

## Companies Putting the Blame on Washington

Last Friday, Caterpillar (CAT) CEO Douglas Oberhelman made headlines when he said in a *CNBC* interview that the debt ceiling issue was adding uncertainty for businesses in the United States. While Oberhelman made the most headlines, he was by no means alone in his views. We did a quick scan of conference call transcripts from S&P 500 companies this week, and found no shortage of executives blaming Washington for the uncertainty in the economy and business outlooks. The table below highlights just some of the comments from today's conference calls, and on page two we provide a list of selected additional comments from earlier this week. Our favorite came from the Bristol-Myers (BMY) call where one executive noted that, "Nobody knows what's going on in Washington right now. I think the people in Washington themselves do not know it."

Whether or not you are of the view that Washington is the cause for the recent uncertainty or just a convenient scapegoat, the fact is that the longer it provides an excuse for companies to sit on their hands and 'wait things out', the longer it will act as an anchor to economic growth.

### Conference Call Commentary Blaming Washington for Uncertainty: 7/28

Date	Ticker	Name	Sector	Conference Call Comments
7/28	BLL	Ball	Materials	Washington continues to be an interesting and challenging place to observe and conduct business.
7/28	BMY	Bristol-Myers Squibb	Health Care	Nobody knows what's going on in Washington right now. I think the people in Washington themselves do not know it.
7/28	CLI	Mack-Cali Realty	Financials	The debt ceiling and all of the political posturing in Washington continues to create a drag on businesses.
7/28	ADP	Automatic Data Proc.	Technology	Foolishness in Washington has been going on for a while.
7/28	AFL	Aflac	Financials	I just alluded to the budget dilemma in Washington because my big concern is not so much the effect on U.S. Treasuries, but what overflowing effect it might have to Europe, and even Japan.
7/28	CMS	CMS Energy	Utilities	The Federal Deficit Debate in Washington and gas prices also appeared to be dampening consumer confidence.
7/28	IPG	Interpublic Group	Cons Discret.	Obviously there's an overhang, if you will, in terms of what's happening in Washington and in terms of the world economic platform.
7/28	MSI	Motorola Solutions	Technology	Washington 's an interesting environment right now.
7/28	LIFE	Life Technologies	Health Care	Uncertainty coming out of Washington any decisions, and so people are being very guarded.
7/28	AMP	Ameriprise Financial	Financials	Well, I think first of all, we're in uncharted territory as a country.

## Conference Call Commentary Blaming Washington for Uncertainty: 7/25 - 7/27

Date	Ticker	Name	Sector	Conference Call Comments
7/27	BA	Boeing	Industrials	The global economy continues to transition to a sustained recovery although uncertainties remain as air transportation has been adjusting to the economic impacts of the unrest in the Middle East, rising oil prices, sovereign debt issues in Europe and the U.S. debt ceiling discussion and its related impacts.
7/27	SEE	Sealed Air	Materials	I think a lot of our customers are saying that they're waiting to see what Washington does before they make commitments.
7/27	AN	AutoNation	Cons Discret.	The one caveat of course is that's assuming that in Washington, DC, there is some sort of debt deal that gives a roadmap to fiscal responsibility.
7/27	SYMC	Symantec	Technology	We don't control what they do in Washington.
7/27	ATI	Allegheny Tech.	Materials	In spite of the uncertainties resulting from the ongoing debate about how to deal with the U.S. budget deficits and debt ceiling, we remain optimistic.
7/27	NOC	Northrop Grumman	Industrials	"a new risk factor related to the resolution of the issues regarding the U.S. Government debt ceiling."
7/26	LLTC	Linear Technology	Technology	The U.S. is still struggling in its recovery, and businesses seem cautious, awaiting resolution of the debt ceiling issue.
7/26	NOC	Northrop Grumman	Industrials	Uncertainties surrounding the debt ceiling and future defense budgets, caused our customers to move more slowly and spend more conservatively.
7/26	TSS	Total System Services	Technology	I think if we could get issues settle down in Washington, it would help people to gain some confidence.
7/26	NSC	Norfolk Southern	Industrials	Other than the general uncertainties that I would say that are on everyone's mind these days about the debate in Washington, we're not hearing -- we're hearing -- not hearing a lot of concern.
7/26	X	United States Steel	Materials	Now whether that continues through the rest of the year, whether this difficulty in Washington and in Europe creates some other condition that doesn't sustain the business, that's hard to say.
7/26	JEC	Jacobs Engineering	Industrials	We don't seem to have clear leadership in Washington, and so it's difficult to predict where they're going to go.
7/26	UPS	United Parcel Service	Industrials	With the debt ceiling hanging out there, the uncertainty that causes, big issues, I think last night's national media didn't give anybody more confidence that this will get resolved.
7/26	IVZ	Invesco	Financials	What's going on in Washington is just not very helpful right now.
7/25	MAS	Masco	Industrials	And you've also got the near-term uncertainty that seems to emanate from the discussions that come out of Washington.
7/25	PCL	Plum Creek Timber	Financials	A lot of it's going to depend on what happens in the other Washington here in the next month or so.