

By Daniel Strauss - 12/27/12

Congressional leaders will meet at the White House on Friday and the House will come back into session on Sunday night, setting the stage for an eleventh-hour push on legislation to avoid the "fiscal cliff."

Majority Leader Eric Cantor (R-Va.) informed lawmakers in a GOP conference call Thursday about the new House schedule, which could allow lawmakers to vote Sunday or Monday on a fiscal-cliff deal — if one can be put together by President Obama and the Senate.

Hours later, a White House official said President Obama would host Speaker John Boehner (R-Ohio), Senate Majority Leader Harry Reid (D-Nev.), Senate GOP Leader Mitch McConnell (Ky.) and House Minority Leader Nancy Pelosi (D-Calif.) at the White House on Friday afternoon.

Obama spoke to leaders from both parties and chambers before his trip back from Hawaii on Air Force One. He cut that trip short to return to Washington in an attempt to reach a deal before the end of the year.

Some signs suggested Thursday that work on a new deal had already begun.

Sen. Scott Brown (R-Mass.) said he understood the president had reached out to Senate Republicans with a proposal, while a GOP leadership aide in the Senate said: "We're expecting the Democrats to finally act."

McConnell later on Thursday struck an optimistic tone, and said he was looking forward to a proposal from Obama.

"Hopefully there is still time for an agreement of some kind that saves taxpayers from a wholly, wholly preventable economic crisis," he said.

McConnell also warned the White House and Democrats should not expect Senate Republicans to simply roll over and "write a blank check" for anything Senate Democrats put forward "just because we find ourselves at the edge of the cliff."

"That wouldn't be fair to the American people," McConnell said on the Senate floor.

Senate Democrats and the White House said no formal legislation was headed from Obama to Capitol Hill, but Friday's meeting and the scheduling maneuvers showed a final effort was in the works to prevent tax hikes and spending cuts scheduled for January that economists warn would trigger a recession.

House Majority Leader Eric Cantor (R-Va.) said the House could remain in session through Jan. 2, noting that the 113th Congress will be sworn in the day after.

Talks have been stuck since the House failed to move Boehner's "Plan B" proposal last week.

Boehner's bill would have extended tax rates on annual incomes below \$1 million, but the Speaker pulled his legislation before it reached the floor because of a lack of support from his own conference.

During the conference call, Boehner reiterated what he and other GOP leaders had said publicly, which is that the House had acted on a pair of bills that would prevent the crisis and that it is up to the Senate to act.

The Speaker argued that legislation approved by the House in August to extend all of the current individual tax rates, coupled with a bill moved by the lower chamber last week that would replace spending cuts known as the "sequester," would prevent the nation from going over the fiscal cliff.

He said it was up to the Senate to amend those bills and return them to the House if they are not acceptable in their present form.

"Once this has occurred, the House will then consider whether to accept the bills as amended, or to send them back to the Senate with additional amendments," Boehner said, according to a source familiar with his comments. "The House will take this action on whatever the Senate can pass — but the Senate must act."

While Senate and House Republicans have both called on Senate Democrats and Obama to move, Boehner's failed gambit with his \$1 million proposal appeared to increase the president's leverage in the talks. Obama already enjoyed an advantage over Republicans because of his decisive Election Day victory, and polls that suggest Republicans could take more of a blame if the nation goes over the cliff.

Obama last week said he would reach for a smaller deal that would extend tax rates on annual incomes below \$250,000 while allowing rates above that threshold to rise. Obama also said he would seek an extension of unemployment benefits, but would put off broader entitlement reforms until next year, as well as a hike to the debt ceiling.

It is unclear whether Republicans would move legislation that only extends rates on annual incomes below \$250,000, however.

While McConnell seemed to offer some hope that a deal could be reached, Reid on Thursday

said a deal seemed unlikely before the end-of-year deadline.

"I have to be honest — I don't know, time-wise, how it can happen now," Reid said.

In a later appearance on the Senate floor, he scolded Republicans for obstructing a deal and criticized House Republicans for leaving town.

Peter Schroeder contributed to this story.

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