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2006

PRESS GAGGLE
BY
SCOTT McCLELLAN

James S. Brady Briefing Room

9:34 A.M. EDT

MR. McCLELLAN: Good morning, everybody. Let me get started, because the President has got his remarks here shortly. This morning the President called President Mubarak. The President called to extend our condolences over the loss of life following the bombings that took place in Egypt. There were a number of Egyptians that were killed, as you all are aware. The President expressed that the victims and families are in our thoughts and prayers. The President reiterated that we stand with Egypt in the fight against terrorism. President Mubarak indicated that Egypt would pursue those responsible and bring them to justice. And I think as you all know, our embassy yesterday offered to assist in any way possible.

Here shortly, the President will -- then the President had his usual intelligence briefing. Here shortly he'll be going to the Renewable Fuels Association. They are hosting a day-long energy summit, and I previewed a little bit of the speech last night. I will skip over that, and come back to it if you have any questions on it. I think you all have the letter that has been released from the Federal Trade Commission and the Department of Justice to the state attorney generals. We released that a short time ago.

Then at 11:30 a.m. the President is going to be participating in a meeting in the Roosevelt Room with a bipartisan group of senators. It will include the Senate leadership, the chairman and ranking members of a number of committees and some members of the Armed Services Committee. I expect General Casey and at this point it's scheduled to be the Deputy Chief of Mission in Iraq will be on via videoconference. And this will be an opportunity to update them on Iraq and the announcement from the government there on the seven leaders that were selected last week.

And then at 2:00 p.m., or 2:05 p.m., the President looks forward to participating in the Rose Garden and the presentation of the Commander-in-Chief's Trophy to the Naval Academy. And then at 3:25 p.m. the President is scheduled to meet with a bipartisan group of senators on immigration reform. This will be in the Cabinet room and it will be pool at the end. The President will continue to urge the senators to press ahead with comprehensive reform. And the President looks forward to visiting with them and hearing their thoughts, as well.

I am briefing at 1:00 p.m. today, State is at 12:30 p.m. On Ask the White House we have Secretary Bodman, and that will be at 4:30 p.m. today.

Q Scott, after the hurricanes last year, the federal government was also probing whether or not there was price gouging, and gas prices went down for a while, people felt better. Now they're back up. Why should the American people feel confident now that ordering up another investigation is going to have --

MR. McCLELLAN: Well, first of all, you bring up a very good point. And it's not just now that we're seeing rising gas prices -- this has been a recurring problem because we are

dependent on foreign sources of energy. We are addicted to oil, as the President has said. And he'll talk a little bit about that in his remarks, and he'll talk about why gas prices are high right now. I highlighted a little bit of that last night. We have a strong and growing economy. But our addiction to oil and dependence on foreign sources of oil is a serious concern.

High gas prices are a strain on families trying to make ends meet. High gas prices are a strain on small businesses and a strain on farmers who are trying to get product to market. And the President will talk about that in his remarks.

So there's the long-term solution that we need to address, and that means eliminating the cause of high gas prices. And the President has outlined a bold initiative to do so -- the Advanced Energy Initiative -- that will transform the way we power our cars and our trucks. There are also steps we can take in the short run to help address high gas prices.

And part of what the President will focus on in his four-point plan is making sure that consumers and taxpayers are treated fairly. And that's where he'll talk about how the Federal Trade Commission is investigating whether the price of gasoline has been unfairly manipulated in any way since the hurricanes of last year. He's also directing the FTC and Department of Justice, with assistance from the Department of Energy, to conduct inquiries into cheating or illegal manipulation. And then you have the letter that was sent out by the FTC and the Attorney General.

So we've been in close contact with congressional leaders on this. We need to take steps in the short run to help address high gas prices while working in the long run to eliminate the cause of high gas prices.

Q Are you getting even anecdotal evidence that even suggests that there's gouging?

MR. McCLELLAN: Well, I'll leave it to the Department of Energy. I think they've talked about it. And keep in mind, and Ed touched on, I think maybe a couple -- remember there was a spike in gas prices last summer. And there was action being taken at that point to make sure that there wasn't price gouging. The President has made it very clear we will not tolerate price gouging. Then you had the hurricanes and you had legislation passed -- I think in the appropriations bill

the President signed into law -- and it laid out that the FTC would look into this, as well, in the aftermath of the hurricanes.

And now you have another increase in gas prices that is occurring. And so when you have those increases in gas prices, you want to make sure that there is no price gouging. And I think the Department of Energy put out a release last week. They talked about the website consumers can go to to report incidents, and then also the letter is going out today to say to state attorney generals, we take this seriously; we have ways to assist you, and we will fully enforce the law.

Go ahead, John.

Q Thank you, Scott. With all of the talk about addiction to oil and alternative sources of energy, is it safe to say that ANWR is dead in terms of the next Congress?

MR. McCLELLAN: As a matter of fact, one of the areas the President will talk about is the importance of boosting production at home. And he will talk about the importance of passing the ANWR provision.

Remember, this was passed several years ago, and the President's predecessor vetoed it. So think about how many additional barrels of oil we might have today if it had passed at that point. But the President will urge Congress to move forward and get it passed. We need to do -- we need to act on a number of fronts in the short run to help address high gas prices, and that's one of them.

Q Now, one other thing, would the President actually consider going to Alaska to highlight his support for ANWR?

MR. McCLELLAN: Well, if there's any updates on his schedule, we'll keep you posted on it. Would anybody else want to go to Alaska this spring or summer? (Laughter.)

Q It's lovely up there now.

MR. McCLELLAN: I might come back and join you if we do. (Laughter.)

Go ahead.

Q Scott, if the President has been in close contact

with members of Congress, why do the Republican leaders feel they need to send him a letter, urge him to act?

MR. McCLELLAN: Well, I think we're all on the same page when it comes to making sure that there is no price gouging. These are issues we've been in discussions with them about. And so I think they wanted to send the letter and spell out what they're talking about, as well.

Q He's already doing that, you said.

MR. McCLELLAN: Well, we're sending the letter today. And so I think that's come out of the some of the discussions that we've had with congressional leaders.

Go ahead, Peter.

Q What's the latest thinking on opening the petroleum reserves?

MR. McCLELLAN: Actually, he's going to talk about that in his remarks, so I think you should pay attention to what he says there. But that's another area where we can take some steps.

Q What's he going to say?

MR. McCLELLAN: I'll leave it to his remarks. You're going to have it in about, what, 30 or 40 minutes.

Q Scott, what about relaxing some of the environmental rules to --

MR. McCLELLAN: Pay attention to what he's about to say. I think you'll be interested today. As I said, I highlighted a few areas last night, but I said there are other steps that we're taking in the short run, as well. And we need to act on making sure consumers and taxpayers are treated fairly. We need to promote greater fuel efficiency. And we need to boost our oil and gasoline supplies at home, and the President will talk about each of those areas in his remarks as part of the four-point plan.

Q So is he changing the policy on the petroleum reserve here?

MR. McCLELLAN: Just listen to his remarks. I think it's

fully consistent with what we've always said.

Q Scott, there's also calls in Congress to tax windfall profits on oil companies, as well as possibly lowering the federal gas tax. What is the administration's --

MR. McCLELLAN: Well, it's interesting. Again, you might want to listen to his remarks, because when he's talking about making sure that taxpayers and consumers are treated fairly in his remarks, he is going to be calling for ending some of the taxpayer funding incentives that were passed in the Energy Act.

The President does not believe when the price of oil is at record levels that oil companies need those taxpayer-funded incentives. And he'll talk about that in his remarks and expand on it a little bit there. But there's been an old approach that hasn't worked, based on raising taxes and capping prices. And, in fact, that has been harmful to consumers, I think, and it has not worked in the past, if you go back and look at history.

Go ahead.

Q On the weekend, did President Bush have a conversation with Prime Minister Harper? And did he, in that conversation, offer a compromise offer on softwood lumber?

MR. McCLELLAN: He did have a conversation with Prime Minister Harper. They had a good conversation. They talked about a few issues. And one of the reasons the President called was also to express condolences over the loss of the Canadian soldiers in Afghanistan that had just happened over the last few days. And they did -- I think I read out the call over the weekend. They reiterated their commitment to resolving the softwood lumber issue. I don't have any additional update beyond that at this point. We've remained in discussion with the Canadians. The President would like to see it resolved. And --

Q Would the use of the word, "offer" be going too far?

MR. McCLELLAN: I will leave it to what I just said. I'm not going to go further than what I just said.

Q Could you go a little further at 1:00 p.m.?

MR. McCLELLAN: No. (Laughter.) You can try.

Q I will try.

Q When was that call?

MR. McCLELLAN: I read it out. It was Saturday? Yes, Saturday. Saturday morning, I guess, California time.

Q Any timetable on personnel announcements -- your replacement, for example? Any other --

MR. McCLELLAN: I'm doing my part to push it along. (Laughter.) No, there's no update. And I don't expect any White House announcements on positions you may be interested in today.

Q Do you have a final day set yet? I know you said about two or three weeks.

MR. McCLELLAN: Well, it's dependent on getting the new person in place, getting my successor in place. And I want to make sure that that person is in place and ready to go, and do my part to help with the transition.

Q You haven't selected him?

Q What are you doing to push it along? (Laughter.)

MR. McCLELLAN: Go ahead.

Q Scott, there's two full-page ads in The Post today, one, I believe, by an oil industry group, one by a specific oil company, in which the general sense is, big profits for them are good for the country. Does the President subscribe to that theory?

MR. McCLELLAN: I think I just pointed out what the President's views are, and he's going to talk about this in his remarks, and about the responsibility that oil companies have to reinvest in alternative sources of energy and domestic production and reinvest those profits that they're making into new technologies. And so the President will express his views in that. All of us have a responsibility, particularly when the price of oil and the price of gas is where it is today.

Q Scott, has the President been briefed on this CIA -- new CIA leak case involving this woman who was fired late last

week? Is the President --

MR. McCLELLAN: I don't have any update on that. I don't know -- let me see if there's anything else to add to that.

All right. Thank you all. See you all this afternoon.

END

9:46 A.M. EDT