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Mike Allen's PLAYBOOK

SHIRLEY SHERROD PUTS PRESIDENT OBAMA ON SPOT TO CALL -- INCLINED TO REFUSE JOB -- House Dems think they can keep losses at 20-30, short of 39 GOP needs -- B'days: Jahan, Cherlin, Sam Chiron

By: **MIKE ALLEN** on July 22, 2010 @ 7:48 AM

FLASH -- CAPE TOWN, South Africa (AP) - Nobel peace laureate Desmond Tutu says he is retiring from public life later this year.

PELOSI INTERVIEW -- Bloomberg's James Rowley and Patrick O'Connor: "Nancy Pelosi keeps a watchful eye on her cubs. She marks milestones in their personal lives and pays close attention to the politics back home. She can be fiercely protective and stern in her demands. 'Think lioness,' she said. That combination of personal touch and hands-on management has made Pelosi, a California Democrat and the first female speaker of the U.S. House of Representatives, the chamber's most powerful leader since Sam Rayburn died in 1961."

BULLETIN -- George Stephanopoulos: "[O]n 'GMA,' Shirley Sherrod says that she's not ready to accept Agriculture Secretary Tom Vilsack's job offer. She wants to hear more from the Secretary and his boss -- President Obama. 'I can't say that the President is fully behind me,' Sherrod told me. 'I would hope that he is...I would love to talk to him.'" <http://bit.ly/9sdq80>

--Sherrod, to Meredith Vieira, in-studio on "Today": "I really would not like want the president to apologize to me. I would love to have a CONVERSATION with him. ... I'd like to talk to him a little ... bit about the experiences of people like me -- people at the grassroots level, people who live out there in rural America, people who live in the South.

I know he does not have that kind of experience. Let me help him a little bit with how we think, how we live, and the things that are happening."

--Sherrod goes after Breitbart: "I didn't know of him before this. But the things he's doing, ... they've been done more to divide us, so we CAN'T move on. ... He knew his actions would take Shirley Sherrod down -- he didn't mind doing that. ... He's never offered to apologize for what's he's done. ... It would be HARD for me to forgive him at this point."

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--TICK-TOCK -- Sherrod still asserts Ag invoked White House when firing her: "I stand by that. ... The FIRST call I received said, 'We're putting you on administrative leave.' I had to explain to my leadership staff, because we were quite a ways from the office, in a meeting. ... I told them, 'I have to leave and turn this government car in and get my car and go home.' ... The next call was, 'Shirley, we're going to have to ask you to resign.' And then, 'THE WHITE HOUSE wants you to resign.'"

--Sherrod tells Meredith she's inclined to say "NO" to the offer: "I would not want to be that individual that the [Agriculture] Department and everyone is looking to to solve the issue of racism in USDA. ... They talked about the Office of Outreach, and dealing with discrimination within the agency. ... I haven't seen the offer: The Secretary said he would e-mail it to me -- I have not seen it yet. So before I say 'no' totally, I would like to look at that, to weigh it."

THE PRESIDENT, signing the DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT at the Ronald Reagan Building: "[T]hese reforms represent the strongest consumer financial protections in history. ... And these protections will be enforced by a new consumer watchdog with just one job: looking out for people -- not big banks, not lenders, not investment houses ... [T]he American people will never again be asked to foot the bill for Wall Street's mistakes. There will be no more tax-funded bailouts -- period. (Applause) ... Ultimately, there's no dividing line between Main Street and Wall Street. We rise or fall together as one nation."

ONE YEAR AGO TONIGHT: The President's last prime time, East Room presser -- 500 of the 8,600 words were about Skip Gates. **Transcript**<http://bit.ly/9977Uv>

A CUSS WORD IN A POLITICAL COMMERCIAL, "HIGH HEELS," for JANE NORTON, seeking the GOP nomination for Senate in Colorado against Ken Buck, who was caught on tape saying: "Why should you vote for me? Because I do not wear high heels ... I have cowboy boots. They have real bullsh**. That's Weld County bullsh**." Voiceover: "Now Ken Buck wants to go to Washington. He'd fit right in." A Republican operative e-mails: "This will go up statewide with a significant buy for the foreseeable future. This is very likely a game-changer because this primary is a mail-in ballot only, and the female electorate makes up a majority of voters in the Colorado Republican primary (held on August

10th)."

2011 AGENDA -- MARK HALPERIN, on TIME's "The Politics Page": "[L]ook up dead in the dictionary, you'll find 'Democratic legislative action on energy, immigration and entitlement reform in 2010.' But expect Barack Obama to dangle big deals in front of Republicans on all three in his State of the Union address early next year."

FALL AGENDA -- Financial Times p. 3, "Lawmakers focus on Fannie and Freddie reform": "Barney Frank

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... has said he plans to start tackling the issue in earnest when Congress returns from its August recess." Cato's Mark Calabria: "Fannie and Freddie is a loser issue for Democrats. ... They need to make the debate more about the overall future of our mortgage finance system."

DRIVING OBAMA'S DAY - At 11:25 a.m. in the State Dining Room, the President will deliver remarks and sign the Improper Payments Elimination and Recovery Act (IPERA). At the signing, the President will announce a new goal of reducing wasteful, improper payments by \$50 billion between now and 2012; the bill he will sign will help achieve this goal. 8-page White House "Backgrounder -- The Accountable Government Initiative: The Obama Administration's Effort to Cut Waste and Modernize Government" <http://politi.co/9dQx7d>

AFTER LAST NIGHT'S BEN SMITH POLICY DINNER at the bar of old Bobby Van's, two suit jackets were left on the stool backs. Which one was Madden's: "41 skinny," or "42 jacked"?

**** A message from Intel:** For decades, Intel has produced the world's most advanced microprocessors right here in America—and is continuing that legacy with U.S. capital investments of \$7 billion in '09 and '10. **

STATE VISIT: Matt Perman and James Kinnard.

BIRTHDAYS: Sam Chiron -- faithful Playbooker, staffer in Sam Farr's congressional office, and Fink roommate -- hits the quarter-century mark ... Alex Pappas ... Matt Bennett's step-brother-in-law Reid Cherlin is 2-9, and Matt's actual brother, Steven Bennett (VP and COO of Brookings). Steven and his wife Erin are going to New York for the weekend ... David Shuster ... AFL-CIO's Will Fischer.

BIRTHWEEK -- Keith Koffler, editor of www.whdossier.com ... Jahan Wilcox, 28, who didn't get a candle in his Wednesday Night Burger because he was celebrating in Reno "on assignment."

SMART TAKES ON SHIRLEY SHERROD:

--**Jim VandeHei on WTOP:** "It speaks to a much broader problem in the media-activist industrial complex, if you will, and I think it's a problem that's going to get worse: There's been this proliferation of partisan media -- whether it's MSNBC and Fox at

night, or it's Breitbart on the right or Huffington Post on the left -- there's just a huge incentive for people to engage in real tough combat, and to overreact."

--**CNN's Jessica Yellin, to Wolf, in "The Situation Room":** "We're in a tinderbox media situation regarding race right now ... [which creates] a chilling effect -- it's very hard for people in government positions to talk honestly about race."

--**Norah O'Donnell, on "Morning Joe,"** said the

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media "went off half-cocked" because the story appeared to feature an "angry black woman who was mad at an old white farmer -- who didn't want to help her, because he was acting superior to her. In fact, this story, once it's illuminated, is a beautiful story -- a story about a woman who helped an old white man save his farm."

--**"W.H. keeps Obama above racial fray,"** by Glenn Thrush and Ben Smith: "Obama himself hasn't spoken publicly or released a personal statement ... The incident underscored the paradoxical reality that race, an issue Obama dealt with so deftly during the 2008 campaign, has proven to be an unexpected and persistent stumbling block." <http://bit.ly/adUzf4>

BEHIND THE CURTAIN -- "W.H., Dems reach 'détente,'" by Jonathan Allen and John Bresnahan: "The White House political operation renewed its \$9 million campaign cash commitment for House Democrats ... House Democrats said they feel reassured that the White House isn't actively sabotaging their 2010 campaigns and seems to be making peace offerings with campaign dough and friendlier meetings. Some aides on Capitol Hill said they've detected a little more sensitivity on the part of the White House since Gibbs sparked Pelosi's ire by publicly acknowledging what everyone in Washington already knew ... A series of meetings over the past week -- among President Barack Obama and House leaders, White House chief of staff Rahm Emanuel and Democratic Congressional Campaign Committee chairman Chris Van Hollen (D-Md.), and separately between Axelrod and lawmakers and aides -- were designed to help coordinate political and policy messaging heading into a six-week summer break ...

--"[W]hat House members really want -- fundraisers for the party committee and individual candidates, campaign stops by Obama and popular surrogates such as Biden, first lady Michelle Obama and Cabinet officials ... Van Hollen, discussing his meeting with Emanuel, hinted that the White House is well aware of House members' wish list. ... And even as House leaders ask for help from the White House and its political operation at the Democratic National Committee, they're warning rank-and-file members not to expect much. 'We have to rely on ourselves,' Pelosi told a group of Democratic lawmakers in a recent closed-door session. ...

--"While Republicans believe they will pick up the 39 seats they need to win the House on Nov. 2, Pelosi and other top Democrats don't see that

outcome. Internal Democratic reviews project far smaller losses, somewhere in the range of 20 to 30 seats. Such losses would weaken the Democratic hold on the chamber but keep Pelosi in power come the start of the 112th Congress." <http://politi.co/d7AxBd>

TOP TALKER -- **"THE CASE AGAINST SUMMER VACATION"** -- **DAVID VON DREHLE** writes TIME's cover story: "We romanticize it. But all that downtime is making our kids fall behind -- especially those who can least afford to." Social scientists call it

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"summer learning loss." Others simply call it "the summer slide." The argument: The three-month summer vacation is an anachronism that hurts America's global competitiveness but hurts low-income kids most of all -- kids who don't have a chance to go to camps or learning centers or take educational vacations with their families. Whereas low-income kids and high-income students start at relatively the same point in first grade, by 9th grade, low-income kids are three grades behind. During the year, they stay close to equal — but each summer the distance between the groups gets wider. Opponents of extending the school year include teacher's unions and amusement-park industry.

--DVD: "We associate the school year with oppression and the summer months with liberty ... But ... children around the world ... are in many cases spending four weeks longer in school each year ... Dull summers take a steep toll, as researchers have been documenting for more than a century. Deprived of healthy stimulation, millions of low-income kids lose a significant amount of what they learn during the school year. In places all over the country -- from inner cities to Appalachia, inside rec centers and church basements, on bumpy ball fields and pocked -playgrounds -- kids are learning this summer ... If ever there was a movement suited to local experiments, informal innovations and seat-of-the-pants efforts, surely it's the campaign to squeeze more from summer."

Cover image <http://politi.co/daUX2R>

GALLUP.com -- "Congress Ranks Last in Confidence in Institutions: "Gallup's 2010 Confidence in Institutions poll finds Congress ranking dead last out of the 16 institutions rated this year. Eleven percent of Americans say they have a great deal or quite a lot of confidence in Congress, down from 17% in 2009 and a percentage point lower than the previous low for Congress, recorded in 2008. ... The military continues its long-standing run as the highest-rated U.S. institution. Small business and the police occupy second and third places, respectively. ... Confidence in organized religion is similar to where it has been since 2002, but is significantly lower than in prior years." <http://bit.ly/aWmMM9>

--"This year's poll ... finds a 15-point drop in high confidence in the presidency, to 36% from 51% in June 2009. Over the same period, President Obama's approval rating fell by 11 points, from 58% to 47%. However, confidence in the presidency remains higher than in 2008 -- the last year of George W. Bush's term -- when the figure was 26%."

--From most confidence to least confidence:

Military ... Small business ... Police ... Church or organized religion ... Medical system ... Supreme Court ... Presidency ... Public schools ... Criminal justice system ... Newspapers ... Banks ... Television news ... Organized labor ... Big business ... HMOs ... Congress.

SPEED READ, by Tim Alberta:

--Reuters/Washington, "Senate asking BP CEO to

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testify on Lockerbie," by Susan Cornwell: "The Senate Foreign Relations Committee also is requesting testimony from Mark Allen, who has served as an advisor to BP." <http://yhoo.it/bDKYhr>

--AP/Washington, "No Charges Will Be Filed Over Firing of U.S. Attorneys": "Prosecutors have concluded their two-year investigation into the Bush administration's firing of U.S. attorneys and will file no charges, the Justice Department said Wednesday." <http://bit.ly/d0S0Mb>

--NYT A1, "Workers on Doomed Rig Voiced Concern on Safety," by Ian Urbina: "A confidential survey of workers on the Deepwater Horizon in the weeks before the oil rig exploded showed that many of them were concerned about safety practices and feared reprisals if they reported mistakes or other problems." <http://nyti.ms/cM9aJv>

--WaPo A1, "Most in oil, gas lobbies worked for federal government," by Dan Eggen and Kimberly Kindy: "Three out of every four lobbyists who represent oil and gas companies previously worked in the federal government, a proportion that far exceeds the usual revolving-door standards on Capitol Hill, a Washington Post analysis shows." <http://bit.ly/9JVtUU>

--NYT A1, "4 Oil Firms Commit \$1 Billion for Gulf Rapid-Response Plan," by Jad Mouawad: "Four of the world's biggest oil companies said on Wednesday that they were committing \$1 billion to create a rapid-response system to deal with deepwater oil spills in the Gulf of Mexico, seeking to restore public confidence in the industry after the BP disaster painfully exposed how unprepared the industry was for a major accident." <http://nyti.ms/avm8RR>

--WSJ A1, "Petraeus Sharpens Afghan Strategy," by Julian E. Barnes: "Gen. David Petraeus plans to ramp up the U.S. military's troop-intensive strategy in Afghanistan, according to some senior military officials, who have concluded that setbacks in the war effort this year weren't the result of the strategy, but of flaws in how it has been implemented.." <http://bit.ly/9tFNLm>

--WSJ A2, "Bush Tax Cuts Roil Democrats," by Martin Vaughan and John D. McKinnon: "Two more Senate Democrats called for extending tax cuts for all earners—including those with the highest incomes—in what appears to be a breakdown of the party's consensus on the how to handle the expiration of Bush-era tax cuts." <http://bit.ly/9tFNLm>

[ly/9zTy8j](#)

BUSINESS BURST – NYT A1, "G.M., Eclipsed at Home, Soars to Top in China," by David Barboza and Nick Bunkley: "As G.M. prepares a public stock offering later this year, China is emerging as a crucial piece of its appeal to potential investors — and a surprising down payment of sorts for American taxpayers, who would begin shrinking their 61 percent equity stake in the company. In the first half of this year, G.M.'s China sales rose 48.5 percent over the same period last year, and for the first time

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ever, the automaker sold more vehicles in China than in the United States. Just 13 years after entering China, G.M. now says the country accounts for a quarter of its global sales — blistering growth that even G.M. did not expect this soon.” <http://nyti.ms/9zemei>

SPORTS BLINK – Sports Illustrated names the “Fortunate 50” -- “50 highest-earning American athletes”: For the seventh consecutive year, SI.com has compiled a list of the 50 top-earning American athletes by salary, winnings, endorsements and appearance fees. The average earnings of those on the list have reached an all-time high of \$26.2 million (up 11 percent from '09).” The top 10: 1. Tiger Woods, \$90,508,163 ... 2. Phil Mickelson, \$61,660,757 ... 3. Floyd Mayweather Jr., \$60,250,000 ... 4. LeBron James, \$45,779,912 ... 5. Alex Rodriguez, \$37,000,000 ... 6. Shaquille O’Neal, \$37,000,000 ... 7. Kobe Bryant, \$33,034,375 ... 8. Derek Jeter, \$31,000,000 ... 9. Peyton Manning, \$30,800,000 ... 10. Dwayne Wade, \$27,779,912. **Full rankings**<http://bit.ly/a4Ahol>

**** A message from Intel:** For decades, Intel has been producing the world’s most advanced microprocessors—right here in America.

Approximately three-fourths of Intel microprocessor manufacturing is done here in the U.S., and investments by Intel have made it one of the top employers in both Arizona and New Mexico and Oregon’s largest corporate employer. Seven of Intel’s ten semiconductor factories are here in the U.S. – factories that are leading production of the next generation of microchips that will advance computing and communications and help enable the technological breakthroughs of tomorrow.

Intel sees ongoing investments in America—including \$34 billion in capital expenditures over the past eight years—as critical not only to our company’s success, but to our country’s success: it’s what fuels America’s innovative spirit, and keeps it at the forefront of new technologies, new industries, and new ideas. **

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