

the payments currently in effect, these comparability payments will increase the General Schedule payroll by about 0.5 percent. When combined with the 2.5 percent across-the-board increase, the 3.0 percent total increase equals the 12-month increase in overall nationwide labor costs as of September 2006 (the reference period for decisions about the January 2008 pay adjustment under current law). Our national situation precludes granting larger locality pay increases at this time.

Finally, the law requires that I include in this report an assessment of the impact of my decision on the Government's ability to recruit and retain well-qualified employees. I do not believe this decision will materially affect our ability to continue to attract and retain a quality Federal workforce. To the contrary, since any pay raise above the amount proposed in this alternative plan would likely be unfunded, agencies would have to absorb the additional cost and could have to freeze hiring to pay the higher rates. Moreover, the GS "quit" rate continues to be very low (2.1 percent on an annual basis), well below the overall average "quit" rate in private enterprise. Should the need arise, the Government has many compensation flexibilities, such as special salary rates and recruitment and retention incentives, to maintain the high quality workforce that serves our Nation.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to Nancy Pelosi, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. This letter was released by the Office of the Press Secretary on November 28.

**Remarks Following Meetings With
Prime Minister Ehud Olmert of
Israel and President Mahmoud
Abbas of the Palestinian Authority**
November 28, 2007

Mr. Prime Minister, thank you; Mr. President—a series of successful meetings today with these leaders. Yesterday was an important day, and it was a hopeful beginning. No matter how important yesterday was, it's not nearly as important as tomorrow and the days beyond.

I appreciate the commitment of these leaders to working hard to achieve peace. I wouldn't be standing here if I didn't believe that peace was possible, and they wouldn't be here either if they didn't think peace was possible.

It's very important for the international community to support these two leaders during the bilateral negotiations that will take place. And one thing I've assured both gentlemen is that the United States will be actively engaged in the process; that we will use our power to help you as you come up with the necessary decisions to lay out a Palestinian state that will live side by side in peace with Israel.

And so I wish you all the best. I appreciate your courage and leadership. It's an honor to call you friends. And it's an honor to have watched you yesterday as you laid out your respective visions for something we all want, which is peace in the Holy Land.

Thank you very much.

NOTE: The President spoke at 2:04 p.m. in the Rose Garden at the White House.

**Statement on the Resignation of
Allan B. Hubbard and the
Appointment of Keith Hennessey as
Director of the National Economic
Council**

November 28, 2007

As the Director of the National Economic Council, Al Hubbard has led the economic policymaking process in my administration for some of the most challenging economic issues confronting our Nation. His work has resulted in creative, sensible policies that have helped Americans continue to compete and prosper and live better lives. In leading the policy process on issues such as taxes, entitlements, health care, energy security, the environment, and trade and investment, Al contributed his own ideas and also worked to ensure that all views were brought to the table and given fair analysis and debate. While many of the policies Al worked to develop are in place today, other policy initiatives, including Social Security reform and health care reform, have laid the foundation