

## **Concessions make "fiscal cliff" deal more likely**

WASHINGTON, Dec. 18 (Xinhua)-- As U.S. President Barack Obama and House Speaker John Boehner made concessions on their long-held positions in recent days, slow-paced budget talks have accelerated for the year-end "fiscal cliff" and an agreement is looking more likely.

Boehner said Tuesday that he would move to "Plan B" for avoiding the fiscal woes due in January if the attempts to forge a broader deal with the White House fail.

The backup option, which was opposed by Democrats, would extend low income tax rates for households with incomes below 1 million U.S. dollars a year.

While introducing the backup plan, Boehner said he would continue negotiating with Obama in hopes of striking a broader agreement on both taxes and spendings.

"Our hope continues to be to reach an agreement with the president on a balanced approach that averts the fiscal cliff," he told reporters at a Capitol Hill news conference after meeting with the Republican caucus.

But he said the plan proposed by Obama on Monday "cannot be considered balanced."

In a statement from the White House, spokesman Jay Carney said the president "has put a balanced, reasonable proposal on the table that achieves significant deficit reduction and reflects real compromise by meeting the Republicans halfway on revenue and more than halfway on spending from where each side started."

"The parameters of a deal are clear, and the president is willing to continue to work with Republicans to reach a bipartisan solution," he added.

Carney noted that Obama would not accept a deal that doesn't ask enough of the very wealthiest in taxes and Boehner's "Plan B" approach doesn't meet this test.

Analysts said Boehner's backup plan was part of a political maneuver as both parties tried to steer the fiscal fight more in their favor when they inched closer to a deal.

Negotiations between Obama and Boehner have made progress in recent days, with Boehner softening his rhetoric on higher tax rates for top earners, and Obama offering to raise income threshold for tax increases.

As a step to break the budget impasse, Boehner last week offered Obama a plan, which includes letting tax rates rise for those who make more than 1 million U.S. dollars a year, contingent upon entitlement spending cuts. The proposal calls for 1 trillion dollars in new tax revenue, more than the 800 billion dollars fresh tax revenue he initially offered.

On Monday, Obama made a new fiscal offer that lowered his demand on new tax revenue further to 1.2 trillion dollars and called on lifting the debt limit for two years. He also proposed tax increases for households earning more than 400,000 dollars a year, higher than the 250,000 dollars threshold he had sought earlier.

Yet differences remain over spending cuts, entitlement reforms, new spending measures demanded by Obama, and his request for a hike to the debt limit. Beneath the posturing, Boehner and Obama have kept open avenues of negotiation.

Without a deal from the Congress, all of the Bush-era tax rates will expire at the end of the year, and automatic spending cuts are set to be triggered. Economists have warned that the combination of tax hikes and spending cuts could tip the U.S. economy into recession.