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The Situation Room

No Break for President Bush; Senate Panel Calls for FEMA to be Abolished; Bush Gulf Coast Visit; Poll On Hillary Clinton's Name; Michael Brown Interview; On The Tony Snow Watch

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WOLF BLITZER, CNN ANCHOR: To our viewers, you're in THE SITUATION ROOM, where new pictures and information are arriving all the time.

Standing by, CNN reporters across the United States and around the world to bring you tonight's top stories.

Happening now, it's 6:00 p.m. on the Gulf Coast, where President Bush lends a hand to hurricane recovery efforts. But senators stealing the spotlight with demands to get rid of FEMA. Is that the way to get ready for the next disaster? I'll ask the former FEMA director, Michael Brown.

Could Hillary Rodham Clinton have one name too many for the campaign trail? If she drops the "Rodham," could she see a drop in support? Our new poll offers some surprising answers.

And it's 7:00 p.m. here in Washington. For most White House press secretaries, a jam session might mean an especially tough briefing for reporters. But for Tony Snow, a jam session means a jam session.

I'm Wolf Blitzer. You're in THE SITUATION ROOM.

The president returned to Washington just moments ago after his 11th trip to the Gulf Coast since Hurricane Katrina. And he just may be feeling frustrated about the way this day went. That's because a Senate panel is now calling for drastic action to try to improve the federal government's response to hurricanes and other disasters.

The top Republican on the Homeland Security Committee says the Federal Emergency Management Agency, or FEMA, should be scrapped.

SEN. SUSAN COLLINS (R), MAINE: FEMA is discredited, demoralized and dysfunctional. It is beyond repair. FEMA has become a symbol of a bumbling bureaucracy in which the American people have completely lost faith.

(END VIDEO CLIP)

BLITZER: Also tonight, a source of anxiety for the Bush White House. Sources close to Karl Rove acknowledging they're nervous about his latest grand jury appearance in the CIA leak probe and the possibility of indictment.

Our senior national correspondent, John Roberts, is following all of the president's political problems. He's joining us live -- John.

JOHN ROBERTS, CNN R. NATIONAL CORRESPONDENT: Good evening to you, Wolf.

You know, you might get the sense that President Bush just can't get a break these days. He was in New Orleans today, hurricane reconstruction, but all Washington could talk about was how unprepared the government is for the next hurricane season. Yesterday, he was trying for a bright moment with Tony Snow, his new press secretary, when Karl Rove got called to that grand jury for a fifth time.

Even Republicans are getting the feeling that the president is snake-bit.

(BEGIN VIDEOTAPE)

ROBERTS (voice-over): It has been a year of missteps and miscues -- the ports deal, the vice president's adventures in hunting, the Libby indictment, the Rove investigation, the Myers nomination, the disastrous response to Hurricane Katrina.

GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES: And Brownie, you're doing a heck of a job.

ROBERTS: A streak Republicans can't wait to break.

ED ROGERS, REPUBLICAN STRATEGIST: There's no question, we need better karma. We need to quit having bad luck. And how do you do that? You burn some incense and, you know, throw some salt over your shoulder or keep your fingers crossed.

ROBERTS: For some party faithful, it's about better karma for the party dogma. For others, it's something more elemental.

MARY MATALIN, REPUBLICAN STRATEGIST: ... re-energizing and getting our mojo back.

ROBERTS: Mojo. The president used to have it in spades, and approval ratings soared along with it. But the steady drumbeat of bad news from Iraq, Republicans say, is the prism through which all else is seen, magnifying small stumbles into massive falls.

CHARLIE BLACK, REPUBLICAN STRATEGIST: The people's expectations about the war in Iraq were not properly conditioned. The American people are not very patient when they watch the news every night and see casualties. And they don't understand what th

ROBERTS: So, how does the president get his mojo back, change his karma? The White House staff shuffle may help. But ultimately, say advisers, President Bush may need to look inside himself.

ROGERS: Ultimately, the White House reflects the president's personality and the president's disposition. So, for things to get better, the president has got to lead us out of the funk that we're in. The president has got to change the environment.

(END VIDEOTAPE)

ROBERTS: And he doesn't have long to do it either. The calendar is the president's enemy, not his friend, say supporters. And there are relatively few months left for him to gain his footing -- Wolf.

BLITZER: Do they really think this White House shake-up is going to get the job done?

ROBERTS: They're hopeful, Wolf, but they say the president has to do more. The president has got to get out there and communicate. He's got to be more visible, he's got to do more in talking to American people.

As to whether or not switching Josh Bolten for Andrew Card and Tony Snow for Scott McClellan will help do that, we'll find out in the days and weeks ahead. But that's what they say the president's got to do.

BLITZER: They've got an uphill struggle.

John, thanks for that.

President Bush today visited volunteers, helping to rebuild Gulf Coast areas hit by Hurricane Katrina. But with the next hurricane season just about month away, a storm has kicked up here in Washington, where a Senate panel simply wants to get rid of FEMA.

For that, let's to our Homeland Security correspondent, Jeanne Meserve -- Jeanne.

JEANNE MESERVE, CNN HOMELAND SECURITY CORRESPONDENT: Wolf, after holding 22 hearings and reviewing more than 800,000 pages of documents, two senators are proposing a radical remake of emergency management.

(BEGIN VIDEOTAPE)

MESERVE (voice-over): FEMA is a flop. That's the conclusion of senators Susan Collins and Joseph Lieberman, and they say it has to go.

SEN. SUSAN COLLINS (R), MAINE: FEMA is discredited, demoralized and dysfunctional. It is beyond repair.

MESERVE: Collins and Lieberman propose a robust new agency to replace FEMA. It would still be inside the Department of

The so-called National Preparedness and Response Authority would be a distinct entity within DHS like the Coast Guard and Secret Service. Its budget and programs shielded from internal reorganizations and cuts. The director would have real emergency management experience, and during a catastrophe would have a direct line of communication to the president.

Homeland Security Secretary Michael Chertoff says such a setup would muddy the chains of command and responsibility, and is badly timed.

MICHAEL CHERTOFF, HOMELAND SECURITY SECRETARY: I'm interested here, you know, a month before hurricane season, not engaging in moving the boxes around on the orb chart. I'm interesting in making sure we've got the planning finished.

MESERVE: Would the new plan, if implemented, make a difference on the ground in the next disaster? Most experts say only if a more fundamental question is addressed.

RICHARD FALKENRATH, CNN SECURITY ANALYST: If you have incompetent leadership at the top of an agency, they will fail, no matter what, when faced with a true national crisis.

(END VIDEOTAPE)

MESERVE: Senators Collins and Lieberman would agree with that. Lieberman said today officials at all levels of government were guilty of gross dereliction of duty during Katrina. He singled out the president for criticism. Senator Collins pointed the finger at former FEMA director Michael Brown, who she said had been guilty of blatant insubordination -- Wolf.

BLITZER: Jeanne, thank you for that.

He took the fall for FEMA's failures after President Bush told him he was doing a heck of a job. Now Michael Brown is ready to fire back. My one-on-one interview, that's coming up here in THE SITUATION ROOM.

More now on the president's trip to the Gulf Coast today, the message he tried to send, and how the call to scrap FEMA got in the way.

Let's bring in our White House correspondent, Ed Henry -- Ed.

ED HENRY, CNN WHITE HOUSE CORRESPONDENT: Wolf, this was the president's 11th trip to the Gulf region since Hurricane Katrina. And he basically found the 9th Ward of New Orleans still devastated -- homes demolished, trash piled high, streets basically lifeless.

And he at one point even put on a carpenter's apron and started swinging a hammer in order to help some volunteers rebuild a home here. And he had this message for residents still shell-shocked by Katrina.

(BEGIN VIDEO CLIP)

learned the lessons from Katrina, we've learned lessons at the federal level, at the state level, and at the local level. And we're working closely together in preparation of the upcoming hurricane season.

(END VIDEO CLIP)

HENRY: Before heading back to Washington, the president stopped in Mississippi to meet with more volunteers. Then he made an unexpected stop at gas station in Mississippi, where he talked about the high gasoline prices.

Coupled with the rebuilding efforts, the message from the president: I care. But that message was stepped on a bit today by this new Senate report, a blistering bipartisan report saying the federal government is still woefully unprepared to deal with another natural disaster like Katrina, and that the Senate committee wants to abolish FEMA.

The response from the White House is that they agree with the Senate that it's time to fix the governmental response to natural disasters. But it is not the time, one month before hurricane season, to start moving around boxes on a government flowchart -- Wolf.

BLITZER: Ed Henry.

Thanks.

And thanks not only to Ed, but Jeanne Meserve, John Roberts, all part of the best political team on television.

CNN, America's campaign headquarters.

We want to bring in our Ali Velshi. He's got "The Bottom Line" on a story just coming in to CNN involving the president and fuel standards.

What's going on?

ALI VELSHI, CNN CORRESPONDENT: This is a big change, Wolf. The president has asked Congress to give him the ability to raise fuel economy standards on passenger cars. The president doesn't have the authority to do this right now.

I have in my hands a letter that Norman Mineta, Transportation secretary, has sent to congressional leaders asking him -- the first line says, "At the president's request, I ask Congress to take prompt action to authorize the U.S. Department of Transportation to reform fuel economy standards for passenger automobiles for the first time."

Passenger vehicles have not had the fuel economy standards raised on them in 16 years. The White House is asking Congress to give it the permission to raise fuel economy standards and help Americans conserve gas. It's one of the only things that will help gas prices come down, and now the White House is taking action on it -- Wolf.

VELSHI: That is a huge step, yes.

BLITZER: Thanks very much, Ali, for that.

Let's go back to New York. Jack Cafferty is standing by with "The Cafferty File" -- Jack.

JACK CAFFERTY, CNN ANCHOR: I just had a quick question. Didn't this same president sign a sweeping energy bill back, oh, a few months, or maybe a year ago, that failed to address fuel economy standards at all?

BLITZER: That's correct.

CAFFERTY: Yes. So, all of a sudden, now, with \$3 gas, we're going to go back and take a look at this.

Anyway, that's kind of the subject of what I want to do here.

Gasoline prices are rocketing higher and everybody is steamed. But if there's a silver lining to this, it's that the prices are rising going into the summer driving season and ahead of the midterm elections. It makes for good viewing as the airbags in Washington struggle to try to get some traction on this thing.

Give everybody \$100. Stop filling the Strategic Petroleum Reserve. Drill in ANWAR. Suspend the federal tax on gasoline. Slap a windfall profits tax on the oil companies. Investigate price gouging.

Ad nauseum.

All this from a government that has failed miserably to come up with a coherent energy policy for years. But hey, elections are coming. Quick, let's go stand in front of a gas station price sign and get our picture taken. And then we can get into our Suburban, that gets 14 miles to the gallon and drive the one block back to our office.

They're great, aren't they?

Here's the question: How would you bring gas prices down?

E-mail your thoughts to CaffertyFile@CNN.com or go to CNN.com/CaffertyFile.

You've got to love it.

BLITZER: You love these guys, don't you, Jack?

CAFFERTY: Yes, I do.

Coming up, new developments in the CIA leak investigation. Plus, could top White House adviser Karl Rove be facing some new legal troubles?

"Discredited, demoralized and dysfunctional," that's what some senators are saying about FEMA, the agency they now want to abolish. We'll talk to the man who was at the center of it all during Hurricane Katrina, the former FEMA director, Michael Brown, here in THE SITUATION ROOM.

Plus, the name game. Should it be "Hillary Rodham Clinton" or just "Hillary Clinton"? A new poll that shows words, in fact, do matter. Middle names, in fact, do matter when it comes to election time.

Also, get this: from beer to fuel, we'll find out how a Miller brewing plant is being pressed into action to help relieve your pain at the pump.

Stay with us. You're in THE SITUATION ROOM.

(COMMERCIAL BREAK)

BLITZER: Welcome back.

Speculation is growing about a possible indictment of the president's top political adviser, Karl Rove, after his latest appearance before the grand jury investigating the CIA leak case.

CNN's Brian Todd is in the newsroom. He's got the details -- Brian.

BRIAN TODD, CNN CORRESPONDENT: Wolf, considering what could have transpired between Rove and prosecutor Patrick Fitzgerald, that appearance, and the fact that it lasted more than three hours, has some in Rove's camp concerned.

(BEGIN VIDEOTAPE)

TODD (voice-over): Sources close to Bush adviser Karl Rove tell CNN today they are nervous about Rove being called before a grand jury yesterday, instead of being invited to a private meeting with prosecutor Patrick Fitzgerald. Rove's attorneys stress he is not a target of the investigation. But that doesn't mean he's safe from indictment.

JEFFREY TOOBIN, CNN SR. LEGAL ANALYST: The category that Rove is in is, he's a subject of the investigation. That means his - his behavior is under investigation. That means you may get indicted, you may not.

TODD: Meanwhile, one important legal round lost for Vice President Cheney's former chief of staff, Scooter Libby. Today, Judge Reggie Walton rejected a motion to dismiss the case. Libby had argued Fitzgerald had too much power and not enough supervision

the prosecution, asking for thousands of pages of documents, including classified presidential daily briefings on the Iraq war, Libby's own notes from government meetings, and the notes of several reporters.

MICHAEL ZELDIN, FMR. INDEPENDENT COUNSEL: I think the Libby team is doing exactly what it should do, which is throwing out arguments to the court which have facial merit, maybe not going to win, but cause the judge to think about the case and set their strategy.

TODD: At the heart of that strategy, defense lawyers maintain Libby doesn't remember what he told reporters because he was too distracted by the Iraq war. The documents could show how busy Libby really was. So, will the "I don't remember" defense work?

ZELDIN: I'm not sure that Libby has a sustainable defense. His best hope is that the jury will accept that this was an honest failure of recollection rather than an intentional lie.

(END VIDEOTAPE)

TODD: Libby's trial isn't scheduled to start for another eight months, meaning there's still plenty of time for him and Karl Rove to be nervous about this ongoing investigation -- Wolf.

BLITZER: Brian, thanks for that

Other important news we're following.

Might there be regime change in Iran any time in the near or distant future? Is that even on the minds of everyday Iranians?

Our Aneesh Raman is one of only a handful of Western journalists in the country right now, and he brings us this illuminating report on how Iranians feel about their country and America.

ANEESH RAMAN, CNN CORRESPONDENT: Wolf, with the rhetoric rising between Iranian and U.S. officials, we wondered if it was the same on the streets of Tehran.

(BEGIN VIDEOTAPE)

RAMAN (voice-over): In Tehran, population 10 million, the two constants are crowds and traffic. And amid them both, we went to find out what Iranians think of Americans.

(on camera): It's incredibly difficult for us to get inside public places here, like malls or cafes. And so, where we're headed now is Vonoc Square (ph), where Tehran's rich go shopping.

(voice-over): Here we find 27-year-old Shada (ph) who has never been to the U.S., but from all she's seen would like to go. "Radio, TV

"They are similar to Iranians. They are humane."

You have to look hard to find Americana in Iran. U.S. brands are banned, but there is a KFC that's Kabooky Fried Chicken. And there's Pepsi, but not really, a rip-off from Dubai.

(on camera): To find out what Iranians think about anything, it depends on where you go. We were just in north, where the more affluent, liberal people live. And now we have come to the conservative south, the capital's biggest market.

(voice-over): Here, there's less awareness of the U.S. The last American movie Benjamin (ph) saw was "Terminator II." He says the media here should do a better job of covering the U.S., a state media that concentrates on hostilities, with past emotions still on display

This mural sanctioned by Iran's government still hangs prominently just off a main highway. And just days ago, a demonstration celebrating the crash of helicopters in 1980 during a failed attempt to save the American hostages.

Now, 25 years later, shopkeeper Ali (ph) says, "So long as the U.S. government pressures our people, our people will say, 'Death to America,' but not to the people of America."

And it is architect Nushian's (ph) view that goes one step further, that two societies can connect even if their governments cannot.

"Political problems have always existed," she says. "But our experience with the culture of Americans has been positive. And a lot of things they do is a model for me, including the way they work so hard in their willingness to learn from others."

(END VIDEOTAPE)

RAMAN: And so, now, given Iran's refusal to suspend its nuclear program, the question will be what the U.N. chooses to do in the weeks ahead and how Iran responds -- Wolf

BLITZER: Aneesh Raman doing some excellent reporting for us from inside Iran all this week. His reports seen only here on CNN.

And still to come tonight in THE SITUATION ROOM, senators blasting FEMA. They want it abolished. They call the agency "beyond repair." We'll talk to the man catching much of the heat, the former FEMA director, Michael Brown, here in THE SITUATION ROOM

Plus, election-time name game. "Hillary Clinton" or should it be "Hillary Rodham Clinton"? Our surprising poll that shows words do matter to voters.

You're in THE SITUATION ROOM.

(COMMERCIAL BREAK) BLITZER: Zain Verjee joins us tonight from the CNN Center with a quick look at some other news makin headlines -- Zain.

Federal Reserve is also concerned. Fed chairman Ben Bernanke told Congress today that high oil prices could harm the economy, stifling its growth, and it could affect inflation. Bernanke says high energy prices have pushed up overall consumer price inflation, but he added that the inflation outlook is favorable.

The attorney general says they're literally the worst of the worst. Nine thousand fugitives, including 1,100 sex offenders, have been rounded up and taken off the streets. It's part of a nationwide campaign called Operation Falcon II led by the U.S. Marshal Service. Officials say it involves coordinated raids in 27 states over seven days.

In Texas, officials believe a boy was beaten nearly to death all because a kiss. Two white teenagers are charged with beating a 16-year-old Hispanic boy. Officials say the white attackers were enraged after they thought they saw the victim try to kiss a 12-year-old white girl.

Officials say the two boys beat the victim with a metal pipe, doused him with bleach, and then just left him for dead. The victim is hospitalized, but a prosecutor says that he may not survive.

Actor, Oscar winner and now activist, today George Clooney took on that role. Clooney met with senators in Washington to discuss what he called a genocide in Sudan's Darfur region. Clooney visited Darfur last week. Today, he told lawmakers stories of refugees crowding into dirty camps and women who face the threat of rape or death daily -- Wolf.

BLITZER: Zain, thanks for that.

And this note, I sat down with George Clooney today to talk about Darfur, Washington politics, more. We're going to bring you that interview tomorrow right here in THE SITUATION ROOM.

Just ahead, he took the fall for FEMA's failures after Hurricane Katrina. Now there are calls to get rid of FEMA itself. The former director, Michael Brown, gets his turn to fire back. He's in THE SITUATION ROOM. And that's coming up next.

And you may not be able to run your car on beer, but is there an answer to high gas prices at your local brewery?

Plus, the new face of the White House. That would be the former FOX News anchor, Tony Snow. Our Jeanne Moos has a closer look at some of his rock star moments.

Stay with us.

(COMMERCIAL BREAK) BLITZER: Welcome back to THE SITUATION ROOM. I'm Wolf Blitzer in Washington.

Tonight, a new test of Senator Hillary Rodham Clinton's political power. The possible presidential contender has tremendous name recognition. But which version of her name packs the most punch?

WILLIAM SCHNEIDER, CNN SR. POLITICAL ANALYST: Wolf, "What's in a name?" Shakespeare asked. We have the answer: plenty.

(BEGIN VIDEOTAPE)

SCHNEIDER (voice-over): During her first years of marriage, Hillary Rodham kept her maiden name.

Then, after one term as governor of Arkansas, Bill Clinton lost his bid for reelection. When he ran again, two years later, his wife became Hillary Rodham Clinton. And he won. Now she is Senator Hillary Clinton. Or is it Senator Hillary Rodham Clinton?

Nationwide, in the latest CNN poll taken by Opinion Research Corporation, Hillary Rodham Clinton gets a slightly higher favorability rating than Hillary Clinton, 50, as compared to 46 percent favorable.

It makes a big difference what part of the country people are from. Among Southerners, Hillary Clinton is more positively regarded, married name only. Outside the South, people definitely prefer Hillary Rodham Clinton. If you combine responses to both names across the country, the public's view of Senator Clinton is closely divided, 48 percent favorable, 43 percent unfavorable.

Compare that with the public's view of a Republican front-runner, Senator John McCain. McCain gets about the same favorable rating as Clinton, but he has lower negatives. Senator Clinton has been making an effort to establish her bipartisan credentials...

SEN. HILLARY CLINTON (D), NEW YORK: It's also true that I have worked with Newt Gingrich, and it makes strange bedfellows.

SCHNEIDER: ... while Senator McCain has been asserting his credentials as a staunch Bush supporter.

SEN. JOHN MCCAIN (R), ARIZONA: Anybody who says that the president of the United States is lying about weapons of mass destruction is lying.

SCHNEIDER: But the old images persist. Clinton still divides Americans by party, 76 percent favorable among Democrats, 20 percent favorable among Republicans. McCain still has the image of an independent and a maverick. He has a rare, nonpartisan image in this highly partisan era. (on camera): That may be an advantage for McCain, but there would be other factors at work, if the two were to face each other in 2008, like the desire for change. Right now, President Bush has a very negative image, 57 to 40 percent unfavorable. And former President Bill Clinton? Just about the reverse, 57 to 38 favorable. Those numbers suggest there may be some nostalgia out there for what some remember as the economic good times of the Bill Clinton era -- Wolf.

(END VIDEOTAPE)

BLITZER: Thanks to Bill Schneider, part of the best political team on television. CNN, America's campaign headquarters.

With just a month to go before the next hurricane season, a Senate panel wants to abolish FEMA. Michael Brown took the fall for the

(BEGIN VIDEOTAPE)

BLITZER: Michael, thanks, as usual, for joining us.

Senator Susan Collins said this today -- I want you to listen to what she said.

(BEGIN VIDEO CLIP)

SEN. SUSAN COLLINS (R-ME), HOMELAND SECURITY CHWMN.: FEMA is discredited, demoralized and dysfunctional. It is beyond repair. FEMA has become a symbol of a bumbling bureaucracy in which the American people have completely lost faith.

(END VIDEO CLIP)

BLITZER: What do you think, Michael Brown, about this recommendation to simply do away with FEMA, create a new agency, keep it in the Department of Homeland Security?

MICHAEL BROWN, FMR. FEMA DIRECTOR: Well, Wolf, I have a couple of responses. I guess, first and foremost, I'm glad that the Senate has finally woken up. It's almost like they read my 2003 memo to Secretary Ridge and my 2004 briefing to Deputy Secretary Loy, and most importantly, my 2005 briefing to Michael Chertoff about what was happening to FEMA, and that if they didn't fix these things it was going to fail. Because if you actually compare their recommendations to what I was saying, it's almost like they copied those memos.

Don't split out preparedness response. Those need to be put together. There's not enough money. They don't have enough personnel.

So, I applaud the Senate for at least recognizing that what I've been saying for three years is true, and maybe now they'll really try to do it. But I also think, Wolf, that there's a little bit of gamesmanship going on here. For Senator Collins and -- to come out and say, look, we're going to abolish FEMA, that's not what she's really doing. What they are doing is, they're putting FEMA back to the way it used to be, before they shoved it into Homeland Security and then started stripping it apart.

BLITZER: Here's what Senator Lieberman, who is the ranking Democrat on this Senate panel, said. Listen to what he said.

(BEGIN VIDEO CLIP)

SEN. JOSEPH LIEBERMAN (D), CONNECTICUT: Despite the clear warnings before landfall that Katrina would be catastrophic, the president and the White House were not sufficiently engaged, when they should have been initiating an aggressive response.

(END VIDEO CLIP)

When he makes the point that the president and his top aides were not sufficiently responsive, the president was still on vacation in Crawford, Texas. The vice president was on vacation in Jackson Hole, Wyoming. Andy Card was on vacation in Maine. Michael Chertoff, that next day, the Homeland Security secretary, attended a bird flu conference in Atlanta.

What's the difference if there's a FEMA or a new organization? If the top leadership isn't engaged and they are on vacation, would it make any difference what the structure is?

BROWN: Bingo, Wolf. That's exactly right.

If they're not going to pay attention to -- I don't care who the FEMA director is. If they're not going to pay attention to the warnings and the things that people are saying that know what's going on, then we all -- we're all wasting our time.

Again, it's just -- it's just a bunch of political one-upmanship. So, I think that Senator Lieberman is correct in that regard, that I couldn't get my leadership to pay attention. And that is one of the problems that I had in New Orleans.

BLITZER: Now, you took the fall for a lot of the criticism. Senator Collins really went after you today. Listen to this sound bite.

(BEGIN VIDEO CLIP)

COLLINS: There were several findings that I found particularly troubling. The first is the blatant insubordination of then FEMA Director Michael Brown. It was clear that he was disengaged from the onset of Katrina.

(END VIDEO CLIP)

BLITZER: And then her report included this. It said, "Brown" -- that is you -- quote -- "lacked the leadership skills that were needed for his critical position."

This is your chance to defend yourself.

BROWN: You know, Wolf, this is why politicians in Washington, D.C., lack credibility.

How can she say that I was not engaged, when you look at those videotapes, and I am warning the president of the United States and Chertoff and the others that the Superdome is not going to withstand Category 4 or 5 winds, that they have not evacuated people out of hospitals? They're leaving the poor and the elderly there.

What -- is she listening? Is she paying attention? And for her to say that I didn't have the leadership skills, all she has to do is go back and read those memos, which is the basis for their recommendations, to see who the real leader is here.

I'm very disappointed in my own party out saying these kinds of absolutely ridiculous things.

BROWN: Well, what am I -- you know, they -- they talk about this chain of command and insubordination.

What would Senator Collins like me to do when the president of the United States calls me and asks me, OK, you know, what do we need to be doing; what should I be doing?

That was the chain of command, Michael Brown and George W. Bush. That's the chain of command.

BLITZER: You believe FEMA should not be part of the Department of Homeland Security. The Katrina report said whatever new agency is created, it should be part of the Department of Homeland Security.

And the report says this: "Removing FEMA from the Department of Homeland Security would do nothing to solve the key problems that Katrina has revealed, including a lack of resources and weak and ineffective leadership. Separating FEMA from DHS would, in fact, potentially cause new difficulties."

Are you coming around to this position?

BROWN: No. I'm totally opposed to that. I think that misses the entire point. If the problem right now is a lack of resources, how are you going to get additional resources if the 2,500 people in FEMA are fighting against the 182,500 other people in DHS for resources?

How are you going to absolve or get rid of all these layers of bureaucracy, if FEMA is still within the Department of Homeland Security? You just have two different cultures. You have the emergency management system and the first-responders trying to match up with all these law enforcement folks, who are trying to prevent things from happening. It's just not going to work.

BLITZER: Unfortunately, we are almost out of time, but a quick question.

How are you doing? How is your new consulting business doing? What are you doing?

BROWN: Well, I'm working with some great companies, Onscreen Technologies, for example. We have got a great new product that's coming out. I'm advising a lot of people on different ways to get their critical infrastructure ready for upcoming disasters.

I'm having a blast. I'm making a good living. Life is very good, thanks to people like you, Wolf, recognizing that perhaps I wasn't this dummy that people like Senator Collins want to make me out to be.

BLITZER: Michael Brown, good luck to you. Thanks for joining us.

BROWN: Thank you, Wolf.

(END VIDEOTAPE)

solve the nation's gasoline problems.

Plus, rocking the White House. A former Fox News anchor turned White House press secretary -- that would be Tony Snow. There's more than meets the eye. We'll take you behind the scenes and show you another side of Tony. Stay with us.

(COMMERCIAL BREAK)

BLITZER: Today with gas and oil prices at near-record highs, profits for oil companies are staggering as well. ExxonMobil today reported a massive profit of \$8.4 billion. And with gas prices soaring, there's more attention being attention to ethanol as an alternative fuel. But while it does have advantages, it's not necessarily a magic bullet for America's gas crunch. CNN's Mary Snow is joining us from New York with the "Bottom Line." Mary?

MARY SNOW, CNN CORRESPONDENT: Well Wolf, from a mom and pop business, to a \$100 million project outside Syracuse, New York, there's a push to develop ethanol in some very unlikely places.

(BEGIN VIDEOTAPE)

SNOW (voice-over): Beer seems to an unlikely answer to soaring gas prices. But an idle beer brewery in upstate New York is set to become the first in the northeast to make the hot alternative to traditional gasoline. Ethanol, hot, because when it's used as gasoline's main ingredient, it can cut prices 30-to-40 cents a gallon, those in the industry say.

BOB DINNEEN, RENEWABLE FUELS ASSOCIATION: This is an industry that's evolving and growing rapidly.

SNOW: Backers of the new project had a hard time raising money until getting a boost from the president.

BUSH: We will also fund additional research in cutting-edge methods of producing ethanol, not just from corn.

SNOW: Wood chips and other materials are also being looked at. But corn is the most common ingredient now. That's why most of the ethanol plants in 19 states are in the Midwest. Ethanol is used in a gasoline product called E-85, gas made of 85 percent ethanol. Critics find out you get fewer miles per gallon with ethanol.

ED WALLACE, CONTRIBUTOR, BUSINESS WEEK: It's really doubtful somebody's going to put a fuel in their tank more than once when they find out their gas mileage drops off 25, 30 percent or possibly even higher.

SNOW: Others say cars are being adapted to the new fuels.

DINNEEN: You're going to have improvements in technology and the mileage penalty that you're seeing today can certainly be erased

SNOW: One Tennessee family is betting on ethanol. They're selling make your own ethanol kits on their Web site. Business is brisk.

SNOW: Customers are everyday drivers.

MCCLANAHAN: They just had it with oil prices and taking matters in their own hands.

(END VIDEOTAPE)

SNOW: While ethanol may be hot right now, it certainly isn't new. Back in the 1970s when gas spiked, there was a push to ethanol, but many plants went out of business when the gas crisis ended. Wolf?

BLITZER: Thank you, Mary.

And from meetings to hearings, from hearings to news conferences, lawmakers all over Capitol Hill are protesting gas prices. But how many of them -- how are they getting around actually, these lawmakers? You guessed it, by cars. And some of them, some big cars. Are they practicing what they pump? Our Internet reporter Jacki Schechner has some answers. Jacki?

JACKI SCHECHNER, CNN INTERNET REPORTER: Wolf, after a recent press conference on soaring gas prices, Senator Charles Schumer got into a staffer's Hyundai Elantra and Senator Richard Lugar got into his own Toyota Prius. Now, both of these cars are listed online as the most efficient mid-sized cars at fueleconomy.gov.

Some other senators chose to take a different route. Senator Jim DeMint got into his chief-of-staff's vehicle, that a 1999 Nissan Pathfinder, only gets 16 miles per gallon. And Senator Ben Nelson get into a staffer's vehicle as well, that a 2004 Ford Explorer, also 16 miles per gallon.

How does your ride compare to the lawmakers? Well, go to fueleconomy.gov. It's a Web site of the Department of Energy and the EPA. They can compare and contrast cars for you. You can find out what sort of mileage you should be getting, what kind of mileage you are getting. Find out what your options are doing to your car as well. The more you opt for, the less mileage you're going to get.

Also go online to CNN.com where we have posted all of this information for you as well. Wolf?

BLITZER: Up ahead, Tony Snow the rock star. Yes, Jeanne Moos checks out the other side of the new face at the White House. Plus, mandatory viewing on Air Force One. There's a fuss and it involves FOX. We're going to tell you all about the latest controversy for the Bush administration. Stay with us. You're in THE SITUATION ROOM.

(COMMERCIAL BREAK)

BLITZER: Welcome back. He's leaving a high-profile job in news to take on one of the most high-profile jobs in Washington, White House press secretary. CNN's Jeanne Moos is on the Tony Snow watch.

JEANNE MOOS, CNN CORRESPONDENT (voice-over): There's a new Tony in town.

Not that Tony. This Tony. But he will be dealing with the mob -- the mob of reporters.

SCOTT MCCLELLAN, WHITE HOUSE PRESS SECRETARY: If you'll let me finish...

UNIDENTIFIED MALE: No, you're not finishing, you're not saying anything.

MOOS: Well, now, Scott McClellan is finished, and Tony Snow, like Snow White, seems like the type to whistle while he works, or at least play the flute.

BUSH: He belongs to a rock band called Beats Workin'.

MOOS: The band's Web site motto: Playing the music you grew up with and more.

The FOX News commentator attended the rock 'n' roll fantasy camp in New York a few years back, where amateurs get to hang out and jam with big-name musicians. Tony Snow jammed with Leslie West from the band Mountain.

His first political jam as White House press secretary has been about things he's said in the past about his new boss.

JAY LENO, HOST, TONIGHT SHOW: Snow once said about Bush that he was an embarrassment, a leader who has lost control of the federal budget and the architect of a listless domestic policy. Whew, good thing for Snow Bush doesn't read the newspaper.

MOOS: And if you think comedy shows have been rough on the president for his Bushisms...

UNIDENTIFIED MALE: The ability to compassionatize with others...

MOOS: Tony Snow once criticized the president for "barking out absurd and inappropriate words, like a soul tortured with Tourette's." Good thing the president doesn't mind torturing himself.

BUSH: I feel frankly ambillivent (sic).

MOOS: Jon Stewart sees a master plan, in the progression of Bush administration press secretaries, from Ari Fleischer, to Scott McClellan, to Tony Snow.

JON STEWART, HOST, DAILY SHOW: It's all part of the president's long-term plan for a White House press room re-hairification.

MOOS: And when things get really hairy in there, he can always resort to good sax.

(END VIDEOTAPE)

BLITZER: And today, the outgoing press secretary Scott McClellan also had to answer some serious questions about the FOX News Channel. While aboard Air Force One, reporters asked if it's official White House policy to keep all the televisions tuned in only to FOX. What was Scott McClellan's answer? Our Abbi Tatton has the answer -- Abbi.

ABBI TATTON, CNN INTERNET REPORTER: Wolf, the answer wasn't on camera, but it is online. In the air today, those reporters asking the questions of Scott McClellan, "Do all the TVs on Air Force One have to be tuned to FOX?" "First I've heard of it," answered Scott McClellan.

But the questions persisted. One person saying they were "officially complaining." Another reporter saying they were told no when they asked for CNN, although told no by whom is a little bit unclear. That reporter answered, "well, the magic people at the end of the phone."

More questions for Scott McClellan. He said he found it amusing and said repeatedly that it's the first he's heard of it, but then goes off to investigate.

The bottom line comes at the end of the transcript. The channels on Air Force One will be changed to the channel requested, which is CNN. If you want to read this transcript for yourself, we've posted it at CNN.com/SITUATIONREPORT -- Wolf.

BLITZER: Thank you very much for that, Abbi.

Let's find out what's coming up right at the top of the hour. That means Paula is standing by. Hi, Paula.

PAULA ZAHN, CNN ANCHOR: Hi, Wolf, thanks so much. We are going to be taking a look at a shocking crime in Texas. Two white teenagers accused in the brutal beating and sexual assault of a Hispanic boy. And the Anti-Defamation League is warning tonight that Hispanics are increasingly being targeted for violence because of some of the anger surrounding illegal immigration in this country.

And imagine out of nowhere, finding people at your door who think you asked them for sex. We're going to meet a woman whose life was turned upside down because someone put her personal information on a pornographic Web site. And as far-fetched as all of this sounds, Wolf, it can happen to just anybody out there.

BLITZER: All right, Paula, we'll stick around and watch you as well. Thank you very much. Paula coming up right at the top of hour.

Still ahead, gas price outrage. Everyone is upset about the pain at the pump. What would you do to bring down prices? Jack Cafferty has your e-mails. Stay with us.

(COMMERCIAL BREAK)

President Bush helps rebuild homes with volunteers today in New Orleans' Upper Ninth Ward.

In Nepal, villages touch the hand of a Maoist rebel in the street. The communist rebels declared a three-month halt in attacks against the king to allow a chance for reforms.

Belgrade, Serbia. A potato chip promotion goes horribly wrong. A stuntman is taken to the hospital after this explosion enveloped his car.

And in Racine, Wisconsin, a 9-year-old girl feeds baby formula to an orphaned baby squirrel.

Some of today's hot shots, pictures often worth a thousand words.

Let's go to Jack with "The Cafferty File" -- Jack.

CAFFERTY: Found a squirrel in my VCR about a week ago. True story. I don't know how it got in the house, but there it was, and it was a little bit of an episode to try to get him out.

The question is how would you bring down gas prices, Wolf.

T writes from Salt Point, New York: "I'd start with employers creating a four-day workweek. For businesses that go 24/7, consider developing a three-day workweek, working 13-hour days. I'm sure there are other good ideas out there. For the biggest impact, businesses must take the lead, with creative work scheduling and possible car/van pooling."

John in Lancaster, Massachusetts: "To bring down gas prices immediately, all state and federal tax need to be waived. Secondly, an excess profit tax on Mr. Exxon and friends needs to be in place. And third, the federal government needs to mandate 100 miles a gallon for its entire auto fleet of pool cars commencing immediately. All suppliers are welcome to bid."

Steven in Oklahoma City: "Realistically, the only way to bring down gas prices is for the American public to drive less and get rid of their gas-guzzling SUVs. I drive a small car, and I curse every SUV owner for keeping my wallet that much lighter."

E. writes: "The solution is a Manhattan Project, to develop new, non-petroleum based energy sources. The goal would be to become a net energy producer, i.e. produce more than we use, and sell the excess. In the meantime, the Manhattan Project itself will be a powerful economic driver, improving the U.S. economy as a byproduct."

Chris in Texas: "I would do absolutely nothing to bring down gas prices. This is a market economy, like it or lump it. I bought a fuel-efficient car. If others didn't, that's their problem. I refuse to have my taxes subsidize a \$100 handout to drivers of inefficient vehicles."

And Jim in Mocksville, North Carolina: "Jack, step one: Oprah buys all the gas. Step two: Oprah gives the gas away."

BLITZER: Thanks, Jim, in Mocksville, North Carolina. Hey, Jack, see you tomorrow here in THE SITUATION ROOM.

And that's all the time we have tonight. I'm Wolf Blitzer in Washington. Tomorrow here in THE SITUATION ROOM, the actor, the director George Clooney. He'll join me. We'll talk about Africa, politics, what's happening in Darfur, in the Sudan. He's just back, has some remarkable stories.

Until then, thanks for joining us. Paula Zahn starts right now -- Paula.

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