

THE WHITE HOUSE
Office of the Press Secretary

March 11, 2009

**Remarks of President Barack Obama
Earmark Reform
The White House
March 11, 2009**

I ran for President pledging to change the way business is done in Washington and build a government that works for the people by opening it up to the people. That means restoring responsibility, transparency, and accountability to the actions government takes. And working with the Congress over my first fifty days in office, we've made important progress toward that end.

Working together, we passed an American Recovery and Reinvestment Act that is already putting people back to work doing the work Americans need done. And we did it without the customary Congressional earmarks – the practice by which individual legislators insert projects of their choosing. We are implementing the Recovery Act with an unprecedented level of aggressive oversight and transparency, including a website – Recovery.gov – that allows every American to see how their tax dollars are spent and report on cases where the system is breaking down.

I signed a directive that dramatically reforms our broken system of government contracting, reining in waste, abuse and inefficiency; saving the American taxpayer up to \$40 billion each year in the process.

And I have laid out plans for a budget that begins to restore fiscal discipline so we can bring down the \$1.3 trillion budget deficit we inherited and pave the way for our long-term prosperity. For the first time in many years, we've produced an honest budget that makes the hard choices required to cut our deficit in half by the end of my first term in office.

Yesterday, Congress sent me the final part of last year's budget; a piece of legislation that rolls nine bills required to keep the government running into one – a piece of legislation that addresses the immediate concerns of the American people by making needed investments in line with our urgent national priorities.

That is what nearly 99 percent of this legislation does – the nearly 99 percent you probably haven't heard much about.

What you likely have heard about is that this bill does include earmarks. Now, let me be clear: Done right, earmarks give legislators the opportunity to direct federal money to worthy projects that benefit people in their district, and that's why I have opposed their outright elimination. I also find it ironic that some of those who railed the loudest against this bill because of earmarks actually inserted earmarks of their own – and will tout them in their own states and districts.

But the fact is that on occasion, earmarks have been used as a vehicle for waste, fraud, and abuse. Projects have been inserted at the eleventh hour, without review, and sometimes without merit, in order to satisfy the political or personal agendas of a given legislator, rather than the public interest. This practice hit its peak in the middle of this decade, when the number of earmarks had ballooned to more than 16,000, and played a part in a series of corruption cases.

In 2007, the new Democratic leadership in Congress began to address these abuses with a series of reforms I was proud to have helped write. We eliminated anonymous earmarks and created new measures of transparency in the process, so Americans can better follow how their tax dollars are being spent. These measures were combined with the most sweeping ethics reforms since Watergate. We banned gifts and meals and made sure that lobbyists have to disclose who they're raising campaign money from, and who in Congress they send it to.

We have made progress. But we must do more.

I am signing an imperfect omnibus bill because it is necessary for the ongoing functions of government. But I also view this as a departure point for more far-reaching change.

In my discussions with Congress, we have talked about the need for further reforms to ensure that the budget process inspires trust and confidence, not cynicism. So I believe as we move forward, we can come together around principles that prevent the abuse of earmarks.

These principles begin with a simple concept: earmarks must have a legitimate and worthy public purpose. Earmarks that members do seek must be aired on those members' websites in advance, so the public and the press can examine them and judge their merit for themselves. And each earmark must be open to scrutiny at public hearings, where members will have to justify their expense to the taxpayer.

Next, any earmark for a for-profit private company should be subject to the same competitive bidding requirements as other federal contracts. The awarding of earmarks to private companies is the single most corrupting element of this practice, as witnessed by some of the indictments and convictions we have seen. Private companies differ

from the public entities that Americans rely on every day – schools, police stations, fire departments – and if they are seeking taxpayer dollars, then they should be evaluated with a higher level of scrutiny.

Furthermore, it should go without saying that an earmark must never, ever be traded for political favors.

And finally, if my administration evaluates an earmark and determines that it has no legitimate public purpose, we will seek to eliminate it, and we will work with Congress to do so.

I know there are members in both houses with good ideas on this matter. Just this morning, the House released a set of recommendations for reform that hold great promise, and I congratulate them on that.

Now, I am calling on Congress to enact these reforms as the appropriations process moves forward this year. Neither I nor the American people will accept anything less.

It's important that we get this done to ensure that the budget process works better, that taxpayers are protected, and that we save billions of dollars that we so desperately need to right our economy and address our fiscal crisis. Along with that reform, I expect future spending bills to be debated and voted on in an orderly way, and sent to my desk without delay or obstruction, so that we don't face another massive, last-minute omnibus bill like this again.

I recognize that Congress has the power of the purse, and as a former Senator, I believe that individual members of Congress understand their districts best. They should have the ability to respond to the needs of their communities. But leadership requires setting an example, and the magnitude of the economic crisis we face requires responsibility on all our parts.

The future demands that we operate in a different way than we have in the past. So let there be no doubt: this piece of legislation must mark an end to the old way of doing business, and the beginning of a new era of responsibility and accountability that the American people have every right to expect and to demand.

If we are going to solve our economic crisis; if we are going to put Americans back to work; if we are going to make the investments required to build a foundation for our future growth – then we must restore the American people's faith that their government is working for them, and that it is on their side. That is the government I promised. That is the government I intend to lead.

##

You are currently subscribed to whitehouse-daily-reporters as: bvaida@nationaljournal.com.
To unsubscribe send a blank email to leave-whitehouse-daily-reporters-2216303N@list.whitehouse.gov