PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

***

Wednesday, January 14, 2009

11:05 a.m.

Mr. Hoyer. Good morning. Well, welcome. Appreciate all of you coming today. As you know, we have SCHIP on the floor. We are also going to consider the Tanner audit bill to, in effect, mandate that our committees are overlooking fraud, waste and abuse of taxpayer dollars and they have to do so on a systematic regular basis. We hope that will result in additional oversight and accountability.

In addition to that, at the end of the day we will be considering the TARP Reform and Accountability Act out of Mr. Frank's committee. That bill obviously seeks to ensure that what was originally contemplated by the TARP, by the Congress, is in fact in place and provides for a number of provisions to make it clear that they believe that mortgages are an important priority, that limiting compensation bailouts, other forms of compensation, limiting dividends, making sure that we understand that automobiles are an appropriate objective of TARP funds, but primarily making it very clear that we expected full accountability, full transparency in a TARP legislation.

In addition, as you know, a request has been sent down from the President, in conjunction with the President-elect, for the second tranche of the TARP funds. A resolution of disapproval will mature on Sunday. I think is the sixth day. Obviously we are not in session. By that point we may deal with that scheduling. I may discuss that a little later and you may have a

question about it.

The SCHIP bill, we have got one of our handouts that deals with SCHIP. It deals with the representations that the President made -- and which you have heard me talk about -- President Bush made in 2004 at the convention to substantially expand to eligible children the SCHIP program. We passed a bill twice to do that; the President vetoed it and those bills. We attempted to override the veto in the House and we were unsuccessful. We came about 12, 15 votes short of overriding that veto. We indicated that in the event that we were reelected and in the event that we had a Democratic President, that we would sign the bill, that we would pass that.

We expect that may well be the first bill that President Obama signs, which we think will be a very significant statement. We will include the 7 million children currently. We will add 4.1 million on, so that we will have 11 million children covered by this program who otherwise would be uninsured. We think that is critically important. Since 2000, the average cost of family coverage has increased 78 percent in the 8 years since then.

We believe as well that this is a very important economic effort in keeping children healthy. Clearly, to the extent that you don't have insurance, preventive health care is largely precluded. You don't go until you get really sick. And that means that it is more expensive, and it means that our children are less healthy, and that is an economic drag as well as it is

not moral in the wealthiest country on the face of the Earth to allow that to happen.

I am hopeful -- we had 45 Republican votes for this bill, which is almost identical to the bill we passed. If you combine CHAMP and the Children's Health and Medicaid bill, the CHAMP bill had some of the provisions. And when I refer to that, I mean the children who are here legally. That is, they are documented children but they haven't been here for the 5 years. We cover those children, as we did in the CHAMP bill which passed the House as well. So that is not a new issue for the House.

TARP Reform and Accountability Act which will be on the floor today, as well out of Chairman Frank's committee, the American public are angry, I am angry. I think I mentioned last week maybe, the guy that worked at Merrill Lynch for 2 or 3 weeks and got $25 million, went out and bought a $27 million condo on Park Avenue. Nobody perceived us wanting to give help to Merrill Lynch or anybody else to facilitate or accommodate that kind of behavior.

In addition, we are considering the economic recovery package, not this week, but we expect to have it marked up next week. There will be markups in the Ways and Means Committee, in the Appropriations Committee. I am not sure whether Oberstar will have a markup. He may well have a markup of his part of the bill, which is significant. This bill will deal with assistance to vulnerable populations and deal with infrastructure. It will deal

with investments in energy, health care and education, which we believe are not only short-term but medium- and long-term requirements if you are going to get the economy back on its feet and then keep it moving. We think those investments are critical.

Also, assistance to State and local governments. Largely by formula. I will reiterate again, there are no earmarks in this bill. There are no specifically directed congressional initiatives in this bill. It will be expanded through the regular order of legislative authority that has already been given for the most part. And it will include, obviously, a tax component, largely a tax break for middle-class working Americans to give them the opportunity to have some more cash in their pockets so that they will spend that because they need to, and will help grow the economy. Let me stop with that, and turn it over to you.

Q Mr. Leader, when you tackle SCHIP later today, you talked about this being a significant statement. Talk to us in that sense. You say this is going to be, hopefully, the first bill the new President signs. You guys tried, you know, valiantly for a long time to try to pass this bill and sort of the idea that, you know, it is demonstrative that you have a new sheriff in town and you can move bills like this without having to worry about overriding the veto.

Mr. Hoyer. Well, I would say it is pretty self-evident that we are happy about that. We think this is good policy. We think that President Bush was inconsistent with the representation he

made in 2004 about what he was going to do as President in adding eligible children. All these children are eligible. They are just not covered -- some -- the law makes it clear that they -- some children will be covered.

In other cases, we fund -- and I want to point out that this bill is paid for, as we did the last two bills. But I think it is very significant. The American public has asked for change and they have asked for investments in the priorities of our country. Some 80 percent of Americans support this bill now, as they did then, when President Bush vetoed it. I think it is a very dramatic and important statement that change has come to America, as President-elect Obama indicated, and I think the signing of this bill will reflect that, and some 4 million-plus children and the 7 million who -- the authority to insure will expire on March 31 -- will be the beneficiaries of that change.

Q Some of the Republicans are talking in terms of, you know, illegal immigrants on their statements on the floor. Is that a red herring?

Mr. Hoyer. They are talking about what?

Q Illegal immigrants being covered by --

Mr. Hoyer. No. It is a red herring. No illegal immigrants. These are children who are documented legally in the United States of America. We make it clear that this is not a bill that covers illegal immigrants.

Q Mr. Leader?

Mr. Hoyer. Max.

Q Good morning, sir. Can you confirm for us whether Mr. Berry, one of your former staffers here, has been nominated to run the Office of Personnel Management? And what are your thoughts about even just the reports that he is being considered for that?

Mr. Hoyer. Well I think he is being more than considered, although I don't think it is official. But my view is, that is going to happen and I am very happy about it. John Berry was with me for 10 years. He was an extraordinary staffer. Any of you who may have dealt with him through the years know how very smart he is. He has got the most positive attitude of anybody I have ever met, and he handled Federal employee issues for me. So he is very knowledgeable about that.

In addition, as you know, he was deputy assistant secretary of the Treasury. He was assistant secretary of Interior for Planning, Management and Budget, and he was at the Smithsonian Institution. He is now still at the Smithsonian, but in a different role. He is the director of the National Zoo, of which he has done an excellent job and I think he is an excellent choice. Again, I guess it has not been specifically confirmed by the administration, but it is my expectation that he is going to be asked by President-elect Obama to take that responsibility. And from a Federal employee's standpoint, I think Federal employees can be very, very pleased that somebody as knowledgeable

and as positive as it relates to employee status has been appointed to that position.

In addition, Federal employees ought to know, John Berry essentially -- I know I am the sponsor of it because, you know, I take credit for what all my staff do. But John Berry worked with the Bush administration in 1990 and the Federal Employees Pay Comparability Act, which is the current law under which we pay Federal employees was adopted in 1990 in the Treasury-Postal bill. But John Berry -- and I wish I could remember the deputy director of OMB's name right this minute -- great big guy with the Bush administration, was very helpful. But the two of them were partners in that effort. So John Berry comes with almost three decades of experience in dealing with Federal employee issues. He will do very well.

Q Mr. Leader, when are you thinking you will deal with the TARP funding issue, releasing the funds? And how do you see that playing out?

Mr. Hoyer. Well under the statute, you know, it says that -- gives the resolution 3 days, 6 days later anybody can call it up. It doesn't mandate the vote but it allows anybody to bring it up after 6 days. It is my expectation, based upon our discussions with the Senate leadership, that the Senate intends to deal with that issue this week. Now, if they vote against the motion to disapprove -- it is a double negative, it is a little hairy there, but you understand the resolution is to disapprove. So if you

defeat the motion to disapprove, obviously it goes forward.

In light of the fact that both Houses have to pass the motion to disapprove and the President has to sign it, the likelihood of this passing are very small because both the present President and the President-elect have indicated they think this money is necessary to give them the tools to continue to respond to the deep economic distress we find ourselves in. The question will become, if the Senate does not pass the motion to disapprove it, will somebody here decide that we need to do it anyway, even though it will be at that point in time a moot question. But as I say, the 6th day came down Monday, the 6th day comes Sunday. So it will be sometime next week. We may deal with that in the rule to try to make it more precise. But if somebody wants to get a vote, they can get a vote.

Q If the Senate does pass it, does it have to be identical, if the Senate were to pass?

Mr. Hoyer. The motion to disapprove? The motion to disapprove is set forth in the legislation itself.

Q The wording is there saying --

Mr. Hoyer. Yes. Set forth specifically. So it will be the same.

Q On SCHIP, you mentioned that it was paid for. But do the length of time that the paid-fors are in place --

Mr. Hoyer. I am sorry. I said it was paid for, and then what was --

Q Do the length of time the paid-fors are in place match the length of time that the new obligations are in place? Or does it have a funding cliff, like some other things done last year that the Republicans criticized as not being paid up?

Mr. Hoyer. As opposed to their funding cliffs?

Q Does it have a funding cliff?

Mr. Hoyer. If you mean is there a time when funding ends, the answer is yes. And then it will have to be reconsidered. I think that is 4.5 years from now. It will have to be reconsidered and determined whether or not we want to proceed with the program and fund it at that point in time. But it is funded for the period of time that is authorized.

Mr. Hoyer. You are next and then you are next.

Q The Obama transition team is supporting the idea of a delay in the February 17 date for a transition to digital TV. Are you aware at this point if Congress is going to pass legislation to delay that?

Mr. Hoyer. You know, I have heard that. I don't know a lot about it. I know there is some conflict on it. I know, for instance, that the folks at Verizon believe that they have spent a lot of money and have done a lot of effort looking at the February 17 date, and to change that, they think, will be disruptive. There are others, who obviously perhaps are not as prepared, that don't want that. And then there are some consumers, obviously, who will need a box to accommodate the new signal, that have not

yet gotten that, and need additional time. But I haven't talked to -- I guess it comes under Mr. Markey's subcommittee. I have not talked to Mr. Markey. He was in the Chairman's meeting today, and we didn't mention that. So I am not knowledgeable enough to tell you what I think about it.

I do know that this has been raised. And I do know that there is controversy about a lot of planning going towards February 17, and to change the date would be a difficult for some and perhaps an advantage to others. That is not a very clear answer but that is all I know.

Q Some Republicans are still expressing concern that the stimulus package is going to be pushed through the Congress too quickly, much in the way that the bailout, the financial bailout was back in October, they say. What kind of tangible steps will be taken to make sure that it is not rushed through the House in particular?

Mr. Hoyer. Well, of course, tangible steps have already been taken. You recall that there was some discussion, and I have participated in those discussions and representations, that we would try to pass this bill prior to the Inauguration and have it ready for the President to sign when he got into office on the 21st. Two weeks ago as you recall, on television after discussing it with others, I made the observation that I thought that was not going to be practical, that there wouldn't be time to notify people, put it up -- give notice to the American public, give

notice to the Republicans. Mr. Boehner made some remarks. I think he was accurate in those remarks.

So essentially we have added approximately a month to the time of consideration, and not necessarily in the House, because that has to go through the House and the Senate. Our date now has been moved from prior to the 20th, which would have been probably this Thursday or Friday, in order to get it there, and even earlier than that in the House to get it to the Senate for consideration. My point is, we have added approximately a month to the time frame in which it is being considered, largely to make sure people had notice. And there is going to be a markup, as I said, in the Appropriations Committee on this issue. There will be a markup in the Ways and Means Committee. So we have tried to accommodate that and give greater notice.

Now, having said that, every economist that I talk to, every representative in the administration, present administration, and all the members of the transition team believe that acting quickly is critically important if we are going to have a positive effect on the economy that is the objective of the recovery and reinvestment package.

Q You spoke at length about the need to beef up the accountability in TARP. Can you discuss with me the mechanisms that are being considered to have accountability in the stimulus? There was some talk about having separate legislation to create oversight panels. What is the current state of play on that?

Mr. Hoyer. We have had discussions with the administration. And the administration, as I understand it -- we talked about this. I don't know whether we got any information on it. But as I understand it, because we are very concerned and the administration is very concerned about having an ongoing oversight as we move forward, once the recovery and reinvestment package is enacted and is in law, to oversee on a regular basis day to day, week to week, month to month, the operations and the effectiveness that the dollars are having on creating jobs and spurring economic growth and assisting States in retaining people, not laying people off, in law enforcement, in education, in public safety. But there is not I think, as there was in TARP, an oversight board that has been established. But I will guarantee you that the committees will be having oversight hearings as we go forward on the operations authorized and funded by the recovery and reinvestment package.

Q There was some preliminary discussion, I understand, for a Katrina-style commission to oversee the entirety of this.

Mr. Hoyer. There have been some discussions. I don't know that they are sophisticated. There is not going to be anything in the bill that I know of at this point in time that speaks to that. However, there have been discussions, as recently as this morning at approximately 9:45, about making sure that both the administration and ourselves were overseeing this. It is a huge sum of money. Some people are saying it is not enough money, but

it is a huge sum of money. And we need to make sure it is supplied in a way that will have the effect that we want.

Now, who else was on this side?

Q What do you see coming up on the floor next week?

Mr. Hoyer. We are playing that by ear right now, very frankly. Obviously the issue of the second tranche is something we will probably have to consider. Beyond that, we are going to have some suspension bills. But we are looking at what substantive legislation we are going to get.

Next week is going to be Inauguration week. And so we don't have much of a -- right now. We are talking with committee chairmen as to what they might have ready, and it is rather noncontroversial. Yes.

Q Chairman Frank's bill had a lot of specifics on what to do with the TARP funds, foreclosure money and the state of competition. If you don't disapprove this new money, do all those restrictions become moot? Or are you just relying on the Obama administration to --

Mr. Hoyer. If we don't approve the new money -- they are two different -- they are two different bills.

Q So you can apply --

Mr. Hoyer. The resolution of disapproval deals with whether it is 350. But if we don't pass the bill, I know that -- which we hope to -- I think we will pass it in the House. But if the Senate for some reason doesn't pass it, it is my understanding

that Mr. Frank has been in extensive discussions with the Obama transition team. And the Obama transition team has been involved in the provisions in this oversight bill, the TARP oversight bill. And it is my belief that in the event it doesn't pass, that the administration is very likely to indicate that it intends to follow the provisions relatively closely. I don't mean that they have absolutely agreed on it.

I have to go speak on SCHIP, so I will take one more question. I apologize for that.

Q Members of the Senate have expressed some dissatisfaction with what the Obama team wanted to do in terms of energy tax credits. On the House side, have you guys put forward a number and energy --

Mr. Hoyer. I am not going to mention numbers. But there will be an energy tax credit in there. As I say, the Ways and Means is going to be marking up. I don't want to anticipate a number. I think it is a number that will be close to what the Obama administration believes is appropriate. Clearly we want to see energy be a major component, energy initiatives. We believe that that is the future. We believe that energy independence and global warming are critically important components of this bill, not simply because of short-term economic gain but for long-term economic health as well.

I apologize, but apparently this is the only window I will have to speak on SCHIP, and I obviously want to speak on it.

Thank you very much.

[Whereupon, at 11:28 a.m., the press conference was concluded.]