

fellow citizens, the first-responders who rushed to the site to save countless lives, and the people of the Nation, who stood together to lift up this

tight-knit community. Our thoughts and prayers are never far from those who lost their lives 16 years ago.

Remarks at a Facebook Town Hall Meeting and a Question-and-Answer Session in Palo Alto, California April 20, 2011

The President. Well, thank you so much, Facebook, for hosting this, first of all. My name is Barack Obama, and I'm the guy who got Mark to wear a jacket and tie. [Applause] Thank you. I'm very proud of that. [Laughter]

Facebook Founder and Chief Executive Officer Mark E. Zuckerberg. Second time.

The President. I know. [Laughter] I will say—and I hate to tell stories on Mark, but the first time we had dinner together and he wore this jacket and tie, I'd say halfway through dinner he's starting to sweat a little bit. It's really uncomfortable for him. So I helped him out of his jacket. [Laughter] And in fact, if you'd like, Mark, we can take our jackets off.

Mr. Zuckerberg. That's good.

The President. Woo, that's better, isn't it?

Mr. Zuckerberg. Yes, but you're a lot better at this stuff than me. [Laughter]

The President. So first of all, I just want to say thank you to all of you for taking the time, not only people who are here in the audience, but also folks all over the country and some around the world who are watching this town hall.

The main reason we wanted to do this is, first of all, because more and more people, especially young people, are getting their information through different media. And obviously, what all of you have built together is helping to revolutionize how people get information, how they process information, how they're connecting with each other.

And historically, part of what makes for a healthy democracy, what is a good politics, is when you've got citizens who are informed, who are engaged. And what Facebook allows us to do is make sure this isn't just a one-way conversation, make sure that not only am I speaking to you, but you're also speaking back,

and we're in a conversation, we're in a dialogue. So I love doing town hall meetings. This format and this company, I think, is a ideal means for us to be able to carry on this conversation.

And as Mark mentioned, obviously, we're having a very serious debate right now about the future direction of our country. We are living through as tumultuous a time as certainly I've seen in my lifetime. Admittedly, my lifetime is a lot longer than most of yours so far. This is a pretty young crowd. But we're seeing, domestically, a whole series of challenges, starting with the worst recession we've had since the Great Depression. We're just now coming out of it. We've got all sorts of disruptions, technological disruptions that are taking place, most of which hold the promise of making our lives a lot better, but also mean that there are a lot of adjustments that people are having to make throughout the economy.

We still have a very high unemployment rate that is starting to come down, but there are a awful lot of people who are being challenged out there day in, day out, worrying about whether they can pay the bills, whether they can keep their home.

Internationally, we're seeing the sorts of changes that we haven't seen in a generation. We've got certain challenges like energy and climate change that no one nation can solve, but we're going to have to solve together. And we don't yet have all the institutions that are in place in order to do that.

But what makes me incredibly optimistic—and that's why being here at Facebook is so exciting for me—is that at every juncture in our history, whenever we've faced challenges like this, whether it's been the shift from a agricultural age to a industrial age or whether it

was facing the challenges of the cold war or trying to figure out how we make this country more fair and more inclusive, at every juncture, we've always been able to adapt. We've been able to change, and we've been able to get ahead of the curve. And that's true today as well, and you guys are at the cutting edge of what's happening.

And so I'm going to be interested in talking to all of you about why this debate that we're having around debt and our deficits is so important, because it's going to help determine whether we can invest in our future and basic research and innovation and infrastructure that will allow us to compete in the 21st century and still preserve a safety net for the most vulnerable among us.

But I'm also going to want to share ideas with you about how we can make our democracy work better and our politics work better, because I don't think there's a problem out there that we can't solve if we decide that we're going to solve it together.

And for that, I'm grateful for the opportunity to speak to you. And instead of just giving a lot of long speeches, I want to make sure that we've got time for as many questions as possible.

So, Mark, I understand you got the first one.

Deficit and National Debt/Federal Budget

Mr. Zuckerberg. Yes, let's start off. So let's start off with the conversation about the debt. Right? So I understand that yesterday morning you had a town hall in Virginia where you talked about your framework not only for resolving the short-term budget issues, but the longer term debt. And you spent some time talking about tax reform and some cost cutting, but you also spent a lot of time talking about things that you didn't think that we could cut: in education, infrastructure, and clean energy.

So my question to kind of start off is: What specifically do you think we should do and what specifically do you think we can cut in order to make this all add up?

The President. Okay. Well, let me first of all, Mark, share with you, sort of, the nature of the problem, because I think a lot of folks under-

stand that it's a problem but aren't sure how it came about.

In 2000, at the end of the Clinton administration, we not only had a balanced budget, but we actually had a surplus. And that was in part because of some tough decisions that had made—had been made by President Clinton, Republican Congresses, Democratic Congresses, and President George H.W. Bush. And what they had said was let's make sure that we're spending wisely on the things that matter, let's spend less on things that don't matter, and let's make sure that we're living within our means, that we're taking in enough revenue to pay for some of these basic obligations.

What happened then was we went through 10 years where we forgot what had created the surplus in the first place. So we had a massive tax cut that wasn't offset by cuts in spending. We had two wars that weren't paid for. And this was the first time in history where we had gone to war and not asked for additional sacrifice from American citizens. We had a huge prescription drug plan that wasn't paid for.

And so by the time I started office, we already had about a trillion-dollar annual deficit, and we had massive accumulated debt with interest payments to boot. Then you have this huge recession. And so what happens is less revenue is coming in because company sales are lower, individuals are making less money. At the same time, there's more need out there. So we're having to help States, and we're having to help local governments.

And that's a lot of what the recovery was about, was us making sure that the economy didn't tilt over into a depression by making sure that teachers weren't laid off and firefighters weren't laid off and there was still construction for roads and so forth, all of which was expensive. I mean, that added about another trillion dollars' worth of debt.

So now what we've got is a situation, not only do we have this accumulated debt, but the baby boomers are just now starting to retire. And what's scary is not only that the baby boomers are retiring at a greater rate, which means they're making greater demands on Social Security, but primarily Medicare and Medicaid,

but health care costs go up a lot faster than inflation, and older populations use more health care costs. You put that all together, and we have an unsustainable situation.

So right now we face a critical time where we're going to have to make some decisions: How do we bring down the debt in the short term, and how do we bring down the debt over the long term?

In the short term, Democrats and Republicans now agree we've got to reduce the debt by about \$4 trillion over the next 10 years. And I know that sounds like a lot of money. It is. But it's doable if we do it in a balanced way.

What I proposed was that about \$2 trillion over 10 to 12 years is reduction in spending. Government wastes, just like every other major institution does, and so there are things that we do that we can afford not to do. Now, there are some things that I'd like to do, are fun to do, but we just can't afford them right now.

So we've made cuts in every area. A good example is Pentagon spending, where Congress oftentimes stuffs weapons systems in the Pentagon budget that the Pentagon itself says we don't need. But special interests and constituencies help to bloat the Pentagon budget. So we've already reduced the Pentagon budget by about \$400 billion. We think we can do about another \$400 billion.

So we've got to look at spending both on nonsecurity issues as well as defense spending. And then what we've said is let's take another trillion of that that we raise through a reform in the tax system that allows people like me and, frankly, you, Mark, for paying a little more in taxes. *[Laughter]*

Mr. Zuckerberg. I'm cool with that.

The President. I know you're okay with that. *[Laughter]* Keep in mind, what we're talking about is going back to the rates that existed when Bill Clinton was President. Now, a lot of you were—*[laughter]*—I'm trying to say this delicately—still in diapers at that time. *[Laughter]* But for those of you who recall, the economy was booming, and wealthy people were getting wealthier. There wasn't a problem at that time. If we go back to those rates alone, that by itself would do a lot in terms of us reducing our

overall spending. And if we can get a trillion dollars on the revenue side, 2 trillion in cutting spending, we can still make investments in basic research.

We can still invest in something we call ARPA-E, which is like DARPA, except just focused on energy, so that we can figure out what are the next breakthrough technologies that can help us reduce our reliance on fossil fuels.

We can still make investments in education, so we've already expanded the Pell grant program so that more young people can go to college. We're investing more in STEM education: math and science and technology education. We can still make those investments. We can still rebuild our roads and our bridges and invest in high-speed rail and invest in the next generation of broadband and wireless and make sure everybody has access to the Internet. We can do all those things while still bringing down the deficit medium term.

Now, there's one last component of this, and I know this is a long answer, but I wanted to make sure everybody had the basic foundations for it. Even if we get this \$4 trillion, we do still have a long-term problem with Medicare and Medicaid because health care costs, the inflation goes up so much faster than wages and salaries. And this is where there's another big philosophical debate with the Republicans, because what I've said is the best way for us to change it is to build on the health reform that we had last year and start getting a better bang for our health care dollar.

We waste so much on health care. We spend about 20 percent more than any other country on Earth, and we have worse outcomes because we end up having multiple tests when we could just do one test and have it shared among physicians on Facebook, for example.

We could focus on the chronically ill; 20 percent of the patients account for 80 percent of the costs. So doing something simple like reimbursing hospitals and doctors for reducing their readmissions rate and managing somebody with a chronic illness like diabetes so that they're taking their meds on a regular basis so

that they don't come to the emergency room, that saves huge amounts of money.

So that's what health care reform was about last year or a year and a half ago, and what we want to do is build on that and continue to improve the system.

What the Republicans right now are saying is, number one, they can't agree to any increases in taxes, which means we'd have to cut—out of that \$4 trillion, all of it would come from education, transportation, areas that I think are critical for our long-term future.

So, for example, they proposed 70-percent cuts in clean energy. Well, I don't know how we free ourselves from dependence on foreign oil—and anybody who is paying gas prices knows that there's an economic component to this as well as an environmental component to it—if we're not investing in the basic research and technology that allows solar, wind, and others to thrive and develop.

At the same time, what they've said is, let's make Medicare into a voucher program so that retirees, instead of knowing that they're always going to have health care, they're going to get a voucher that covers part of the cost, and whatever health care inflation comes up is all going to be on them. And if the health insurance companies don't sell you a policy that covers your illnesses, you're out of luck.

I think it is very important for us to have a basic social safety net for families with kids with disabilities, for seniors, for folks who are in nursing homes, and I think it's important for us to invest in our basic research. We can do all those things, but we're only going to be able to do it by taking a balanced approach. And that's what this big debate is about—all about right now. All right?

Mr. Zuckerberg. All right, so—sorry, don't mean to cut off the applause.

The President. No, no, no.

Mr. Zuckerberg. That was a very thorough answer.

The President. No, they were stunned by the length of that answer. [Laughter] But it's complicated stuff.

Homeownership

Mr. Zuckerberg. So the next question is from someone watching Facebook Live. Jay Epstein from Williamsburg, Virginia, writes in and asks: "The housing crisis will not go away. The mortgage financing for new home buyers with low to moderate income is becoming very difficult. As President, what can you do to relax the policies that are disqualifying qualified home buyers from owning their first home? How can you assure the low to moderate home buyers that they will have the opportunity to own their first home?"

The President. Well, it's a good question. And I'll be honest with you, this is probably the biggest drag on the economy right now that we have, along with, I know, the frustrations people have about gas prices. What we've really seen is the housing market, which was a bubble, had greatly overinflated in all regions of the country. And I know I probably don't get a lot of sympathy about that here because I can only imagine what rents and mortgages you guys are paying.

It is a real drag in all sorts of ways. People, first of all, they feel poorer even if they still have a home or they've already purchased a home, because for a lot of folks, their mortgage is now what's called underwater. The mortgage is more than the home is worth. And so if you feel like your most important asset is now worth less than your debt, that's going to constrain how you spend. People who want to move have a great deal of trouble selling, and people who want to buy, as you pointed out, are seeing terms a lot more restrictive.

So we've put in place a bunch of programs to try to see if we can speed along the process of reaching a new equilibrium. For example, what we did was, we went to the mortgage lender and said, why don't you renegotiate with your mortgage—with the person with the mortgage, renegotiate the terms of their mortgage so that their principal is a little bit lower, they can afford the payments? And that way homes don't get foreclosed on, there are fewer homes on the market, and that will raise prices,

and that will be good for everybody. And we've seen some significant progress on that front.

The challenge we still have, as your questioner properly points out, is that a lot of people who bought a first home when credit was easy now are finding that credit is tough. And we've got to strike a balance. Frankly, there's some folks who are probably better off renting. And what we don't want to do is return to a situation where people are putting no money down and they've got very easy payment terms at the front end. And then it turns out 5 years from now, because they've got an adjustable rate mortgage, that they couldn't afford it, and they lose their home.

I think the regulators are trying to get that balance right. There are certain communities with high foreclosure rates where what we're trying to do is see if we can help State and local governments take over some of these homes and convert them and provide favorable terms to first-time home buyers. But frankly, I think we've got to understand that the days where it was really easy to buy a house without any money down is probably over. And what we—what I'm really concerned about is making sure that the housing market overall recovers enough that it's not such a huge drag on the economy, because if it isn't, then people will have more confidence, they'll spend more, more people will get hired, and overall, the economy will improve.

But I recognize for a lot of folks who want to be first-time home buyers, it's still tough out there. It's getting better in certain areas, but in some places, particularly where there was a big housing bubble, it's not.

National Economy

Mr. Zuckerberg. So I think the next question is from a Facebook employee in the room today. So Lauren Hale has a question. Lauren, where are you from?

Q. Hi. Over here.

The President. Hey, Lauren.

Q. Hi, Mr. President. Thank you so much for joining us today. I am originally from Detroit, Michigan, and now I'm out here working at Facebook. So my question for you kind of

builds on some of the things you were just talking about. At the beginning of your term, you spent a lot of time talking about job creation and the road to economic recovery, and one of the ways to do that would be substantially increasing Federal investments in various areas as a way to fill the void left from consumer spending. Since then, we've seen the conversation shift from that of job creation and economic recovery to that of spending cuts and the deficit. So I would love to know your thoughts on how you're going to balance these two going forward or even potentially shift the conversation back.

The President. Well, you're exactly right that when I first came into office, our number-one job was preventing us from getting into another Great Depression. And that was what the Recovery Act was all about. So we helped States make sure that they could minimize some of the layoffs and some of the difficult budget choices that they faced. We made sure that we had infrastructure spending all around the country. And in fact, we made the biggest investment in infrastructure since Dwight Eisenhower built the Interstate Highway System.

We made the largest investment in history in clean energy research, and it's really paying off. For example, when I came into office, we had about 2 percent of the advanced battery manufacturing here in America. And as everybody here knows, what's really holding us back from my goal of a million electric vehicles on the road is that battery technology is still tough. It's clunky, it's heavy, it's expensive, and if we can make significant improvements in battery technology, then I think the opportunities for electric vehicles, alternative vehicles that are much cheaper, our opportunities are limitless.

So those were all investments that we made in the first 2 years. Now, the economy is now growing. It's not growing quite as fast as we would like, because after a financial crisis, typically there's a bigger drag on the economy for a longer period of time. But it is growing. And over the last year and a half, we've seen almost 2 million jobs created in the private sector.

Because this recession came at a time when we were already deeply in debt and it made the debt worse, if we don't have a serious plan to tackle the debt and the deficit, that could actually end up being a bigger drag on the economy than anything else. If the markets start feeling that we're not serious about the problem, and if you start seeing investors feel uncertain about the future, then they could pull back right at the time when the economy is taking off.

So you're right that it's tricky. Any—folks around here are used to the hills in San Francisco, and you've driven—I don't know if they still have clutch cars around here. Anybody ever driven a clutch car? [Laughter] I mean, you got to sort of tap and—well, that's sort of what we faced in terms of the economy, right? We got to hit the accelerator, but we've got to also make sure that we don't gun it; we can't let the car slip backwards. And so what we're trying to do, then, is put together a debt and deficit plan that doesn't slash spending so drastically that we can't still make investments in education, that we can't still make investments in infrastructure, all of which would help the economy grow.

In December, we passed a targeted tax cut for business investment, as well as the payroll tax that has a stimulus effect that helps to grow the economy. We can do those things and still grow the economy while having a plan in place to reduce the deficit, first by 2015 and then over the long term. So I think we can do both, but it does require the balanced approach that I was talking about.

If all we're doing is spending cuts and we're not discriminating about it, if we're using a machete instead of a scalpel and we're cutting out things that create jobs, then the deficit could actually get worse because we could slip back into another recession.

And obviously, for folks in Detroit, where you're from, they know that our investments can make a difference because we essentially saved the U.S. auto industry. We now have three auto companies here in America that are all turning a profit. GM just announced that it's hiring back all of the workers that it was plan-

ning to lay off. And we did so, by the way, at the same time as we were able to increase fuel efficiency standards on cars for the first time in 30 years. So it can be done, but it takes a balanced approach.

"Development, Relief, and Education for Alien Minors (DREAM) Act"/Immigration Reform

Mr. Zuckerberg. All right, so we have a question from the University of Florida, where—in February, you launched this initiative at whitehouse.gov/youngeramericans with this goal to have a hundred youth roundtables across the country, and a bunch of them are taking place right now, watching this Facebook Live.

So Cesar Fernandez and Elesia Rectanus are participating in one of those roundtables, and they wanted to ask you this: "Mr. President, in your deficit reduction speech last week, you spoke of the need to not only reduce Government spending, but to also increase Federal revenue. In light of our Nation's budget challenges, will your administration consider revisiting policies such as the 'DREAM Act,' which the Congressional Budget Office estimates will reduce the deficit by \$1.4 billion and increase the Government revenue by \$2.3 billion over the next 10 years?"

The President. Let me talk about not only the "DREAM Act," but about immigration policy generally. And I want to thank—Sheryl Sandberg actually participated in a discussion that we had yesterday, bringing together business leaders and government officials and faith leaders, a broad cross-section of Americans together to talk about how do we finally fix an immigration system that's fundamentally broken.

For those of you who aren't familiar, the "DREAM Act" is—deals with a particular portion of the population, kids who were brought here when they were young by their parents. Their parents might have come here illegally. The kids didn't do anything; they were just doing what kids do, which is follow their parents. They've grown up as Americans. They went to school with us or with our kids. They think of themselves as Americans, but many of them still don't have a legal status.

And so what we've said is, especially for these young people, who are our neighbors, our friends, our children's friends, if they are of good character and going to school or joining our military, they want to be part of the American family, why wouldn't we want to embrace them? Why wouldn't we want to make sure that they're contributing to our future?

So that's the "DREAM Act." But that's just a small part of a broader challenge that we have. Immigration in this country has always been complicated. The truth of the matter is that we are both a nation of immigrants and a nation of laws. Sometimes the laws haven't been fair. Sometimes the laws have been restricted to certain ethnic groups. There have been quotas. Sometimes our immigration policies have been arbitrary and have been determined by whether industry at a particular time was willing to bring in workers on the cheap.

But what's undeniable is America is a nation of immigrants. That's our history, and that's what makes us stronger. Because we've got ambitious people from all around the world who come here because they've got a new idea and they want to create the next big thing or they just want a better future for their kids and their family, and that dynamism is part of what's propelled our progress and kept us young.

Now, I think most Americans understand that and most Americans agree with that. At the same time, I think most Americans feel there should be an orderly process to do it. People shouldn't just be coming here and cutting in front of the line, essentially, and staying without having gone through the proper channels.

So what we've said is let's fix the whole system. First of all, let's make the legal immigration system more fair than it is and more efficient than it is. And that includes, by the way, something, I know, that is of great concern here in Silicon Valley. If we've got smart people who want to come here and start businesses and are Ph.D.'s in math and science and computer science, why don't we want them to say? I mean, why would we want to send them someplace else?

So those are potential job creators. Those are job generators. I think about somebody like

an Andy Grove of Intel. We want more Andy Groves here in the United States. We don't want them starting companies—we don't want them starting Intel in China or starting it in France. We want them starting it here.

So there's a lot that we can do for making sure that high-skilled immigrants who come here, study—we've paid for their college degrees, we've given them scholarships, we've given them this training; let's make sure that if they want to reinvest and make their future here in America that they can. So that's point number one.

But point number two is you also have a lot of unskilled workers who are now here who are living in the shadows. They're contributing to our economy in all sorts of ways. They're working in the agricultural sector. They are in restaurants, and they're in communities all across the country looking after children and helping to build America. But they're scared, and they feel as if they're locked out of their surroundings.

And what I've said is, they did break the law, they came here, they have to take responsibility for that. They should pay a fine. They should learn English. They should go to the back of the line so that they don't automatically get citizenship. But there should be a pathway for them to get legalized in our society so they don't fear for themselves or their families, so that families aren't separated.

At the same time, let's make sure we've got a secure border so that folks aren't wandering through the desert to get here. Let's make the legal immigration system more efficient and more effective so there aren't huge backlogs.

This is all part of what we call comprehensive immigration reform. And there's no reason why we shouldn't be able to achieve a system that is fair, is equitable, is an economic engine for America that helps the people who are already here get acculturated and makes sure that our laws aren't being broken, but we're still true to our traditions.

But, as I mentioned to Sheryl yesterday, I can't solve this problem by myself. Nancy Pelosi is a big champion of this. The Democratic Caucus in the House, I think, is prepared for—a majority of them are prepared to advance com-

prehensive immigration reform. But we're going to have to have bipartisan support in order to make it happen. And all of you have to make sure your voices are heard, saying this is a priority, this is something important. Because if politicians don't hear from you, then it probably won't happen. I can't do it by myself. We're going to have to change the laws in Congress, but I'm confident we can make it happen.

2012 Federal Budget

Mr. Zuckerberg. All right. So the next one is from a Facebook employee, Leo Abraham. Leo, where are you from?

The President. Hey, Leo.

Q. Hi. Hey.

The President. Hey.

Q. I'm from—originally from San Jose, California. My question is: The 2012 budget plan proposed by Paul Ryan has been praised by many in the media as bold or brave. Do you see this as a time that calls for boldness, and do you think that your—the plan you outlined last week demonstrated sufficient boldness, or is this just a media creation?

The President. No, it's a great question. Look, here's what I'd say. The Republican budget that was put forward I would say is fairly radical. I wouldn't call it particularly courageous. I do think Mr. Ryan is sincere. I think he's a patriot. I think he wants to solve a real problem, which is our long-term deficit. But I think that what he and the other Republicans in the House of Representatives also want to do is change our social compact in a pretty fundamental way.

Their basic view is that no matter how successful I am, no matter how much I've taken from this country—I wasn't born wealthy; I was raised by a single mom and my grandparents. I went to college on scholarships. There was a time when my mom was trying to get her Ph.D., where for a short time she had to take food stamps. My grandparents relied on Medicare and Social Security to help supplement their income when they got old.

So their notion is, despite the fact that I've benefited from all these investments—my grandfather benefited from the GI bill after he

fought in World War II—that somehow I now have no obligation to people who are less fortunate than me and I have no real obligation to future generations to make investments so that they have a better future.

So what his budget proposal does is not only hold income tax flat, he actually wants to further reduce taxes for the wealthy, further reduce taxes for corporations, not pay for those, and in order to make his numbers work, cut 70 percent out of our clean energy budget, cut 25 percent out of our education budget, cut transportation budgets by a third. I guess you could call that bold. I would call it shortsighted.

On—[applause]—and then, as I said, there's a fundamental difference between how the Republicans and I think about Medicare and Medicaid and our health care system. Their basic theory is that if we just turn Medicare into a voucher program and turn Medicaid into block grant programs, then now you, a Medicare recipient, will go out and you'll shop for the best insurance that you've got—that you can find—and that you're going to control costs because you're going to say to the insurance company, this is all I can afford.

That will control costs, except if you get sick and the policy that you bought doesn't cover what you've got. Then either you're going to mortgage your house or you're going to go to the emergency room, in which case I, who do have insurance, are going to have to pay for it indirectly because the hospital is going to have uncompensated care.

So they don't really want to make the health care system more efficient and cheaper. What they want to do is to push the costs of health care inflation on to you. And then you'll be on your own trying to figure out in the marketplace how to make health care cheaper.

The problem is, you're just one person. Now, you work at Facebook. It's a big enough company; Facebook can probably negotiate with insurance companies and providers to get you a pretty good deal. But if you're a startup company, if you're an entrepreneur out there in the back of your garage, good luck trying to get insurance on your own. You can't do it. If you're

somebody who's older and has a preexisting condition, insurance companies won't take you.

So what we've said is, let's make sure instead of just pushing the costs off on to people who individually are not going to have any negotiating power or ability to change how providers operate or how hospitals or doctors operate, how insurance companies operate, let's make sure that we have a system, both for Medicare, but also for people who currently don't have health insurance, where they can be part of a big pool. They can negotiate for changes in how the health care system works so that it's more efficient, so that it's more effective, so that you get better care—so that we have fewer infection rates, for example, in hospitals—so there are fewer readmission rates, so that we're caring for the chronically ill more effectively, so that there are fewer unnecessary tests. That's how you save money. The Government will save money, but you'll also save money.

So we think that's a better way of doing it. Now, what they'll say is, well, you know what, that will never work because it's Government imposed and it's bureaucracy and it's Government takeover and there are death panels. I still don't entirely understand the whole "death panel" concept. But I guess what they're saying is somehow some remote bureaucrat will be deciding your health care for you. All we're saying is, if we've got health care experts—doctors and nurses and consumers—who are helping to design how Medicare works more intelligently, then we don't have to radically change Medicare.

So yes, I think it's fair to say that their vision is radical. No, I don't think it's particularly courageous. Because the last point I'll make is this: Nothing is easier than solving a problem on the backs of people who are poor or people who are powerless or don't have lobbyists or don't have clout. I don't think that's particularly courageous.

Education Reform

Mr. Zuckerberg. All right, the next one's from the web. We've got a question from Kwame Simmons from Orlando, Florida. And he asks: "I strongly believe that education is

the greatest equalizer. With so many problems plaguing our current system, is it possible to examine a complete overhaul of the system so that it addresses the needs of modern students?"

And before you jump in, I just want to say, as someone who has spent a bunch of time researching education and who cares about this, I think that the Race to the Top stuff that you guys have done is one of the most underappreciated and most important things that your administration has done.

The President. I appreciate that. The—[applause]—this is an area where actually, I think, you've seen the parties actually come together. And there's some good bipartisan work being done.

It used to be that the argument around education always revolved around the left saying we just need more money and the right saying we should just blow up the system because public schools aren't doing a good job. And what we are now seeing is people recognizing we need both money and reform. It's not an either-or proposition, it's a both-and proposition.

So what Mark just mentioned, something called Race to the Top, pretty simple concept. Most Federal dollars are allocated through a formula. If you've got a certain number of poor kids or you've got a certain number of disabled kids in your school district, there's a formula, and you get a certain amount of money. And every State and every school district gets that money according to the formula.

What we did was, we took about 1 percent of the total spending on education and we said, to get this 1 percent, show us that you're reforming the system. It's almost—it's like a competition model. And so every State, every school district could apply. And you had to show us that you had a good plan to retrain teachers and recruit and do good professional development so we've got the best teachers possible.

You had to have accountability. You had to show us that you were actually making progress in the schools and that you were measuring through data the improvements that were being made, that you were reaching into the

schools that were hardest to reach, because there are about 2,000 schools around the country that account for the majority of dropouts in our country. They're like dropout factories. So show us a plan to go into those schools and really make a big difference.

And what's happened is that over 40 States, in the process of competing for this extra money, ended up initiating probably the most meaningful reforms that we've seen in a generation. And so it's made a huge difference. Even those States that didn't end up actually winning the competition still made changes that are improving the potential for good outcomes in the schools.

So that's the kind of creative approach that you've seen some Democrats and some Republicans embrace. And our hope is we can build on that.

A couple of things that we know work: The most important thing to a good education is making sure we've got a good teacher in front of that classroom. And so providing more support for teachers, recruiting the best and brightest into teaching, making sure that they're compensated, but also making sure that they're performing, that's hugely important.

The other thing is good data so that there's a constant feedback, not just a bunch of standardized tests that go into a drawer or that people may game in order not to get penalized. That's what happened under No Child Left Behind. But instead, real good data that you can present to the teacher while they're still teaching that child and say, you know what, this child is falling behind in math; here are some ways to do it, to improve their performance.

So we're starting to see real progress on the ground, and I'm optimistic that we can actually, before the 2012 election, potentially have a Federal education law that will embody some of the best information that we have about how to initiate good school reform.

Now, last point I'll make on this: Government alone can't do it. One of the things every time I come to Silicon Valley that I'm inspired by, but I'm also frustrated by, is how many smart people are here—but also frustrated that I always hear stories about how we can't find

enough engineers, we can't find enough computer programmers. You know what, that means our education system is not working the way it should, and that's got to start early.

And that's why we're emphasizing math and science. That's why we're emphasizing teaching girls math and science. That's why we're emphasizing making sure that Black and Hispanic kids are getting math and science.

We've got to do such a better job when it comes to STEM education. And that's one of the reasons, by the way, that we had our first science fair at the White House in a very long time, just because we want to start making science cool. I want everybody to feel the same way that they did—[applause]—I want people to feel the same way about the next big energy breakthrough or the next big Internet breakthrough—I want people to feel the same way they felt about the Moon launch, that that's how we're going to stay competitive for the future. And that's why these investments in education are so important.

But, as I said, Government alone can't do it. There's got to be a shift in American culture, where once again we buckle down and we say, this stuff's important. And it's—that's why, Mark, the work you're doing in Newark, for example, the work that folks like the Gates Foundation are doing in philanthropic investments in best practices in education, especially around math and science training, are going to be so important.

We've got to lift our game up when it comes to technology and math and science. That's, hopefully, one of the most important legacies that I can have as President of the United States.

Health Care Reform

Mr. Zuckerberg. All right. So the next one is from another Facebook employee. Here's James Mitchell. So, James Mitchell, where are you from?

The President. Here's James back here.

Q. Hi, Mr. President.

The President. Hey, James.

Q. I'm James Mitchell. I'm born in Chicago and raised out here in Cupertino, California. I

have yet another question for you about the debt and health care.

The President. Go ahead.

Q. So the biggest threat we have fiscally is the rise in health care costs. Unfortunately, a lot of the solutions we hear to Medicare and Medicaid don't involve actually slowing down the rise in health care costs. Instead, they involve shifting costs to beneficiaries and States. So my question is: Can you talk a bit more about what provisions of the affordable health care act are designed to slow down the rise of health care costs and what policies you'd like to see enacted in the future to continue to slow down the rise of health care costs?

The President. Let me give you a couple of examples, because you're exactly right in how you describe it. I don't want to just shift the health care costs on to the American people, I want to actually reduce health care costs.

Let's take the example of health IT. We're in Silicon Valley, so we can talk about IT stuff. I'll try to sound like I know what I'm talking about. [*Laughter*] The health care system is one of the few aspects of our society where a lot of stuff is still done on paper. The last time you guys went to a doctor's office or maybe to your dentist's office, how many people still had, like, to fill out a form on a clipboard? Right? And the reason for that is because a large chunk of our provider system is not automated.

So what ends up happening is, you may go to your primary care physician, he does some basic tests, he sees something of concern, he refers you to a specialist. You go to the specialist; he'll do another test. You're getting charged, or your insurance company is getting charged, for both those tests, as opposed to the test that was taken by your primary care physician being e-mailed to the specialist. Or better yet, if it turns out that there may be three or four specialists involved, because it's a difficult diagnosis—this is all hypothetical; you look very healthy. [*Laughter*] But let's say there were a bunch of specialists. What would be ideal would be if you get all the specialists together with the primary care physician the first time you're seen so that you're not paying for multiple visits as well as multiple tests.

That's not how it works right now. Now, part of it is technology. So what we did in the Affordable Care Act, building on what we did with the Recovery Act, is try to provide incentives to providers to start getting integrated, automated systems. And it's tough because the individual doctor may say to him or herself, I don't want to put the initial capital outlay; that's expensive, even though it may make my system more efficient later on.

So providing some incentives, some help, for the front-end investments for a community hospital or for individual providers so that we can slowly get this system more effective, that's priority number one.

We know it can be done, by the way. Surprisingly enough, the health care system that is—does the best job on this of anybody is actually the Veterans Administration, the VA health care system, because it's a fully integrated system. Everybody is working for the VA—all the doctors, all the hospitals, all the providers—so they've been able to achieve huge cost savings just because everybody is on a single system.

It's also, though, how we reimburse doctors and how we reimburse hospitals. So right now what happens is, when you've taken those two tests, if you're old enough to qualify for Medicare, well, each doctor sends their bill to Medicare, and Medicare pays both bills. And let's say that you end up getting an operation. They'll send the bill for that, and so Medicare pays that. Let's say they didn't do a very good job or you got sick in the hospital and you are readmitted and you have to be treated again and they have to do the operation all over again. Medicare then gets billed for the second operation.

I mean, imagine if that's how it worked at—when you bought a car. So you go, you buy your car. A week later, the car doesn't work. You go back to the dealer, and they charged you to fix the bad job that they did in the first place. Well, that's what Medicare does all the time. So we don't provide incentives for performance. We just provide—we just pay for the number of qualified items that were proce-

dures that were performed or tests that were performed by the provider.

So what we want to do is to start changing how folks are reimbursed. Let's take a hospital. We want to give—this is sort of like Race to the Top, what Mark was talking about in education. We want to be able to say to a hospital, if you do a really good job reducing infection rates in the hospital, which kill tens of thousands of people across America every year and are a huge cause for readmission rates, and we know that hospitals can drastically reduce those reinfection rates just by simple protocols of how employees are washing their hands and how they're moving from room to room and so forth—there are hospitals who have done it—if we can say to a hospital, you'll get a bonus for that, Medicare will reimburse you for instituting these simple procedures, that saves the whole system money.

And that's what we've tried to do in the Affordable Care Act, is to start institutionalizing these new systems. But it takes time because we've got a private sector system—it's not like the VA—a bunch of individual doctors, individual hospitals spread out all across the country with private insurers. So it's not something that we can do overnight.

Our hope is, is that over the next 5 years, we're able to see significant savings through these mechanisms, and that will save everybody—not just people who are on Medicare and Medicaid—it will save everybody money, including folks here at Facebook. Because I'm sure that you guys provide health insurance, and I suspect if you look at your health insurance bills, they don't make you happy. Okay.

President's Accomplishments

Mr. Zuckerberg. So we have time for only one more question.

The President. All right.

Mr. Zuckerberg. It's a question from Terry Atwater from Houston, Texas: "If you had to do anything differently during your first 4 years, what would it be?"

The President. Well, it's only been 2½, so I'm sure I'll make more mistakes in the next year and a half.

Mr. Zuckerberg. [*Inaudible*—questions.

The President. The jury will still be out. [*Laughter*] The—there are all sorts of day-to-day issues where I say to myself, oh, I didn't say that right or I didn't explain this clearly enough or maybe if I had sequenced this plan first as opposed to that one, maybe it would have gotten done quicker.

Health care obviously was a huge battle, and if it hadn't been for Nancy Pelosi and her leadership in the House and the great work that—[*applause*—Anna Eshoo and Mike Honda and others did—we wouldn't have gotten it done if it hadn't been for great work in Congress.

But I do think that it was so complicated that at a certain point, people just started saying, oh, this is typical Washington bickering. And I've asked myself sometimes, is there a way that we could have gotten it done more quickly and in a way that the American people wouldn't have been so frustrated by it? I'm not sure I could have, because there's a reason why it hadn't gotten done in a hundred years. It is a—it's hard to fix a system as big as health care and as complicated as our health care system.

I can tell you that I think the best way to answer the question is, what do I feel I still have to get done, where I still feel a huge sense of urgency? I've talked about a couple of things. Getting our deficits and debt under control in a balanced way I feel needs to happen while I'm President. I don't want to leave it to the next President.

Immigration—something I mentioned—we have not gotten done. It's something I care deeply about. It's the right thing for the country. I want to get that done while I'm President.

Energy—we haven't talked a lot about energy today, but first of all, 4-dollar-a-gallon gas really hurts a lot of people around this country. It's not because they're wasteful, but if you're driving 50 miles to work and that's the only job you can find, and you can't afford some hybrid so you're stuck with the old beater that you're driving around that gets 8 miles a gallon, these gas prices are killing you right now.

And so this is the reason why I've said that it is so important for us to invest in new approaches to energy. We've got to have a

long-term plan. It means investing in things like solar and wind, investing in biofuels, investing in clean car technology. It means converting the Federal fleet a hundred percent to fuel-efficient vehicles, because we're a huge market maker. Obviously, it turns out that I've got a lot of cars as President. [Laughter] And if we're out there purchasing electric cars and hybrids, that can help boost demand and drive down prices. Continuing to increase fuel efficiency standards on cars, increasing oil production, but in an intelligent way. I mean, those are all hugely important. And by the way, we can pay for it.

Let me say this. We lose—the Treasury loses \$4 billion a year on subsidies to oil companies. Now, think about this. The top five oil companies have made somewhere between 75 billion and 125 billion every year for the last 5 years. Nobody is doing better than Exxon. Nobody is doing better than Shell or these other companies. They are doing great. They are making money hand over fist. Well, maybe Facebook is doing a little better, but—[laughter]—but you get the idea. They're doing really well. They don't need special tax breaks that cost us \$4 billion. So what we've said is, why can't we eliminate the tax breaks for the oil companies who are doing great and invest that in new energy sources that can help us save the planet?

So when it comes to energy, when it comes to immigration, when it comes to getting our deficit under control in a balanced and smart way, when it comes to improving our math and science education, when it comes to reinvesting in our infrastructure, we've just got a lot more work to do.

And I guess my closing comment, Mark, would just be I hope that everybody here—that you don't get frustrated and cynical about our democracy. I mean it is frustrating. Lord knows it's frustrating. I—[laughter]—and I know that some of you who might have been involved in the campaign or been energized back in 2008, you're frustrated that, gosh, it didn't get done fast enough, and it seems like everybody is bickering all the time. Just remember that we've been through tougher

times before. We've always come out ascendant, we've always come out on top, because we've still got the best universities in the world, we've still got the most productive workers in the world, this is still the most dynamic, entrepreneurial culture in the world.

If we come together, we can solve all these problems. But I can't do it by myself. The only way it happens is if all of you still get involved, still get engaged.

It hasn't been that long since election day, and we've gone through some very, very tough times, and we've still gotten a lot done. We've still been able to get this economy recovering. We've still been able to get health care passed. We've still been able to invest in clean energy. We've still been able to make sure that we overturned "don't ask, don't tell." We still made sure that we got two women on the Supreme Court. We've made progress.

So rather than be discouraged, I hope everybody is willing to double down and work even harder. Regardless of your political affiliation, you've got to be involved, especially the young people here, your generation. If you don't give us a shove, if you don't give the system a push, it's just not going to change. And you're going to be the ones who end up suffering the consequences.

But if you are behind it, if you put the same energy and imagination that you put into Facebook into the political process, I guarantee you there's nothing we can't solve.

All right? Thank you, Mark.

Mr. Zuckerberg. So I just want to thank you again. It's such an honor to have you here.

The President. We had a great time.

Mr. Zuckerberg. And as a small token of our appreciation, in case for some reason you want to dress like me—

[At this point, Mr. Zuckerberg presented the President with a gift.]

The President. Nice, nice.

Mr. Zuckerberg. A Facebook hoodie.

The President. Oh, this is a high-fashion statement right here. This is beautiful.

Thank you very much, everybody.

Mr. Zuckerberg. Thank you.

The President. Appreciate you.

NOTE: The President spoke at 1:58 p.m. at Facebook, Inc., headquarters. In his remarks, he referred to Sheryl K. Sandberg, chief oper-

ating officer, Facebook, Inc.; Andrew S. Grove, senior adviser, cofounder, and former chief executive officer, Intel Corp.; and Supreme Court Associate Justices Elena Kagan and Sonia M. Sotomayor.

Statement on the First Anniversary of the BP Deepwater Horizon Oil Spill *April 20, 2011*

One year ago today, the Deepwater Horizon oil platform exploded, killing 11 men and ultimately releasing an estimated 4.9 million barrels of oil in the Gulf of Mexico. That catastrophic event deeply affected the lives of millions of Americans, from local fishermen to restaurant and hotel owners and small businesses throughout the region. From the beginning, my administration brought every available resource to bear, amassing the largest oil spill response in our Nation's history. At the height of the response, approximately 48,000 men and women worked tirelessly to mitigate the worst impacts of the spill. While we've made significant progress, the job isn't done.

Nearly 2,000 responders are actively working in the Gulf to aid in the ongoing recovery efforts. We continue to hold BP and other responsible parties fully accountable for the damage they've done and the painful losses that they've caused. We're monitoring seafood

to ensure its continued safety and implementing aggressive new reforms for offshore oil production in the Gulf so that we can safely and responsibly expand development of our own energy resources. And EPA Administrator Lisa Jackson is leading a task force to coordinate the long-term restoration effort based on input from local scientists, experts, and citizens.

The events that unfolded on April 20, 2010, and the oil spill that followed underscores the critical link between the environment and economic health of the Gulf. My administration is committed to doing whatever is necessary to protect and restore the Gulf Coast. Today we remember the 11 lives lost as a result of this tragic event and thank the thousands of responders who worked to mitigate this disaster. But we also keep a watchful eye on the continuing and important work required to ensure that the Gulf Coast recovers stronger than before.

Remarks at a Democratic National Committee Fundraiser in San Francisco, California *April 20, 2011*

Thank you. Everybody, sit down. Have a seat.

I know all of you wish that Stevie would just keep on playing. [*Laughter*] I understand that, and I can relate to it. I was mentioning to Marc—and I hate to do this to you, Stevie, because I'm dating you a little bit—but the first album that I ever bought with my own little spending money was "Talking Book." I was 10 years old. I was 10 years old, and I would sit in my room, and I had this old phonograph, and the earphones were, like, really big. You didn't have the little iPod buds. They covered your whole ear. And I would sit in my room and pre-

tend I was Stevie Wonder. [*Laughter*] And unfortunately, my grandparents, who were—I was living with at the time—they had to suffer hearing me sing. I couldn't hear myself sing. I was just hearing Stevie, and I figured I sounded just like him. [*Laughter*] But I'm sure that was not the case.

Anyway, Stevie and Will.i.am have both been huge supporters, huge friends from very early on in this campaign process. And so it's wonderful to have them here. But I want to most of all thank Marc and Lynne and Leia for sharing their homes. This is an incredible setting, but