PRESS CONFERENCE WITH MAJORITY LEADER

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STENY H. HOYER

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Wednesday, January 16, 2008

11:00 a.m.

Mr. Hoyer. I hope all of you had a very good break. Bipartisanship is spreading out all over. As you pointed out last time, I said where is it. I know I was a little flip in my answer to you. But what do you want, verbatim? But we are working on some things. We hope to work with the White House. I'm going to talk a little further about that. We have on the floor today -- as you know, we went in at 10:00. We have the miners bill, which is a further action on mine safety clearly focused on some of the tragedies that occurred both in West Virginia and Utah and other places dealing with mine safety. And we'll do a rule on that.

We are also going to do the DOD authorization bill on the floor today on the suspension that is agreed to. Many of us believe it is very unfortunate that the President chose to veto that bill. Congress obviously believed that both men and women of our Armed Forces, as well as others grievously injured, some killed by the Saddam Hussein regime. This provided for the possibility for some writing of that grievance. The President believed that was not appropriate policy and essentially vetoed the bill over that. We believe that bill is subject to being overridden and we chose to however, submit the veto to committee.

And we'll pass a bill which has agreement with the administration on the provision which gives the President the authority to waive the provision as it relates to Iraq, but not as I understand it -- although I'm not -- there were some changes, I

think, late last night which I'm frankly not on top of.

So I'm not fully aware, but essentially it affects Iraq and the ability of the administration to waive -- to preclude from the administration's perspective Iraq's withdrawing its $21 to 23 billion of assets in the United States. It is extraordinary that we are in a position of spending $196 billion that the administration wants. We haven't appropriated all of that, while at the same time, having the Iraqis threaten to take money out of our country if it would be used to compensate the victims of Saddam Hussein regime's violence.

On Thursday we'll consider the HOPE IV Improvement Reauthorization Act. This deals with public housing and HOPE IV and additional efforts to ensure the availability of affordable housing, which obviously is getting more and more difficult.

On Friday we'll come in at 10:00 a.m. The Congress, in my opinion, last year, accomplished a very significant agenda, the Democratic House of Representatives in particular. Obviously there was great difficulty getting things through the Senate. I think I gave these figures to you and I don't have them in front of me. So I can't do every year. But 1967, 1968, there were five cloture motions. In this past year alone, there were something like 72. The inability of the Senate to come to issue and have the majority rule on issues that confront them obviously is frustrating Harry Reid; it is frustrating the American people, and not the least of which is the House of Representatives that

passed, as I said, when we left all of the legislation that we put on our agenda. And we passed some very significant legislation:

A major historic energy bill which focuses on the future, which focuses on alternative fuels, which focuses on research, on renewables and included a CAFE standard which was a historic change in making sure that our automobiles are efficient. We also substantially reduced college costs. We passed a minimum wage bill on the innovation agenda designed to make work rewarding and have people in the richest country on the earth working a 40-hour week and not living in poverty. And in terms of the innovation agenda, making sure that our economy can continue to compete in the global marketplace.

We're going to continue to focus this year on economic security. I'll talk about that in just a second, about the immediate future. On national security, we want to continue to hold the President accountable on Iraq. We want to continue to focus on Iraq policy. Obviously Democrats and the House of Representatives and the Senate have made it very clear that they believe we need to change our policy, that we need to have a policy for redeployment of our troops and a focusing of our effort on the terrorists that unfortunately continue to be present, and in fact, some would argue regrouping in Afghanistan. And we just saw just the other day an attack on one of the major hotels in Kabul, with a significant loss of life purportedly and no reason to not believe that it was the Taliban that effected that.

We need to focus more on that area where terrorism was launched against us and where terrorism still remains. We have failed in our efforts to either make Afghanistan safe or to eliminate the Taliban or to get Osama bin Laden, all failures of this administration.

On energy security, we'll address global warming. We addressed energy independence. Part of that also dealt with -- obviously under CAFE and others -- on a cleaner environment, a healthier environment. But in addition to that, we'll be dealing with a broader agenda on global warming. The Energy and Commerce Committee is primarily responsible for that and they are pursuing their work which they started last year. And they'll be doing that work and we expect to see it on the floor some time this year, perhaps before the summer. I'm not going to set a time limit on that. But that is very much a continuing focus of ours, both in energy independence and global environmental security, if you will.

Now let me address, as I said, economic security. Clearly our country is challenged today. According to individuals who feel it and economists who analyze it with a substantial slowdown in our economy. Frankly this happened under the last Bush administration as well and it became a major issue. Having said that, we want to address quickly or as Larry Summers says timely this issue. We are talking to the administration. We are hopeful that we can come up with a bipartisan answer to a temporary

stimulus which is targeted -- those are the three magic words that Larry Summers has coined, but now all of us are using -- targeted so that that money will be immediately put into the economy. Without going into the specifics -- some of you may have asked questions, but obviously we've talked about a number of alternatives. But the bottom-line I will tell you is that we have no preconditions in which we're going to discuss this with the administration. We're going to meet with them next week. I've had the opportunity this week to talk to Federal Reserve Chairman Bernanke and with Secretary Paulson. I talked to Larry Summers, former Deputy Secretary Treasurer and Peter Orszag, the chairman of the Congressional Budget Office all about what they think -- on what they think the economic community believes is a consensus. And there really is a consensus that whatever we do ought to be short term, it ought not to make the budget deficit worse. It does not mean that in the short term that -- I'm sure some of you will ask the question that we -- PAYGO, of course, gives us a longer period of time in which to fund things.

I tend to agree with Chairman Rangel who said yesterday, as I understand, reported in the paper that we're not going to pass a stimulus and any kind of tax increase at the same time. What we want to do is give more money to more people to spend it and try to get our economy moving. Clearly the subprime issue has slowed our economy, it hurt a lot of people in this country. We have addressed that in legislation. The Senate now has it under

consideration. But we're going to meet with Mr. Boehner and Mr. Blunt, "we" being the Speaker and I are going to meet with Mr. Blunt and Mr. Boehner today to discuss -- I'm hopeful that we can move together. I'm hopeful that we can then move together with the House, the Senate and the President to act quickly. Quickly means exactly that, quickly. I'm hopeful within the next, certainly 30 days, to adopt a program that would be a stimulus to our economy. Let me stop with that and answer any questions.

Q Mr. Leader, when you talk about something -- and the Speaker talked about this the other day with Mr. Bernanke, targeted, timely, et cetera, Republicans have said, you know, we don't want tax increases. Is your interpretation maybe what this economic stimulus package might be, have some sort of a tax increase that is very narrow and very specific to bolster parts of the economy and that is the type of thing you want but -- and --

Mr. Hoyer. When you say "tax increase," do you mean tax cut to bolster the economy?

Q No. I mean tax increase in that sense. Is that something --

Mr. Hoyer. I don't like that, it is under consideration. We're not talking about a tax increase to bolster the economy. What we're talking about is an infusion of dollars in peoples' hands that we can -- that are needed, that are being adversely affected by the downturn in the economy.

Q There will be no tax increases?

Mr. Hoyer. Tax increases -- if you're talking about tax increases, temporary, timely, targeted, no. And I'm not suggesting that there will be tax increases. What I'm simply saying is your question posits that a tax increase somehow could be a spur to the economy. We obviously have a philosophical disagreement with the administration on what an effective tax cut is. But nobody is considering tax increases to help the economy at this point.

Q You alluded to PAYGO briefly. Can you just talk about PAYGO?

Mr. Hoyer. PAYGO is an issue. We believe very strongly that the deficit is an issue. Very frankly I alluded to it as well. I've been here 27 years. I don't think the economic policies pursued by Republicans have worked. The economy grew much faster, much better, much more sustained under the Clinton policy which had zero Republican support, zero. In fact, people were much better off 8 years ago than they are today. Our country was better off 8 years ago than it is today. Now, that may be perceived as a partisan argument.

Your question, though, we believe that we ought to balance the budget. We did balance the budget when we didn't have control of Congress but then we had the President and he vetoed things and he came to accommodations and there was agreement reached. Mr. Gingrich was criticized substantially by those -- some of whom are now in authority in their party -- criticized for making

accommodations with the Clinton administration which led to helping achieve that balanced budget.

So we believe that PAYGO is important. But in the short term, what I said is I agree with Mr. Rangel and I've indicated this to others. And I'll be discussing this with the Blue Dogs. I think the Blue Dogs agree as well that PAYGO provides for a stimulus in the short term while not adversely affecting, balancing in the longer term. By the way -- not by the way, but in my discussions with Chairman Bernanke, he made it very clear that we ought not to make the deficit worse in the long term.

Q Help me interpret that just briefly because other people have been -- Democrats have been saying, well, we can be flexible on PAYGO in the short term because we don't want to get into the bigger fight. Last time there was a stimulus discussion a few years ago, it got into universal fights about health care and who pays for that and health care parts of the stimulus fell apart and they didn't want to get into a whole kerfuffle about PAYGO or just -- and maybe back off on that.

Mr. Hoyer. The Speaker and I both believe this needs to be simple and we adopt -- it is interesting. The Chairman of the Fed -- also we were all discussing about Summers coming up with this alliterative, but it expresses, I think, generally, I think that we have common agreement on what needs to be done and it needs to be temporary and it needs to be timely. We need to do it soon. And it needs to be targeted to those who will spend money

and get the economy moving. I think we agree on that.

Frankly, I think we don't know whether there is agreement on whether or not what role tax cuts -- I don't think tax increases are going to play a role particularly in this. But if it is simple and straightforward, I don't think we're going to get into those kinds of fights. But we are -- I'm certainly hopeful that is the case.

Q Do Bush tax cuts from 2001 fall into that category?

Mr. Hoyer. I don't think that anything I've read indicates to me that doing anything on those tax cuts at this point in time will have any effect on the economy in the short term.

Q How sure are you that you will bring a global warming bill to the floor sometime this year? And will it include any kind of coverage of the transportation sector or has that basically been done --

Mr. Hoyer. The Energy and Commerce Committee has principal responsibility for this bill. They are in the early processes. They had hearings last year, but as you know, they were very focused on the energy bill which obviously -- they are very interrelated as you well know. So I don't want to -- I said, you know, my belief is that we move one forward, but it is very early in the year and they have to have their hearings and they have to have consideration for me to make a prediction at this point in time.

Q Mr. Hoyer, at the top of your talk, were you saying that

you believe the package could be completed within a month and actually signed into a law in a month?

Mr. Hoyer. I believe it can be. Yes, that's what I was saying. And the reason I said that is because we are very hopeful that in our discussions with the Republican leadership and in our discussions with the White House -- as you know, the President is just coming back from the Middle East tonight. I'm not sure what time he is getting back in tonight. He gets back tonight. But in my discussions with Secretary Paulson -- Chairman Bernanke obviously is not a member of the administration. He is an independent Federal Reserve chairman. But he was their chairman of their counsel and advisors.

I think that there is certainly a reason to be optimistic about the ability to come to agreement. And the reason for that is I think everybody believes that acting quickly, timely is important. Not everybody believes that there is going to inevitably be a recession whether we act or not. However, the consensus is there is certainly that risk. And I think we believe, the Speaker and I and others in our party believe, Mr. Emanuel has talked about this, Mr. Frank certainly, Mr. Spratt and others, that it is the responsible thing to do, is to act together to both give the signal to the country that we are acting together to stimulate the economy, make the lives of individuals better. So that is my hope and I think that can be done in 30 days. Now, whether it will be done in 30 days is obviously

another question, as you know.

Q When you talk about your own feelings about the relative merits of some of the proposals for the tax rebates targeted to particularly low income people and Social Security changes, what do you like or dislike? And does that include no tax relief for upper income --

Mr. Hoyer. I don't think tax relief for upper income will stimulate the economy because they won't necessarily spend it. I think what you need to do, without going into specifics because obviously we're going to have a lot of discussions and I don't -- I've said everything is on the table. I want to leave everything on the table. I don't want to prejudice what is or is not on the table. But within the framework of my discussion, within the framework of the Speaker's discussion, within the framework of the leadership's discussion, I think it is fair to say that there is a consensus that whatever you do you want to do in a way that is targeted dollars to people who, A, will spend it; and, B, who need it to offset the adverse consequences of the downturn, slowdown and/or recession.

We are not in a recession, but we are obviously slow and there is that risk. So I don't want to get more specific than that. But I think that pretty much -- you know, a lot of discussion about what that environment is.

Q On the defense bill, given your comments at the beginning about the controversial provision, why did you simply

send it back to committee rather than challenge the President on the floor to have an override? And also do you have any thoughts about his claims to use the pocket veto on the bill?

Mr. Hoyer. Yeah, we do have some thoughts on that. We think this was a regular veto. We don't think this was a pocket veto. We haven't gotten into that legal confrontation. But we made it very clear to him the House was in session -- excuse me -- the House was prepared to receive bills. We recessed under that theory. The Senate, as you know, was available. There is no doubt in our mind that this was a regular veto that we could not override. At the same time, we felt it essential to move this bill as quickly as possible and the disagreement was targeted. Mr. Skelton and Mr. Levin and Mr. Lautenberg -- I've not talked to Senator Lautenberg, so I don't want to say -- I don't know what his view was. But it was his provision to reach an agreement with the White House which provides for the President's authority to waive as it relates to Iraq and the particular provision. And the bill involved so much more, Richard, that we felt it important to move that bill forward in terms of our Armed Forces, not only the pay, but so much -- many other things in that bill which, you know, it took a long time for us to get past, a lot of discussions between the two. This is a bill that went to conference. We thought that product ought to move forward. And we have agreement. So we're going to do it on suspension. We did not have agreement on the override obviously.

Q You could not have gotten two-thirds?

Mr. Hoyer. I don't think so.

Q As floor leader, do you have any plans to maybe follow in the line of the Senate or anything to make it clear when you leave in the future to -- that you're not subject to a pocket veto?

Mr. Hoyer. We think it was pretty clear. We thought it was clear enough and we think that legally and constitutionally we're in a position where if we chose to override this veto, you know, we have the votes to do so, we could do it and do it effectively.

Q But you don't have any plans to do anything like what the Senate does with these seven-second sessions or anything like that?

Mr. Hoyer. We think the answer to that is we don't have any plans because we think what we did put us in a position -- you know, we didn't adjourn sine die. We were subject to being called back in. You remember Schiavo, I was called back in on -- I was called Saturday for the Sunday session. The Speaker, as you know, was in the minority, but she was in Egypt. And they called us back into session and we had a session, 17 hours notice.

Q Did you go?

Mr. Hoyer. Yeah, I was there.

Q This meeting you're having with Boehner and Blunt this afternoon --

Mr. Hoyer. Pursuit of bipartisan --

Q Yes, I was going to ask you about that. What do you make of that? It is very unusual under the Democratic control, is it not? And is this a precursor of others to come?

Mr. Hoyer. Well, I don't know how -- it is unusual probably. That is a fair statement because we don't have regular meetings like this. But as you know, I've met with Boehner.

Q But not the Speaker?

Mr. Hoyer. The Speaker has met with Leader Boehner before.

Q To discuss important legislation like this?

Mr. Hoyer. You would have to ask her. But the answer is she has certainly discussed it Mr. Boehner before. But let me say -- as you know, I have regular discussions with Mr. Blunt. So from my standpoint, it is not an unusual meeting, except I think it is fair for you to say it is unusual in the sense that a meeting with the four of us does not happen on a regular basis.

Q Would it be fruitful to do this more often on this, on important topics like this?

Mr. Hoyer. I'll see how successful we are on this. Based upon our experience, yes.

Q With regard to tax rebates, a proposal is being floating around that they would range anywhere from $250 to$600. I mean, to somebody who has lost their home, that is really not a lot of money. What else needs to be done beyond that? And what is the sense that the -- what would you tell the American people.

A Well, first of all, you tell the American people that,

look, there is a problem, we need to address it. Again from -- we're trying to get a bipartisan agreement here. Many of us have opposed the economic program of this administration, and frankly the first Bush administration as well. And all Republicans opposed the Clinton economic program which led to arguably the best economy that you had in your lifetime or I've had in my lifetime.

Having said that, the housing issue is not going to be solved by this issue, by a stimulus package. You're correct on that. But what you do tell them is we've done a number of things. We passed an FHA bill. It is pending in the Senate. Hopefully the Senate will pass it to lift caps so that people who find themselves in a position to be foreclosed on and want to refinance but whose homes have gone up in value because of inflation or whatever and cannot refinance their homes have the ability to do so because the Federal government will guarantee the loan so that lenders will -- credit is tighter.

We need to get them that ability. And Barney Frank has been focused very much on what can be done. I don't think it will be in the stimulus package, but we have a Senate bill. We think it is very important. We hope it passes. I know that the administration hopes that passes as well. And I hope that Senator Dodd in the Senate can move that bill in the Senate as quickly as possible. Hopefully Senator Dodd and Senator Shelby will cooperate in that and take such other steps that we can take.

In addition, I agree with the -- I think the lending community ought to be jawbone, there ought to be the percentage of refinancing of -- not refinancing, but recalculating what is due on a monthly basis. What is the term for that? Why am I not getting it?

Q Is it called resets?

Mr. Hoyer. No, no. But in any event, the recalculation of how much you have to pay on a monthly basis.

Q Amortization?

Mr. Hoyer. No. Only 1 percent -- as I understand -- the good news is, nobody else can think of the word either. So you're all in the same boat. So don't give me a lot of criticism in your papers or whatever instrument you use to communicate. The point I was trying to make -- and I distracted myself -- is only 1 percent have been refinanced. That is not what I mean, but recalculated so that the lender agrees to take where it may be a $1,500-a-month payment, they agree to take a $1,100 a month payment for a period of time. Only 1% of the loans have been done. The administration rightfully asked the lending community to do much better than that. They can do much better than that. Foreclosing, leaving these homes to be closed -- Cleveland and other cities -- Cleveland in particular -- but my own county and every county in America is seeing really very sad cases of people being not -- not want to pay something, but just can't pay the new figure that were bad lending practices.

As you know, we passed a bill to make these lenders more accountable, more responsible for giving loans to people who clearly could not afford the loans that they took, much less the escalated recalculation of the loan upward as interest rates change after the first six hours of your loan, you know these loans where they offer that you can only pay 1 percent you find out it is a very short period of time. So those are things that can and should be done?

Q Just to clarify just before you leave. It sounds like what you're saying is you think the stimulus should be offset but not necessarily right away?

Mr. Hoyer. Well, PAYGO provides that you pay for it within 5 years. Now, I don't know that we want to do that. We're having discussions on whether -- but clarification is -- my own view is -- and you know I'm a very strong supporter of PAYGO, where I believe -- and the time that I believe that deficit spending is justified is when you're truly trying to spur the economy and get it moving. Where I've been very opposed to this administration's policies is they have spurred the economy at times when the economy was growing and doing well, which has weakened our position now.

Q Do you think that at a later date -- is that what you're saying?

Mr. Hoyer. I'm not saying either because it could be done in the bill or it could be done later. In other words, you could do

it either way and that has not been resolved. PAYGO is very important.

[Whereupon, at 11:30 a.m., the press conference was concluded.]