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The Hotline

June 15, 2009

**LENGTH:** 5589 words**HEADLINE:** Once Upon A Primetime**BODY:**

Pres. **Obama's** health care push will continue 6/24 with a primetime event at the WH.

ABC's **Charlie Gibson** and **Diane Sawyer** are set to moderate "a nationally televised event called 'Questions for the President: Prescription for America.'" Obama will answer questions offered by audience members "selected by [ABC News](#) → who have divergent opinions" in the debate, as well as some submitted via ABCNews.com, according to the release.

The special edition of "Primetime" will air 6/24 at 10 pm ET. "GMA," "World News," "Nightline," and ABCNews.com's "Top Line" will all feature "special programming" on Obama's health care agenda. Sawyer will also "have an exclusive interview" with Obama airing 6/24 on "GMA" (**Klein**, "The Note," ABCNews.com, 6/15).

I Was Feelin' So Bad, I Asked My Family Doctor Just What I Had

Meanwhile, in Chicago today, Obama "will try to convince the nation's largest group of doctors" that his plan to overhaul health care "will lead to more efficient care and enhance the country's fiscal health."

In a speech to the AMA, Obama "will endorse the creation of" a gov't-sponsored insurance plan "operating alongside private coverage while maintaining existing relationships between doctors and patients," according to an admin. official (**Johnston**, Bloomberg, 6/15). Obama, in his prepared remarks: "To say it as plainly as I can, health care reform is the single most important thing we can do for America's long-term fiscal health. That is a fact."

Obama: "There is a fear of change -- a worry that we may lose what works about our health care system while trying to fix what doesn't. I understand that fear. I understand that cynicism. They are scars left over from past efforts at reform. ... So let me begin by saying this: I know that there are millions of Americans who are content with their health care coverage -- they like their plan and they value their relationship with their doctor. And that means that no matter how we reform health care, we will keep this promise: If you like your doctor, you will be able to keep your doctor. Period."

Addressing many drs.' opposition to a public plan, Obama planned to say: "Now, I know there's some concern about a public option. In particular, I understand that you are concerned that today's Medicare rates will be applied broadly in a way that means our cost savings are coming off your backs. These are legitimate concerns, but ones, I believe, that can be overcome. As I stated earlier, the reforms we propose are to reward best practices, focus on patient care, not the current piece-work reimbursement. What we seek is more stability and a health care system on a sound financial footing. And these reforms need to take place regardless of what happens with a public option."

Toward the end of his address, Obama planned to say: "This is personal for me. I will never forget watching my own mother, as she fought cancer in her final days, worrying about whether her insurer would claim her illness was a preexisting condition so it could get out of providing coverage. Changing the current approach to preexisting conditions is the least we can do -- for my mother and every other mother, father, son, and daughter, who has suffered under this practice. And it will put health care within reach for millions of Americans" (release, 6/15).

The nation's drs., like "many other groups, are divided over" Obama's proposals to reshape the health care system. But Obama's turn before the 250K-physician group is "his latest effort to persuade skeptics that his goal to provide health care to all Americans is worth" the \$1T price tag "it is expected to run during its first decade" (**Babington**, AP, 6/15).

Ex-AMA pres./Dr. **Donald Palmisano** said 6/14 "that most of the scuttlebutt surrounding" today's conference "is full of vagueness and skepticism." Palmisano "said most of the doctors are looking for specifics, but they are wary of Obama's talk of a public insurance plan." Palmisano: "Our policy is clear: We're opposed to government involvement in medicine." What the AMA

wants to hear today, Palmisano said, are some specifics. Palmisano: "If he says again: 'We want to level the playing field,' everybody's going to say: 'So what does that mean?'" (**Youngman**, TheHill.com, 6/14).

(For more on the health care debate, see today's HEALTH CARE story).

Doubting Joseph

The "confused aftermath" of Iran's presidential election is "complicating" the Obama admin.'s "planned outreach," and "underscoring the challenges facing" Obama's "new approach to the Middle East based on shared values and common interests."

The admin. "has remained as quiet as possible during the Iranian election season and in the days of street protests" since the 6/12 vote. Incumbent Mahmoud Ahmadinejad "has been declared the winner over his more reform-minded opponent, Mir Hossein Mousavi, by a margin that opposition supporters have found impossible to believe" (**Wilson**, **Washington Post**, 6/15).

VP **Biden** "cast doubt" 6/14 on the legitimacy of Ahmadinejad's re-election, but "reaffirmed" the admin.'s "intent to try to engage" the Iranian gov't (**Schmitt**, **New York Times**, 6/15). Biden, on the election: "We don't have all the details. It sure looks like the way they're suppressing speech, the way they're suppressing crowds, the way in which people are being treated that there's some real doubt about that. I don't think we're in a position to say."

NBC's Gregory: "What specifically is the administration doing to find out what you need to find out?"

Biden: "We're doing what every other country is doing. We're doing everything we can in our power with folks that are on the ground, with the press that's left. I know it's being kicked out. ... 70 percent of the vote comes out of the city. That's not Ahmadinejad's strong place. The idea he could get, you know, 68 or whatever percent of the vote and in a circumstance like that seems unlikely."

Gregory: "He says it's free and fair. You sound like you have doubts."

Biden: "I have doubts, but we're going to withhold comment until we have a, you know, a thorough review of the whole process and how they react in the aftermath."

Gregory: "You don't want to recognize him as the president of Iran at this stage."

Biden: "Look, that's what they're announcing. We have to accept that for the time being. ... Let's assume he won the election fair and square, he still has some problems at home."

Gregory: "If Ahmadinejad remains in power, this administration has said it's willing to engage with Iran. How do you go about doing that?"

Biden: "Look, talks with Iran are not a reward for good behavior. They're only a consequence if the president makes the judgment it's in the best interest of the United States of America, our national security interests, to talk with the Iranian regime. Our interests are the same before the election as after the election, and that is we want them to cease and desist from seeking a nuclear weapon and having one in its possession, and secondly to stop supporting terror."

Gregory: "Is this president going to be the one who allows Iran to go nuclear, or is he the president who stopped it?"

Biden: "He's going to be the president that stopped it, God willing. We are not going to allow Iran to go nuclear any more than the rest of the world is going to allow it to go nuclear" (NBC, 6/14).

The admin.'s "cautious response illustrates the balance" that it is seeking "between condemning what increasingly appears to be a fraudulent election and the likelihood that it will be dealing with Ahmadinejad after the dust settles" (**Washington Post**, 6/15). Still, the election "delivered a stinging setback" to the admin.'s "hopes of cultivating a better relationship" with Iran. It was "clearly a disappointment" for the admin., "coming one day after" Obama "hailed the public debate in Iran as a sign that its people were open to 'new possibilities'" (**Richter**, **Los Angeles Times**, 6/14).

The WH "declined to elaborate on how it will proceed" (**Bellantoni/Lake**, **Washington Times**, 6/15).

Ball Of Confusion, That's What The World Is Today

Among those who weighed in on the vote's effect on Obama:

Sen. Susan Collins (R-ME), asked if Obama can have a dialogue with a gov't if he believes there have been voting irregularities: "It certainly makes such a dialogue much more difficult. But, frankly, I have always been skeptical about the success of any kind of dialogue with the hard-line leaders of Iran. We should certainly give diplomacy a chance. But I am skeptical that it will be successful" ("State of the Union," CNN, 6/14).

Rep. Mike Pence (R-IN): "First and foremost, we need to take a half-step back from this administration's olive branch and apology approach to enemies and countries that have been hostile to the United States of America and our allies, particularly with regard to Iran. ... I'm hoping ... the president of the United States will speak a word of support for Mr. Mousavi and for the dissidents and the reformers within Iran" ("State of the Union," CNN, 6/14).

Sen. John McCain (R-AZ): "It's really a sham that [the Iranian government] has pulled off, and I hope that we will act. By the

way, Senator **Lieberman** has a proposal that we put sanctions on countries that sell gas to Iran. Maybe we ought to think about passing that legislation." McCain, on the Obama admin. possibly continuing talks with Iran despite accusations of fraud: "I think they should be condemned and it's obvious that this was a rigged election. [It's] depriving the people of their democratic rights, if we are for human rights all over the world" ("Fox & Friends," FNC, 6/15).

Ex-MA Gov. Mitt Romney (R), on the admin.'s response: "The comments by the president last week that there was a robust debate going on in Iran was obviously entirely wrong-headed. What has occurred is that the election is a fraud, the results are inaccurate, and you're seeing a brutal repression of the people as they protest. The president ought to come out and state exactly those words, indicate that this has been a terribly managed decision by the autocratic regime in Iran. It's very clear that the president's policies of going around the world and apologizing for America aren't working" ("This Week," ABC, 6/14).

**Wall Street Journal** editorializes, the vote "should prompt" Obama "to rethink his pursuit of a grand nuclear bargain with Iran, though early indications suggest he plans to try anyway." Obama "has the opportunity to lend the protestors the considerable weight of U.S. moral support, just as he has the opportunity to show the regime there are consequences for stealing elections. One such consequence would be for" Obama "to remove his opposition to various bills in Congress," sponsored by Lieberman and others, "that sanction companies that sell gasoline to Iran" (6/15).

**Time's Calabresi** writes, "in addition to his power over domestic and economic policy," the Iranian pres. "is the face for the country abroad. And in that respect, a victory by Mir-Hossein Mousavi would have presented a worst-case scenario for Western efforts to curtail Iran's nuclear program," senior admin. officials said 6/14. "He would have presented a softer, less confrontational face to the outside world." By contrast, Ahmadinejad's win "may increase" DC's "chances of getting tougher sanctions on Iran if they refuse to negotiate, the officials said" (Time.com, 6/15).

NPR's Williams: "I don't see that there's much hope now in terms of these negotiations going forward because President Obama would look weaker. It would look as if he was giving in to this man who's not even legitimately elected."

Weekly Standard's Kristol: "This is the moment for President Obama to step up. He does have some credibility, presumably, with people in Iran. He should support the democrats. He should support the demonstrators. He should say that stealing elections is unacceptable, killing demonstrators in the streets of Tehran is unacceptable. He could work with the Europeans to say, 'Let's bring in international observers to review whether this was a fair election. If it wasn't, let's think about having another election'" ("Fox News Sunday," 6/14).

Ex-UnderSec/State Nicholas Burns, on how the U.S. should respond: "We're going to have to decide, what do we do now? Do we continue -- the United States, Britain, France, the other countries -- with the prospect of negotiations on the nuclear issue and other issues? I would say, yes, you have to do that. But it makes it more difficult, because Ahmadinejad is such an inflexible character and someone who has not shown any degree of willingness to meet the United States halfway. ... There's great disappointment in the United States and all over the world to see Ahmadinejad returned after four very difficult years" ("GPS," CNN, 6/14).

Just Takes Two States, Baby

The WH "is welcoming" Israeli PM **Benjamin Netanyahu's** "call for the creation of a Palestinian state."

Netanyahu "said in Jerusalem that he would support a Palestinian state as long it is demilitarized and guarantees Israel's security." WH press sec. **Robert Gibbs** said in a 6/14 statement that Obama welcomes the speech and is committed to two states. Gibbs said Obama will work with all parties to see that they fulfill their obligations and head toward regional peace (AP, 6/15).

Netanyahu discussed his 6/14 speech during his appearance on "Today" this a.m.

NBC's Curry: "For the first time you endorsed a two-state solution even though you're under tremendous pressure from within your own government not to do so. How much did president Obama influence your decision?"

Netanyahu: "Well, I share the president's view to try to start a new beginning here in the Middle East. I called on all of the Arab leaders to meet with me. ... I said that to the president when I met him in Washington. We have a common vision of peace."

More Netanyahu: "My vision has the Palestinians and Israelis living side by side as free peoples ... and allowing our children to have a real life. I suggested also a variety of economic and other projects that we could launch together to make life better for us. By the way, strengthen the moderates and push back radicals. ... About settlements, I think that I made it also clear that I would not build new settlements and that I would not extrapolate land for additional ... settlements. ... I think that President Obama and I are trying to reach a common understanding of this and I hope ... we'll find such common ground" (NBC, 6/15).

Among the reaction to Netanyahu's speech:

Israeli Amb. to U.S. Michael Oren: "It's a very significant step forward. It's a step where Israel now has expressed its willingness to live side by side in peace with a Palestinian state" ("Early Show," CBS, 6/15).

New York Times' Friedman: "He moved from a far, far right position, to a far right position. So, the good news is, he moved. The bad news is that, you know, it's still a position that has no overlap, I think, with the Palestinians today. But I think the administration will jump on this as an opening, as it should" ("GMA," ABC, 6/15).

Until The 2012th Of Never, And That's A Long Long Time

Biden was also asked about a range of other topics during his "Meet the Press" interview.

Gregory, on the situation with North Korea: "New sanctions in place, the ability for the international community to interdict vessels coming from North Korea and look for nuclear materials. The North has said this is a provocative step, has said it would be an act of war. What now?"

Biden: "We're going to enforce the U.N. resolution. The U.N. resolution is probably the most unifying thing that's been done. ... This is a matter of us now keeping the pressure on. ... Even if they say an act of war. They say a lot of things. This is a fellow and this is a regime that says an awful lot of things. And the truth of the matter is that it is a destabilizing force in the region. There is a coalescing of that conclusion on the part of the Chinese, the Russians, Japanese, South Koreans, Americans like never before."

Biden, asked if Obama is trying to distance himself from Israel in order to assuage the Arabs: "Absolutely not."

Gregory: "If that's the case, then, why is this administration only making unconditional demands over settlements on Israel and on no other parties?"

Biden: "We are making demands. ... The president of the United States, in his speech to the Islamic world and the Islamic communities, stood there and said ... we are unconditionally tied to Israel. Israel's security is our security was in essence of what he said. So he made it clear we're not distancing ourselves from Israel."

More Biden: "What we say is that, look, what happened was all the parties signed onto a thing called the road map. It was the thing that everybody said that would bring, result in a two-state solution. The Israeli government signed onto that, the Palestinian Authority signed onto that, the Arab states blessed that. ... So we are moving all the parties as best we can toward keeping their part of the bargain."

Gregory: "What unconditional demand has this president made on the Arabs?"

Biden: "The unconditional demands we're making on the Palestinians that they have to provide security for Israel. They have to stop this baiting of their populations. They have to stop incitement. We've made it clear to the, to the Arab states, they have to do something more than just talk about normalizing relation with Israel."

Biden, on his working relationship with Obama: "There's not a single major decision he's made I have not been able to get him alone or with one or two other people. ... There's not a decision made he hasn't asked me my view. Whether I am the absolute last person, I can't guarantee that. But I know that I am one of the last people that gets an opportunity to make the case to him."

More Biden: "If he's abroad and I'm here or vice versa, he picks up the phones and he calls. I think he values my opinion. He doesn't have to accept my opinion, but he's kept his end of the bargain. This has been a much better job than I ever anticipated. Look, the biggest deal is I use to sit there and react to Supreme Court nominees. I actually got to be in a position to help choose who the nominee would be. ... It's reactive vs. being proactive. And I like the proactive part."

Biden, on the GOP: "I think the Republican Party will come out of this. I think they'll come back, they'll be strong again. The pendulum swings."

Biden, asked if he sees GOPers really challenging this admin.: "They are challenging us now. ... The good thing about our system is we need two strong political parties. ... And they'll be strong again" (NBC, 6/14).

Biden also "suggested" 6/14 that "he still has his sights set on the nation's top job" (**Blake**, "The Briefing Room," TheHill.com, 6/14). Biden, asked if he wants to be POTUS: "No, no, no. Look, we, we have the order of this operation correct. We got the order correct. He's the president, I'm the vice president."

Gregory: "But you don't want to become president? You won't run?"

Biden: "Well, I didn't say that. ... What I said was I think he's going to be a great president and I think he's off to a great start, and I'm glad to be a part of the team."

Gregory: "But you won't rule it out that you'll think about being president?"

Biden: "No, I won't. I won't rule that out. No" ("Meet the Press," NBC, 6/14).

(For more from Biden's interview, see today's ECONOMY story).

#### Fill My Eyes With That Double Supervision

Obama is expected 6/17 "to propose the most sweeping reorganization of financial-market supervision since" the '30s, "a revamp that would touch almost every corner of banking."

At the center of the plan, which admin. officials are referring to as a "white paper," is a move to "remake" powers of the Fed to oversee the biggest financial players, give the gov't the power to "unwind and break up systemically important companies -- much like" the FDIC does with failed banks -- "and create a new regulator for consumer-oriented financial products, according to

people involved in the process."

The plan "stops short of the complete consolidation of power that some lawmakers have advocated. For example, it will allow several agencies to continue supervising banks. It also won't place specific limits on the size or scope of financial institutions, but it will make it much harder for large companies to be so overleveraged that they threaten the broader economy."

After Obama details his proposal, "the process will quickly move to Capitol Hill, where Congress would have to pass legislation to enact the changes." Treas. Sec. **Tim Geithner** "is scheduled to appear" before both Senate and House cmtes on 6/18, where he is "likely to face questions and criticisms." Lawmakers "are expected to take issue with several of the plan's more thorny issues, including how to create a system that won't simply bail out large financial companies when they topple." Giving the Fed more clout "will also be a controversial idea" (**Paletta, Wall Street Journal**, 6/15).

#### The Summit Of All Fears

A WH official on 6/12 said an immigration "summit" scheduled for 6/17 "will be postponed until the following week, although officials have yet to reveal a date." This is "the second time this spring the immigration meeting has been postponed."

The session, which is expected to feature members of Congress discussing the issue with Obama, "was delayed again because of scheduling conflicts, the official said" (**Koffler/Bendery**, RollCall.com, 6/12).

Meanwhile, **Walter Shapiro** writes on "Politics Daily," immigration reform before the '10 elections "may prove a bridge too far even for the ambitious" Obama admin. "Ultimately, the question is -- and no one on the sidelines is certain of the answer -- how much does" Obama "care about immigration reform? For without aggressive presidential leadership," the cong. votes "are probably not there to reform an immigration system that no one (left, right or center) believes is working" (6/12).

#### Tax On, Tax Off

After enjoying months of "towering poll numbers," the WH "has become increasingly concerned" that Obama's "spending plans," which would require \$9T in gov't borrowing over the next decade, "could become a political liability that defines" the '10 midterm elections.

The "concern was reflected in the aggressive response" from admin. officials "to criticism that money from Obama's stimulus plan is arriving too slowly to help the languishing economy, as well as in" Obama's public endorsement of "pay as you go" legislation. And "there is evidence of growing public concern over his fiscal policies." As he traveled in WI on 6/11, Obama "was greeted by demonstrators holding signs that said, 'No socialism' and 'Taxed Enough Yet?'"

GOP leaders "are training their attacks" on Obama's economic policies as they look ahead to the '10 midterm elections. "But even some leaders in" Obama's "own party are calling on" him "to soon begin making those difficult choices, despite a fragile economy that remains in recession." Sen. **Kent Conrad** (D-ND): "People know we have an overall situation here that doesn't add up" (**Wilson, Washington Post**, 6/14).

Among those to weigh in today on Obama's spending plans:

**Detroit News** editorializes, Obama "promised to cut waste but so far has come up with just" \$17B in savings, "or a half-percent of the budget." Pay-go also doesn't cover the 40% of the budget "that is discretionary spending. A pay-go mandate for a health insurance bill will guarantee a tax hike. This entitlement will be so expensive it will require a broad tax hike that will touch every taxpayer. And it should" (6/15).

**Washington Times' Lambrow** writes, "nearly five months into" Obama's presidency, "his stimulus program is failing to produce the jobs he promised. And voters are souring on his big-spending, deficit-driving policies" (6/15).

**Cato Institute** tax policy dir. **Chris Edwards** writes in the **New York Post**, Obama and his cong. allies "are gearing up to wallop families and businesses with an array of new taxes to fund a host of spending plans. These won't just hit hard at average families -- they threaten to derail any economic recovery" (6/15).

#### In And Outrage

The Obama admin. "is facing the ire of gay rights groups after it filed a brief" in CA federal court defending the Defense of Marriage Act (DOMA) and calling it a "valid exercise of Congress' power" that is saving taxpayers money.

Two married CA men, **Arthur Smelt** and **Christopher Hammer**, sued the federal gov't to overturn DOMA. They claim that it violates their constitutionally-protected rights to travel, their rights to free speech, and their due process rights. The DoJ's brief "doesn't address the morality of same-sex marriage. Instead, it makes the narrower legal argument that DOMA 'merely permits each state to follow its own policy with respect to marriage' and the law 'does not restrict any rights that have been recognized as fundamental.'" It also "says that it saves money by not paying out marriage benefits under federal law, a move that 'preserves scarce government resources.'"

Human Rights Campaign, Lambda Legal, the ACLU and other groups said in a joint 6/12 statement: "We are very surprised and deeply disappointed in the manner in which the Obama administration has defended the so-called Defense of Marriage Act. ... The administration is using many of the same flawed legal arguments that the Bush administration used" (**McCullagh**, "Political Hotsheet," CBSNews.com, 6/12).

### Help Is On The Way

Obama on 6/18 will raise funds for the DSCC and DCCC in DC, Gibbs said 6/12. The effort is part of Obama's "increasing attention to fundraising" for Dem candidates -- "which is sure to accelerate" as the '10 elections approach (**Koffler**, RollCall.com, 6/12).

### Don't Drink The Water, There's Blood In The Water

In a new interview with the **New Yorker**, CIA Dir. **Leon Panetta**, responded to **Dick Cheney's** recent AEI speech about terrorism "with surprising candor."

Panetta, on Cheney: "I think he smells some blood in the water on the national-security issue. ... It's almost, a little bit, gallows politics. When you read behind it, it's almost as if he's wishing that this country would be attacked again, in order to make his point. I think that's dangerous politics" (**Mayer, New Yorker**, 6/22 issue).

Among the response to Panetta's comments:

McCain: "Leon Panetta knows Dick Cheney, and he knows better. ... Never did it cross my mind that Dick Cheney would want an attack on the United States of America. And it's unfair, and I think that Mr. Panetta should retract and retract immediately. By the way, I hear that morale is not at an all-time high over at the CIA under Mr. Panetta's leadership" ("Fox & Friends," FNC, 6/15).

MSNBC's Scarborough, on Panetta saying Cheney seems to want another attack on the U.S.: "Let somebody else say that. You just keep your head down and keep America safe."

MSNBC's Brezezinski, in response: "It's reverse fear tactics" ("Morning Joe," 6/15).

### Bang The Fort Drum Slowly

Army Sec.-designate/Rep. John McHugh (R-NY) "requested" that "more than" \$40M "in 'earmarks' be inserted" into a FY '10 defense approps bill, including "more than" \$6M "benefiting" Fort Drum Army Base. A spokesperson "said McHugh won't be involved in any contracting decisions" as Army sec. if confirmed, and "that he never let campaign contributions affect his decisions" as a rep. McHugh spokesperson Stephanie Valle: "The Army procurement process is appropriately made independently, and those firms receiving contracts are chosen outside of the direct authority of the secretary of the Army. If confirmed as secretary, Congressman McHugh would exercise no role in that process."

McHugh also "requested" \$2M for Rockwell Collins Inc., an IA-based defense contractor with a facility in upstate NY. "Until earlier this year, the company was a client of the troubled PMA Group lobbying firm, which closed recently after reports that the FBI had raided the firm amid an investigation into suspected campaign-finance violations."

According to data from the Center for Responsive Politics, PMA's PAC, its employees and its clients gave \$160,250 to McHugh's cong. bids "over the years, ranking him in the top 15 percent of recipients in Congress of PMA funds." While some lawmakers "have begun getting rid of PMA donations," McHugh "has no immediate plans to do so, according to his office." Valle "said an outside accountant reviewed the donations 'and, to the best of our knowledge, the contributions were fully legal.'" Valle: "The money has been sequestered, and if circumstances change, the congressman fully intends to dispose of the money in an appropriate manner."

McHugh's office and Rockwell Collins "say PMA played no role" in securing the McHugh's help on the Rockwell Collins earmark request. "Nonetheless," McHugh's office "has reviewed all of the PMA-related donations and is prepared to answer questions about them if they are raised during confirmation hearings." Valle: "The congressman has never let a contribution influence any vote or action as an elected official, and he stands ready to respond to any questions the Senate may put before him" (McElhatton, Washington Times, 6/15).

### Don't Playa-Hate, Retaliate

AmeriCorps inspector gen. **Gerald Walpin**, who was "fired" by Obama, "says he was given no warning and only one hour to decide whether to resign or be let go, hinting the action was retaliation for a report highly critical" of Obama supporter/Sacramento Mayor **Kevin Johnson** (D).

Walpin said the telephone call he received 6/11 p.m. from WH counsel **Norman Eisen** informing him he was ousted "occurred totally out of the blue." Walpin said he and his staff had always acted with the "highest integrity" during his two-and-a-half-year tenure. Walpin: "We performed very well the responsibility of the independent overseer of the agency, and reported things as we saw it."

The WH hasn't said specifically why it fired Walpin, other than to say that Obama has lost confidence in him (**Lengell, Washington Times**, 6/13).

### Good, Good, Good, Good Vibrations

**Foreign Policy's Ricks** writes, "I am picking up the vibe that some powerful people want to have" Defense Sec. **Robert Gates** "replace" NSA **James Jones**. However, DoD spokesperson **Geoff Morrell** said: "It's utterly and completely absurd. ... There is not a grain of truth to it."

Ricks continues: "It always makes me wonder when spokespeople speak with absolute certitude" ("The Best Defense," 6/11).

Go East, Young Man. No, Farther East.

U.S. Amb. to China-designate/UT Gov. Jon Huntsman (R) "opened" the 25th annual meeting of the Western Govs. Assn on 6/14, but "almost immediately bowed out of the host's role so he can return" to DC "in a couple of days and continue briefings for his Senate confirmation hearings" (Fahs, Salt Lake Tribune, 6/15).

MT Gov./DGA Chair Brian Schweitzer (D) was elected the new chair of the WGA, replacing Huntsman. Schweitzer, on Huntsman: "He's in a place of limbo. We are very proud of the decision he's taken. It's a great sacrifice."

GOP pollster Frank Luntz addressed the convo. Luntz "dismissed any suggestion" Obama chose Huntsman for the China post "to take him out" of the WH '12 race. Luntz: "It's not relevant. He's a better governor than the media gives him credit for and he's going to be a great ambassador because he understands the Chinese people" (Roche, Deseret News, 6/15). Huntsman's nod "has yet to be formally made by Obama ... apparently because the vetting process is still under way" (Roche, Deseret News, 6/13).

Embassy Sweets

McClatchy's Hotakainen notes, Obama's "contributors and friends" have been awarded amb. spots in Canada, France, Great Britain, Japan, South Africa, Ireland, the Bahamas, Denmark, Argentina and the Vatican. The Obama admin. "says that all of its appointees are qualified," but "critics say the jobs should go to career diplomats instead of party loyalists." American Academy of Diplomacy Pres. Ronald Neumann: "It is the last vestige of the spoils system. ... We made it illegal to do this for our civil service on the basis that merit was important. We don't do it for our military. And it is a little perplexing why we think that we should be able to sell ambassadorships. ... It's a little early to say whether the administration will or won't be different from others in its overall appointments and totals, but certainly it's not change yet" (6/14).

Touch Of Gray Lady

Where **George W. Bush's** team "made a show of not caring about" the **New York Times**, Obama aides "treat the paper with a deference that **James Reston** himself would have appreciated."

For "all its new media airs," the new WH team "remains in the thrall of perhaps the most emblematic old media institution of all." Senior Obama officials during the transition posed for **New York Times Magazine** portraits "and then opened the doors again with top-level access for another major magazine piece this month on health care." Midlevel officials cooperate for **New York Times** profiles "detailing their key behind-the-scenes roles." Even "routine news stories buried deep inside the A-section" of the **New York Times** "often quote high-level sources speaking both on and off the record."

One part of Obama's **New York Times** fixation "is strategy. For all the proliferation of news outlets, Obama aides believe the paper still has an outsize ability to shape perceptions among political elites and other journalists." But "part of the relationship is more complicated, according to some close observers, flowing from a cultural affinity that makes Obamaites crave the validation that comes from being written about by the **New York Times** (**Calderone, Politico**, 6/15).

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