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# Obama's fanciful claim that Congress 'proposed' the sequester

By Glenn Kessler, Published: October 25 | Updated: Friday, October 26, 3:02 AM

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"The sequester is not something that I've proposed. It is something that Congress has proposed."

— President Obama, in the third presidential debate, Oct. 22, 2012

As the saying goes, success has a thousand fathers, while failure is an orphan. And if there ever is an orphan in Washington these days, it is that odd duck known as "sequestration."

We've earlier written that there are bipartisan fingerprints over the looming defense cuts that Mitt Romney has sought to pin on President Obama. Now, in the final presidential debate, Obama sought to toss the hot potato of sequestration — the process that is forcing those defense cuts and reductions in domestic spending — into Congress's lap.

Fortunately, there is a detailed and contemporaneous look at the debt ceiling deal that led to the current budget crunch: Bob Woodward's "The Price of Politics." The book clearly had the full cooperation of top White House and congressional officials. With the help of our colleague, we took a tour through the relevant sections in order to determine the accuracy of the president's statement.

#### The Facts

The battle over raising the debt ceiling consumed Washington in the summer of 2011, with Republicans refusing to agree to raise it unless spending was cut by an equivalent amount. Obama pressed but failed to get an agreement on raising revenue as part of the package. Woodward's book details the efforts to come up with an enforcement mechanism that would make sure the cuts took place — and virtually every mention shows this was a White House gambit.

Page 215 (July 12, 2011):

They turned to [White House national economic council director Gene] Sperling for details about a compulsory trigger if they didn't cut spending or raise taxes in an amount at least equivalent to the debt ceiling increase.

"A trigger would lock in our commitment," Sperling explained. "Even though we disagree on the composition

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of how to get to the cuts, it would lock us in. The form of the automatic sequester would punish both sides. We'd have to September to avert any sequester" — a legal obligation to make spending cuts.

"Then we could use a medium or big deal to force tax reform," Obama said optimistically.

"If this is a trigger for tax reform," [House speaker John] Boehner said, "this could be worth discussing. But as a budget tool, it's too complicated. I'm very nervous about this."

"This would be an enforcement mechanism," Obama said.

**Short version:** The White House proposed the idea of a compulsory trigger, with Sperling calling it an "automatic sequester," though initially it was to include tax revenue, not just spending cuts. Boehner was "nervous" about using it as a budget tool.

Page 326 (July 26):

At 2:30 p.m., [White House Budget director Jack] Lew and [White House legislative affairs director Rob] Nabors went to the Senate to meet with [Senator Majority Leader Harry] Reid and his chief of staff, David Krone.

"We have an idea for a trigger," Lew said.

"What's the idea," Reid asked skeptically.

"Sequestration."

Reid bent down and put his head between his knees, almost as if he was going to throw up or was having a heart attack. He sat back up and looked at the ceiling. "A couple of weeks ago," he said, "my staff said to me that there is one more possible" enforcement mechanism: sequestration. He said he told them, "Get the hell out of here. That's insane. The White House surely will come up with a plan that will save the day. And you come to me with sequestration?"

Well, it could work, Lew and Nabors explained.

What would the impact be?

They would design it so that half the threatened cuts would be from the Defense Department....The idea was to make all of the threatened cuts so unthinkable and onerous that the supercommittee [tasked with making additional cuts] would do its work and come up with its own deficit reduction plan.

Lew and Nabors went through a laundry list of programs that would face cuts.

"This is ridiculous," Reid said.

That's the beauty of a sequester, they said, it's so ridiculous that no one ever wants it to happen. It was the bomb that no one wanted to drop. It actually would be an action-forcing event.

"I get it," Reid said finally.

**Short version:** Once tax increases were off the table, the White House staff came up with a sequestration plan that only had spending cuts and sold Harry Reid on the idea.

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Lew, Nabors, Sperling and Bruce Reed, Biden's chief of staff, had finally decided to propose using language from the 1985 Gramm-Rudman-Hollings deficit reduction law as the model for the trigger. It seems tough enough to apply to the current situation. It would require a sequester with half the cuts from Defense, and the other half from domestic programs. There would be no chance the Republicans would want to pull the trigger and allow the sequester to force massive cuts to Defense.

**Short version:** This is the third reference to the White House putting together the plan for sequester. Granted, they are using language from a congressional law from a quarter-century earlier, but that seems a thin reed on which to say this came from Congress. In fact, Lew had been a policy advisor to then House Speaker Tip O'Neill from 1979 to 1987, and so was familiar with the law.

Page 344 (July 30):

The president and [White House chief of staff William] Daley were on the patio outside Daley's office with [adviser David] Plouffe, [Treasury Secretary Timothy] Geithner, Lew and Sperling when they got word that Biden was making progress with [Senate Minority Leader Mitch] McConnell. It looked as if Republicans were ready to agree to a Defense/non-Defense sequester in the trigger.

Plouffe couldn't believe it. These guys were so afraid of increasing revenues that they're willing to put Defense on the chopping block? Republicans' revenue phobia was so intense that they would sell out the Pentagon.

"This is a deal we can probably live with," Obama said, willing to do almost anything to salvage something and prevent catastrophe.

**Short version:** Republicans agreed to the White House proposal for a sequester.

Page 346 (July 30):

At 9 p.m. on Saturday night, Boehner's staff got their first real look at the proposal negotiated by Biden and McConnell.

[Boehner policy director Brett] Loper had been in regular contact with [McConnell deputy chief of staff] Rohit Kumar about the progress of the negotiations, but now he had paper, so he drafted the Republican staff from the House Budget Committee and they pulled an all-nighter trying to understand the plan and to identify its shortcomings.

It was a challenge, because nobody in the office had operated under the Gramm-Rudman-Hollings rules, which dated back to the 1980s. Loper spent the night trying to get his arms around the proposal.

**Short version:** Republicans had to work through the night to understand the White House proposal.

We asked the White House if officials disputed any part of Woodward's narrative and did not get a response. Spokeswoman Amy Brundage issued the following statement:

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"The only reason that a sequester is in place is because both sides in Congress — Democrats and Republicans — voted for it in the Budget Control Act to force Congress to act. In fact, 2 out of 3 Republicans in Congress — including Congressman Ryan — voted for it and many praised it at the time. The President was making the point that the sequester was never intended to be policy, and that Congress must act to replace it with balanced deficit reduction. They can and should do that.

"In addition, the notion that we wanted the sequester is false. The fact of the matter is that we wanted a trigger that included balance and specifically asked more from the wealthiest individuals on the revenue side. Congressional Republicans refused."

### The Pinocchio Test

No one disputes the fact that no one wanted sequestration, or that ultimately a bipartisan vote in Congress led to passage of the Budget Control Act. But the president categorically said that sequestration was "something that Congress has proposed."

Woodward's detailed account of meetings during the crisis, clearly based on interviews with key participants and contemporaneous notes, make it clear that sequestration was a proposal advanced and promoted by the White House.

In sum: Gene Sperling brought up the idea of a sequester, while Jack Lew sold Harry Reid on the idea and then decided to use the Gramm-Hollings-Rudman language (which he knew from his days of working for Tip O'Neill) as a template for sequester. The proposal was so unusual for Republicans that staffers had to work through the night to understand it.

Oddly, Lew in Tampa on Thursday, <u>publicly asserted the opposite</u>: "There was an insistence on the part of Republicans in Congress for there to be some automatic trigger.... [It] was very much rooted in the Republican congressional insistence that there be an automatic measure at the end."

This prompted Woodward to go over his notes and interviews once again, to make sure he had gotten it right.

"After reviewing all the interviews and the extensive material I have on this issue, it looks like President Obama told a whopper," Woodward said. "Based on what Jack Lew said in Florida today, I have asked the White House to correct the record."

We had been wavering between Three and Four Pinocchios. But in light's of Lew's decision to doubledown on Obama's claim, we agree it's a whopper.

Four Pinocchios

(About our rating scale)

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