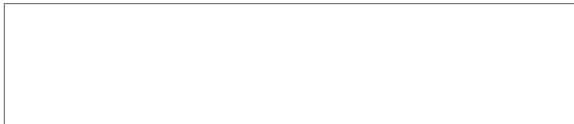


RELEASE IN PART
B6

From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Sunday, July 31, 2011 9:46 AM
To: H
Subject: Fw: White House, Republicans Said to Reach Tentative Deal on U.S. Debt Ceiling (Bloomberg)

Fyi



From: OpsNewsTicker
Sent: Sunday, July 31, 2011 08:49 AM
To: NEWS-Mahogany
Cc: SES-O
Subject: White House, Republicans Said to Reach Tentative Deal on U.S. Debt Ceiling (Bloomberg)

Washington, DC (Bloomberg) - The White House and congressional Republicans have found the framework of an agreement to increase the nation's debt ceiling that would raise borrowing authority through the next presidential election, a person familiar with the talks said late last night.

The tentative outlines of the accord include spending cuts of \$1 trillion and creation of a special committee to recommend additional savings of up to \$1.8 trillion. The new panel would have to act before the Thanksgiving congressional recess in late November or government programs including Defense and Medicare would face automatic, across-the-board cuts, the person said.

A White House official familiar with the talks cautioned after reports of the framework surfaced last night that no final agreement has been reached among involved in negotiations.

The prospective agreement wouldn't include increased net revenue, a sticking point for Republicans who've been adamant that any deal with tax increases couldn't pass the Republican-run House.

Democrats, including those who run the Senate, have been insistent that any deal must be a "balanced approach" that includes revenue, raising questions about whether President Barack Obama would find the support of his party for the plan.

Obama Demand

Obama has been demanding an increase in the \$14.3 trillion debt limit that lasts through the 2012 election, when he is seeking another term.

Obama and congressional leaders yesterday began their new attempt to prevent a U.S. government default on its debt, with Republicans and Democrats expressing greater optimism a deal may be within reach before an Aug. 2 deadline.

Senate Majority Leader Harry Reid, last night said he was "confident that reasonable people from both parties

should be able to reach an agreement.”

Reid, in remarks on the Senate floor before details of the framework emerged, cautioned that “there are many elements to be finalized and there is still a distance to go before any arrangement can be completed.” Still he said, “I am glad to see this move toward cooperation and compromise.”

To give the negotiations more breathing room, Reid pushed forward by 12 hours a planned test vote today on his pending measure to raise the \$14.3 debt ceiling and cut government spending. The planned 1 a.m. vote was rescheduled for 1 p.m. at the Capitol.

Earlier Mitch McConnell, the Senate Minority leader, said he was “more optimistic” and that negotiators have “got a chance of getting there.” John Boehner, the House Speaker of Ohio, also voiced confidence an agreement could be reached.

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