MS. SANDERS: Good afternoon, everyone. Many of you probably saw Protective Life Corporation’s announcement this morning. As a direct result of the Trump tax cuts, the Alabama-based company is raising their minimum wage to $15 per hour, and giving a $1,000 bonus to over 2,000 of their workers.

For those of you keeping track, we now have over 350 companies that have announced wage increases, bonuses, new hiring, or increased retirement benefits as a direct result of tax reform, which not a single Democrat supported. These announcements have affected over 4 million American workers.

The President is working to build an economy that works for all Americans. The tax cuts and reforms are a big part of that, and so is infrastructure.

As you all saw yesterday, the President unveiled a Legislative Outline for Rebuilding Infrastructure in America. To cure decades of neglect, we are committed to quickly building a safe, reliable, and modern infrastructure to meet the needs of the American people and to fuel economic growth.

And to help make this possible, we have a very special announcement today. In keeping with his campaign pledge, the President donates his salary on a quarterly basis to further work being done on important projects.

Most recently, the President donated his third-quarter salary to help the Department of Health and Human Services combat the opioid epidemic. Prior to that, he donated to the Department of Education and the National Park Service.

And today, the President is proud to donate his fourth-quarter salary -- 2017 salary to the Department of Transportation to support their programs to rebuild and modernize our crumbling infrastructure.

Secretary of Transportation Elaine Chao is here to accept the check. I’d like to bring her up to say a few words, take a couple of questions on infrastructure and about how these funds will be used. And I trust that you’ll stay on topic, and then I’ll be back up afterwards to answer your questions on the news of the day.

With that, Secretary Chao. Thank you so much for being here.

SECRETARY CHAO: Thank you. We have to get this check here, and with all of us. (Laughter.)

Thank you. Thank you, Sarah. I'm accompanied here, in case you were wondering, by two officials of the U.S. Department of Transportation. I have with me, Derek Kan, Undersecretary of Policy, and Jim Ray, the Senior Advisor to the Secretary for Infrastructure. They're here because of this gift. And so let me proceed.

As many of you have heard yesterday, 12 federal agencies have been working with the White House on the comprehensive infrastructure proposal that the President announced yesterday. Transportation is one component. The proposal also includes energy, drinking and waste water, broadband, and veterans hospitals, as well.

The goal of the President's proposal is to stimulate at least $1.5 trillion in infrastructure investment, which includes a minimum of $200 billion in direct federal funding. And a key element is to empower decision-making at the state and the local level because state and local officials know best the infrastructure needs of their communities.
Many of you know that the principles are behind this, and so I wanted to reiterate some of the principles. The principles behind this proposal are, one, to use federal dollars as seed money to encourage infrastructure investment by the states, localities, and the private sector. Two, provide for the infrastructure needs of rural communities. Three, streamline project delivery. And four, invest in transformative projects that benefit everyone.

We are already applying these principles to the Department of Transportation's major existing infrastructure grant programs, including, for example, the INFRA grants. And that is why these two gentlemen to my right are here -- because their offices will be among those at the Department of Transportation that will be taking the applications and also administering these INFRA grants.

This quarter, as mentioned, the President has generously decided to donate his annual salary to the Department's INFRA Grant Programs. INFRA directly reflects the President's proposal by providing dedicated, discretionary funding for projects that address critical issues facing our nation's highways and bridges and ports.

Under the INFRA program, states and localities that secure some funding or financing of their own are given higher priority access to federal funds. In addition, INFRA also reserves at least 25 percent of its funding to be awarded to rural projects.

So infrastructure is the backbone of our economy, and it's key to keeping our country competitive. The President's proposal will create new jobs, strengthen our economy, and improve the quality of life for everyone.

And so with that quick summary, I'll be more than glad to answer any questions.

Yes, John.

Q Madam Secretary, some of the criticisms of the President's plan as outlined yesterday are that it puts too much of a burden on the states financially because the federal portion is about 13 percent of the overall, and might also end up in people paying more taxes, more tolls, that sort of thing. What do you say to that?

SECRETARY CHAO: You know, federal money is not free. Federal money comes from our communities, people, taxpayers, and our communities. They take that money, send it to Washington, and then we decide how to use it, and send it back to the communities with a lot of strings attached on what they need to do.

So what we are trying to do is to recognize the states and localities, communities understand best what their infrastructure needs are, and to allow them to have much greater flexibility to decide their own projects, in conjunction and in partnership with the federal government.

Yes, sir.

Q Thanks, Secretary Chao. One of the other criticisms about the President's plan is that it doesn't include addressing the Highway Trust Fund, which only has so many years ahead of it -- of funding -- just a few years. Could you address why that was not included in the President's broader infrastructure plan? And then, what does the administration plan to do about that very important source of funding for infrastructure projects across the country?

SECRETARY CHAO: Well, the Highway Trust Fund does need to be addressed because, every year, more money goes out of it than receipts are received. And this will be a huge problem in 2021. So we, in conjunction with the Congress, have got to address this issue. So we're not in any disagreement about that. And the issue is how, and we look forward to consulting with Congress on how to do that. Because, again, the cliff begins in 2021.

Q Madam Secretary, so there are no plan -- the White House doesn't have a proposal right now for that?

SECRETARY CHAO: Well, we don't want to do it unilaterally. As mentioned, the President's proposal consisted of principles. And we want to discuss and work in consultation, on a bipartisan basis, with the Hill to address the infrastructure needs of our country.

Q Madam Secretary, thank you. The crumbling infrastructure. Could you talk to us about -- we know what's going on with roads, bridges, highways, what have you. But when it comes to rural America, can you give us specifics about what's crumbling, what needs to be fixed, and what jobs will be given where?

SECRETARY CHAO: Well, I come from the state of Kentucky. I'm a proud Kentuckian, and I come from a rural state. So I am especially concerned about the needs of rural America, and we recognize that the needs of rural America are special. And that is why, in the President's proposal, there is actually a provision which addresses the unique needs of rural America.

So it will be separate from the -- there's a separate title that is addressed to rural America. And similarly, there's a separate title addressed to transformative technology as well. So, for example, Derek Kan, the Undersecretary of Policy, one of his portfolio areas is transformational
technology -- autonomous vehicles, automated driving systems. So that is another part of the President's infrastructure proposal that we will be also discussing with the Hill.

MS. SANDERS: Let's take one last question.

SECRETARY CHAO: Yes.

Q Thank you, Secretary Chao. As you know, the federal gas tax has remained at 18.4 cents per gallon since 1993. The U.S. Chamber of Commerce has advocated an increase in the gas tax of 25 cents per gallon. The truckers -- the American Trucking Associations recommended a 20-cent-per-gallon increase in the gas tax. What's your view on this subject?

SECRETARY CHAO: Well, the President has not declared anything out of bounds, so everything is on the table.

The gas tax, like many of the other pay-fors that are being discussed, is not ideal. There are pros and cons. The gas tax has adverse impact, a very regressive impact, on the most vulnerable within our society; those who depend on jobs, who are hourly workers. So these are tough decisions, which is why, once again, we need to start the dialogue with the Congress, and so that we can address these issues on this very important point.

Q Could you just clarify your answer to John from the first question? Were you saying -- there are strings attached. So you're saying that taxes will increase and that tolls may increase, or they won't?

SECRETARY CHAO: That is a decision that is up to the state and local governments. And also, it's going to depend -- you know, that gentleman mentioned about federal gas taxes. These are tough decisions. We all want better infrastructure. But unfortunately, there's just not enough money in the world to pay for all the infrastructure, which is why the President's infrastructure also emphasizes the private sector.

Private sector pension funds are a tremendous source of capital for funding public infrastructure. There are states which disallow the private sector from investing in public infrastructure. So we hope that those restrictions can be removed.

And then, for those states and localities that want to work with the private sector, it's their decision as to whether they want to use private activity bonds, whether they want to use tolls, whatever. What we are saying in this proposal is that we're looking for creative ways for financing.

And so tolls is one way. We're not advocating for them. We're also not endorsing them. It is really up to the local entities that are involved in trying to raise the financing.

Q Well, but as a quick follow-up, you're from Kentucky, so you well know the Watterson Expressway, when it was widened in Louisville, one of the biggest -- one of the things they liked the best about it, there was no toll. And so in rural areas, it helped people get to where they wanted to go quicker. Here, in the Washington, D.C. area, you have an abundance of tolls, and it cuts into people's paychecks. So while you're espousing that you want to help out rural America, isn't that going to impact -- or won't tolls hurt rural America?

SECRETARY CHAO: That's really -- okay, you're mixing up, I think, several things here. I'm so sorry. There's actually going to be a title, as I mentioned, on rural America. So that is separate from the rest of the titles in this proposal that we're talking about. So there will be a special section for rural America.

And then, as for whether other -- urban areas want to embark upon tolls, or private activity bonds, or asset recycling, that is up to them. We are giving them the flexibility to do so. So it's actually -- they're getting much greater flexibility now to be able to look at the panoply of creative financing mechanisms, and decide for themselves what they want.

MS. SANDERS: Thank you so much.

SECRETARY CHAO: Thank you so much. I'm sure we'll be talking more. Thank you.

MS. SANDERS: Thank you, Secretary Chao. Due to the fact the President has got an event here momentarily, we'll jump straight into the questions for today.

John.

Q As you know, FBI Director Christopher Wray laid out a different timeline than the White House has been telling us, or one that would seem to be in contradiction to the timeline that the White House has laid out, in terms of what we knew when about Rob Porter. Can you speak to what the Director said? He seemed to indicate that the first that you would have known about this might have been in March, then again in June, then November, then in January when the case was actually closed.
MS. SANDERS: Look, we explained the process extensively last week. The White House Personnel Security Office, staffed by career officials, received information last year in what they considered to be the final background investigation report in November. But they had not made a final recommendation for adjudication to the White House because the process was still ongoing when Rob Porter resigned.

In the view of Personnel Security Office, the FBI's July report required significant additional investigatory fieldwork before Personnel Security Office could begin to evaluate the information for adjudication.

As Director Wray said, information was still coming to the White House Personnel Security Office in February.

Q    So just to be clear then -- in the July report, if not back to March, was there information contained in those reports about the allegations about Rob Porter?

MS. SANDERS: I wouldn't have access to that information. I wouldn't know the answer to that, John.

Kristen.

Q    I just want to drill down on one important fact, because you and Raj, and you just said this again that the investigation was ongoing. Christopher Wray said it was closed in January. So who's telling the truth here?

MS. SANDERS: Both. As I said, the FBI portion was closed. The White House Personnel Security Office, who is the one that makes a recommendation for adjudication, had not finished their process and therefore not made a recommendation to the White House.

Q    And let me just clarify one more point. You said yesterday that you didn't get any paperwork from the FBI. Chris Wray said that he did submit paperwork in all the various months that were (inaudible).

MS. SANDERS: Again, that would come through the White House Personnel Security Office, which had not completed their investigation and not passed that information to the White House.

Q    But you acknowledge that you did receive paperwork.

MS. SANDERS: Again, the White House -- I think you need to be very clear about -- there's multiple groups here.

The White House Personnel Security Office, which is staffed by career officials, would have -- may have received information, but they had not completed their process and made a recommendation to the White House for adjudication.

Q    And, Sarah, finally, who allowed John Kelly -- or Rob Porter rather, to stay here without a permanent security clearance?

MS. SANDERS: I can't comment on specifics of that other than what we've already said on that matter.

Cecilia.

Q    And, Sarah, could you answer questions about --

MS. SANDERS: Sorry, Kristen, I'm going to keep moving because we got a short time fuse here today.

Q    Is the White House still maintaining that John Kelly really had no idea about these allegations of domestic abuse until this story broke?

MS. SANDERS: I can only give you the best information that I have, and that's my understanding.

Q    And does the President believe the women?

MS. SANDERS: Again, the President takes all of these accusations very seriously. He believes in due process. Above everything else, he supports the victims of any type of violence, and certainly would condemn any violence against anyone.

Q    But we still haven't heard him say that himself. The cameras were in front of him today --

MS. SANDERS: Again, the President dictated to me specifically, that comment yesterday which I read out to you guys.

Zeke.
Q Thanks, Sarah. I've got two you. First, can you speak to -- did anyone at the White House Personnel Security Office have any communication with anyone in the West Wing about Rob Porter's clearance, between when the FBI started submitting its interim reports and --

MS. SANDERS: I'm not aware of any communication. I can't say definitively, but I'm not aware of any communication.

Q And then, secondly -- on Capitol Hill today, in an interview with the Associated Press, DNI Coates said that those with interim security clearances should not be granted -- should have limited access to classified information rather than access to the full gamut that a full clearance would provide.

Can you speak to whether that is a current practice right now for the large number -- for the significant number of officials, whether it be the West Wing or the broader White House complex? The President's aides who don't have permanent security clearances, do they have limited access to classified information?

MS. SANDERS: I can't speak to whether people have interim or permanent security clearances at all, and therefore can't comment on the process.

We are following the process that has been used by previous administrations, and we would rely on the law enforcement and intelligence communities to determine if that process needed to be changed.

Q But the DNI suggested that it would be changed.

MS. SANDERS: And they would be the ones that would make that determination and play a role in what those changes would look like.

Josh.

Q Sarah, are you saying that, on four different occasions, the FBI obviously said that it made the White House aware of the allegations, and the White House said -- officials said that, until Tuesday night, they did not realize the extent of the allegations. Should someone at the FBI or the Personnel Security Office be punished for not telling White House officials? How can those two things be?

MS. SANDERS: That's something that would be well beyond my scope to determine, Josh.

Q Is the President upset, though, that they weren't told, if everyone knew, but no one in the senior staff found out. Are you guys upset about that?

MS. SANDERS: I haven't asked him about that, specifically.

Matthew.

Q Thanks, Sarah. Raj, the other day, said, last week, that the situation could have been handled better. Yesterday, you echoed that and said the situation could have been handled better. Today, the Chief of Staff said it was all done right. Can you explain -- does the White House think this Rob Porter situation could have been handled differently? Or do you guys think this was all done right?

MS. SANDERS: Look, as I said yesterday, I think every day we come here, we do the very best that we can, and every day we can do better than the day before. And we're going to continue to strive for that. We're humans, making us imperfect people. And so, every day, I think we can learn from the day before, and we can strive to do better. And that's our goal, certainly within our team, and we're going to continue to try to do everything we can to help serve the American people to the best of our ability.

Q Was it appropriate for Hope Hicks to be involved in drafting some of these statements, given her relationship with Mr. Porter?

MS. SANDERS: She was not part of a lot of the conversations that took place. I don't recall any of you being in the room to be able to say specifically what comments she made or didn't make. She's the White House Communications Director, and is an important and valuable member of the staff, and she has done a great job in that role.

Steve.

Q Was there some discussion here about promoting Rob Porter to another job at the time that this all blew up?

MS. SANDERS: Not that I'm aware of. I just -- I don't know the answer to that.

Jeff.
Q  Sarah, you said that the FBI has said it was completed in late July, but you said a follow-up required more fieldwork on that. Was that because of something that Rob Porter said in response to that, that the allegations weren’t true? Or what required more fieldwork follow-up?

MS. SANDERS: I wouldn’t know the specifics. I can only refer you back to the previous statement.

Q  If I could ask again, though. In an op-ed this morning in the Washington Post, the first wife of Rob Porter said specifically of you, “I expected a woman to do better.” Based on what you know, do you believe you were personally misled? And do you have any regret for how you have explained this to the American people?

MS. SANDERS: Look, as I said, we do the very best job we can every single day. I would never presume to understand anything going on with that individual, nor would I think that she could presume what’s going on with me or the way that I’m responding.

Look, we’ve condemned domestic violence in every way possible. In fact, the President’s budget that he released yesterday fully funds the Violence Against Women Act. We’re looking for ways that we can take action to help prevent this from ever happening to anyone. And to presume that I feel differently is simply a very strong mischaracterization of who I am and who this White House is, and what our actions are focused on, and what we’re trying to do here.

Q  If I could ask one more --

MS. SANDERS: Sorry, I’m going to keep moving, Joe.

Q  -- where does John Kelly stand as we sit here today, in terms of -- if the President has confidence in him, why does he have confidence in him, based on everything we’ve learned over the last week?

MS. SANDERS: Look, I don’t have anything further to add. The President has confidence in his Chief of Staff. We’re going to continue trying to do the best we can to help the American people.

Julie.

Q  So a clarification and a question. In July, when the FBI was sent back into the field to get more information, are you telling us that no senior staff -- not Don McGahn, not Joe Hagan, not John Kelly -- nobody in the senior staff in the West Wing was involved in that decision to tell them to go back and see if they could get more information on what was --

MS. SANDERS: Again, not that I’m aware of. I can’t say with 100 percent certainty, but not that I’m aware of, of any conversations between those individuals.

Q  And then, are you looking at, now, ways that you could change the process so that, if a senior official in the White House is facing credible allegations of spousal abuse or some other criminal charge, that senior staff would be notified in a more timely way? I mean, this appears to have -- if your timeline is accurate -- taken more than a year.

MS. SANDERS: Look, again, I think that this is a process that the law enforcement and intelligence community should weigh in on and determine if changes should be made to the way that it’s carried out.

Q  I’m not talking about their process; I’m talking about the process here -- where an investigation, where serious allegations could surface, and that nobody in the West Wing would be aware of that.

MS. SANDERS: But that would include those agencies and those departments. So you couldn’t exclude them from a conversation about what changes should and need to be made to any program.

I think that that would have to be something that involved all of the stakeholders and something, certainly, far beyond my purview to walk you through today.

Q  Just following up on what Julie was asking. You’re saying that law enforcement should weigh in, but you’re the White House, you’re in charge, and this is your process. Should you not weigh in and take --

MS. SANDERS: It’s actually not our process. A large number of the background component is run by the FBI. Other intelligence agencies weigh in.

Again, what I said is that all of the stakeholders should be part of that discussion and it should be looked at and determined whether or not changes need to be made to the process.
Q Given that it impacts the White House staff, do you not want to request an improved process here?

MS. SANDERS: Again, that would go beyond my scope that I can walk you through here today, but I think it's certainly a conversation that all of those stakeholders should have.

April.

Q Sarah, a couple questions. In light of everything that's going on, is there a review now -- an internal review -- of all of those who have interim security clearances to see if they should stay or should they go?

MS. SANDERS: I can't speak about whether or not different staff have interim or permanent security clearances --

Q I'm not asking about different staff, I'm asking about the process -- all right. Is there a review of those who have interim passes to see if they're going to stay or they're going to go because -- in light of what's happening now?

MS. SANDERS: My understanding is that has been ongoing for a while, and that determination would be made outside of anything I can walk you through at this point.

Q And you spoke of fully funding the Violence Against Women Act. It's up for reauthorization. Tell me the price -- how much the President is trying to put in that. And was that the price prior to all of this that's happened with these two people in the last week?

MS. SANDERS: I'm sorry, I'm not following your question.

Q The budget. You're saying the President is going to fully fund the reauthorization of the Violence Against Women Act that's up in March. How much -- what is he putting in his budget proposal?

MS. SANDERS: I'd have to look at the specific number, but it was rolled out in the budget that was presented yesterday.

Q You mentioned it, but is the number, the number that it's always been, or was it just done? Can you talk to us about the funding?

MS. SANDERS: I know it what was requested has been put into the President's budget.

Q When was it put in?

MS. SANDERS: It was in the budget that was rolled out yesterday that's been part of the ongoing process.

Q But we just got the budget --

MS. SANDERS: We don't write a budget, like, in 20 minutes, so it's been part of something that's been ongoing.

Q I understand that. I understand that. I understand that. But there's some things in that budget Mr. Mulvaney did not tell us about yesterday.

MS. SANDERS: That means you probably didn't ask those questions. I'm going to keep going.

John, go ahead.

Q He didn't give us an answer. He purposely didn't give us that information.

Q Thanks a lot, Sarah. I wanted to just get some clarification from you regarding the testimony -- the sworn testimony today by the FBI Director. He laid out the timeline. And according to the FBI Director's testimony, the FBI submitted a partial report on the investigation in question of Porter's background check in March, and then a completed background investigation in late July.

And yesterday, when I was asking you about when the White House Counsel learned about Mr. Porter, had he learned before the report in the Daily Mail last week, your reply to me was that, "the process for the background was ongoing, and the White House had not received any specific papers regarding the completion of that background check."

So those two statements -- the FBI Director's statement, Mr. Wray, and your statement yesterday seemed to be at odds with one another. Do you see anything that you'd like to clarify, in terms of what I asked you today, based upon your answer yesterday?
MS. SANDERS: Yeah, as I said earlier, my understanding is any information would have gone to the personnel security office. That office had not completed their process in order to make a recommendation for adjudication to the White House. That was still ongoing and therefore, recommendation had not been made.

Q: But you said the specific papers regarding the completion of the background check had not been received.

MS. SANDERS: That's part of that process that the White House Personnel Security Office plays, run by career officials, and we hadn't received a recommendation from that office.

Q: And yet, the FBI Director said today, under oath, that the completed background investigation was actually submitted in late July. So which one is it?

MS. SANDERS: Let me read this to you again:

The White House Personnel Security Office, staffed by career officials, received information last year in what they considered to be the final background investigation report in November. But they had not made a final recommendation for adjudication to the White House because the process was still ongoing when Porter resigned.

In the view of Personnel Security Office, the FBI's July report required significant additional investigatory fieldwork before Personnel Security Office could begin to evaluate the information for adjudication.

We find those statements to be consistent with one another.

Jacqueline.

Q: Could Mr. McGahn come out here and answer --

MS. SANDERS: Sorry, John, I'm going to keep moving.

Q: -- any questions that we may have regarding what he knew and when he knew it?

Q: Sarah, you've said repeatedly that you and the press team do the very best job you can to relay whatever information you know up there. So is there a feeling that Chief of Staff John Kelly has misled you and his colleagues on what he knew and when, and set up the communications staff for failure to relay credible information to us over the past week in order to cover up the way that he handled the firing of Rob Porter?

MS. SANDERS: No, we're simply stating that we're giving you the best information that we're going to have. Obviously, the press team is not going to be as read-in, maybe, as some other elements at a given moment on a variety of topics. But we relay the best and most accurate information that we have, and we have get those from those individuals.

Q: And can you talk about the other staffers who have been dismissed previously for not passing background checks, and why Porter wasn't treated in a similarly timely manner?

MS. SANDERS: My understanding is the same process was followed for all employees, and it's the same process that was used in previous administrations. And I can't comment on anybody else's dismissal.

Toluse.

Q: Thank you, Sarah. You've talked multiple times about, sort of, wanting to get us the best information that you have. This scandal has been going on for a week now, and we still don't have answers to the basic questions of, sort of, who knew what, when; whether General John Kelly --

MS. SANDERS: I've done the best I can to walk you through that process, as has Raj. We've done that pretty extensively, and I'd refer you back to all of the statements we've given on that.

Q: So I want to ask you whether you've spoken specifically to General John Kelly and to the White House Counsel to ask them these questions. Because you've said, I'm not aware or I'm not sure.

MS. SANDERS: I have, and this is the information that was given to me by those individuals.

Q: House Speaker Paul Ryan, this morning, on the Fox Business Network said we've got to get out on entitlements. He talked about a structural deficit problem. He said, we need to "get our other partners in government, White House included, to be willing to do the kind of entitlement reform
that we're willing to do in the House." What -- does the President disagree with House Speaker Paul Ryan on that question of the structural deficit and the problem of mandatory spending?

MS. SANDERS: I would have to ask him specifically on that question. I know the President certainly would like to reduce the deficit, and it's one of the reasons that his budget -- this budget reduced the deficit by $3 trillion, which is one of the largest in history. And he's going to continue to look for ways to do that.

Q The Speaker says that it's the structural deficit for mandatory spending, not the discretionary spending, that is the driver. He's been saying this for years. Does the President disagree with him? I know he's said he doesn't agree with that approach to entitlements. Why does he not agree with that assessment?

MS. SANDERS: I'd have to ask him what the specifics are that he doesn't agree with him on.

Dave. We'll make this the last question.

Q Thanks, Sarah. Majority Leader McConnell said today that the DACA negotiations have to be done by the end of this week. Did he give the White House a heads-up on that decision? And does that reflect any view from the White House that Democrats are not bargaining in good faith? For example, they didn't -- they blocked a vote on sanctuary cities today.

MS. SANDERS: Look, it's up to Congress to set the timeline. The President has laid out the priorities that he has for that legislation, and we're only going to support a legislation that deals with those four priorities that we've laid out. We hope Republicans and Democrats can come together to a consensus to fix that problem and not kick the can down the road.

Thanks, guys.

END 3:13 P.M. EST