions on how it should be spent," said Chris Galen, spokesman for the National Milk Producers Federation, the dairy industry's main lobbying group.

"I would love to not have to spend this money," Mr. Obama said, according to individuals familiar with the president's meetings with Republicans. Mr. Obama defended the plan, they said, but suggested he'd be open to new ideas to help small businesses, and that changes could come after the House vote.

### *Lobbying Effects*

The sight of this much federal cash and tax favors has prompted a rough-and-tumble competition. Billions of dollars in proposed road and bridge repairs, for example, have pitted the concrete and asphalt industries against one another.

Concrete lobbyists want more money for such long-term projects as interstate highways, bridges and waterworks -- projects that, not coincidentally, use more concrete. The asphalt industry prefers repaving and road repair that use more asphalt.

"When you have a road or highway that needs to be fixed quickly, asphalt is the way to go," says Margaret Cervarich, a vice president at the National Asphalt Pavement Association.

Craig Silvertooth, the president of the Center for Environmental Innovation in Roofing, said he's concerned that lawmakers have failed to include tax incentives for energy-efficient roofs using solar panels. But the geothermal heat pump industry -- represented by lobbyists for one company, Oklahoma-based ClimateMaster Inc. -- said it won equal footing with solar and wind companies through a 30% homeowner tax credit in the House bill for installation of a geothermal heat pump.

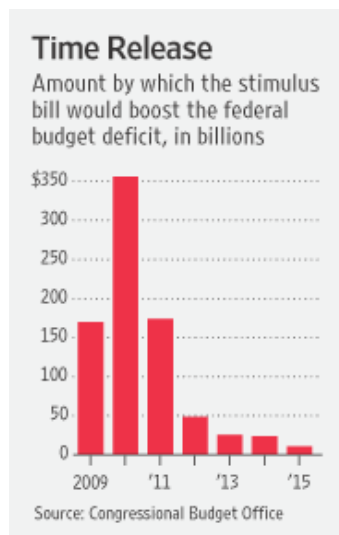
Lobbyists for U.S. footwear makers and retailers want lawmakers to wall off their drive to scrap import taxes on cheap shoes from a competing push to lower tariffs on all imported clothing and textiles.

The shoe lobby sent a letter to congressional leaders Tuesday asking for a stimulus provision abolishing the import tax on synthetic, fabric and canvas shoes. The American Apparel & Footwear Association, the Footwear Distributors and Retailers of America and retail footwear companies say the tax can reach 67.5%.

Republican Sen. John Ensign of Nevada wants to add similar legislation to the stimulus. But the effort could fail if combined with a separate push by apparel importers to lower tariffs on all foreign textile and apparel products. The apparel measure faces stiff opposition from lawmakers and U.S.-based textile plants.

Business interests also are working to promote tax proposals included in the Senate version of the stimulus plan but not, so far, in the House version.

Both the House and Senate packages include tax incentives to encourage capital investments by businesses, expand support for development of renewable energy sources, and help businesses use



current losses to claim tax refunds against profitable years in which they paid taxes.

The Senate tax package, which was approved by the Finance Committee late Tuesday on a 14-9 vote, also created a limited tax benefit to encourage corporations to restructure debt.

High-tech companies struck out with the House when they sought tax credits for spending on bringing broadband infrastructure to rural and so-called underserved areas. But the firms struck pay dirt Tuesday in the Senate Finance Committee, winning a 10% tax credit for investments in current-generation broadband technology, and a 20% tax credit for investments in "next-generation" broadband, not only in rural and underserved areas but any residential area.

Once the House and Senate pass their versions of the stimulus package, negotiators from each branch will hammer out a final version of the bill. The compromise bill would require a second vote in the House and Senate before reaching the president's desk.

**Write to** Henry J. Pulizzi at [henry.pulizzi@dowjones.com](mailto:henry.pulizzi@dowjones.com), Greg Hitt at [greg.hitt@wsj.com](mailto:greg.hitt@wsj.com) and Elizabeth Williamson at [elizabeth.williamson@wsj.com](mailto:elizabeth.williamson@wsj.com)

Copyright 2008 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com)