PRESS CONFERENCE WITH MAJORITY LEADER

STENY H. HOYER

***

Tuesday, January 29, 2008

2:04 p.m.

Mr. Hoyer. Thank you for being here today.

As you know, we're doing the stimulus package now. We'll do an extension on the time for the Protect America Act after that; and we'll consider H.R. 1520, the New England National Scenic Trail Designation Act.

So that will be our business for the day, and then we'll adjourn until Wednesday next, as they say. The reason for that, obviously, there are 22 primaries next Tuesday; and it wasn't practical to think that Members were going to come back with 22 primaries.

It is one thing -- we are meeting, so you understand, on the day that Maryland has its primary. We're going to meet that day because they're not having any primaries on the 12th.

We had the President's speech yesterday, and I've spoken about that. I thought the speech was pretty much a look back, rather than a look forward, a look back at what had happened. Frankly, he talked about the economic issues, balancing the budget. Interestingly enough, his approach was to ask for making permanent about $1.3 trillion in tax cuts, and he offset that with $18 billion in spending cuts that he is going to offer. I don't know what kind of math that is, but it certainly doesn't balance.

He talked about some positive things. He talked about global warming, and we want to move on that. He talked about his initiative on AIDS. Again, he didn't say how he was going to pay

for it. Interestingly enough, he wants to double it, although investments in health and education -- $22 billion was too much for him this year. On the stimulus package, we are --

And to conclude about the State of the Union, I've found it not only a look back but almost a recognition that, look, I know my term is essentially over; and I'm moving on. There are some things that I think ought to be done: entitlement reform. I agree with him on entitlement reform, but there were no suggestions on entitlement reform.

He talked about 5 of the 12 pages, or 11 pages, on Iraq. He said things were bad in '06. I reread his speech; and, although he wasn't euphoric about what was going on in Iraq at that point in time, he didn't say it was bad. He did recognize that in his speech but said things were getting better.

My premise has been, as you know, you send 30,000 of our people into any area in the world, you will make it more stable and secure simply because of their competency and training.

On the stimulus package on which we're now, I'm very pleased that we have reached bipartisan agreement in the House on this issue. Speaker Pelosi deserves a lot of credit, as does Mr. Boehner. They both came together and worked with Hank Paulson, and they all worked with the rest of this as well. I was very much involved, and Blunt was involved, Rangel and Frank and McCrery. A lot of people involved in this. But the Speaker and Boehner and Paulson essentially representing the White House

essentially worked this agreement.

We are pleased, as you know, not -- that we didn't get unemployment insurance not only expanded but increased -- expanded in terms of the number of weeks and increased in the number of dollars. We -- economists tell us that is one of the best stimuluses.

We also looked at expanding the nutritional program, food stamps. That was not to be. The Republicans were adamantly opposed to that, as was the President.

Where we did, however, reach accommodation was in adding 35 million people and $27 billion of the package to those who pay a lot of taxes but not income taxes. They pay FICA, property tax, excise tax, sales tax, all those taxes. But because they don't pay income tax, somehow they are perceived by some at not paying taxes and not deserving some degree of help. In fact, we believe they are the ones most in need of help and economists tell us most likely to spend their money and stimulate the economy.

On the business side of the ledger, while I would have chosen perhaps in some cases different than the bonus depreciation -- the bonus depreciation and the accelerated depreciation expenses for small businesses, all will, I think, have some stimulative effect and therefore -- hopefully, this package will try to slow or stop the downturn in the economy.

Lastly, let me speak to FISA. We're going to do FISA in just an hour or so. I think we'll pass that. We're going to do a

15-day extension. That essentially has been agreed to by the parties, and I believe the White House will agree to that as well. Because of that, I presume the Senate will be able to pass it. I hope they will. And then we'll work on -- hopefully, the Senate can pass the bill and we can go to conference.

Let me make a couple of points. If we did not have an extension on the existing Patriot Act, which I voted against and which most of the Democratic vote against and which I think is not the kind of policy that we ought to have -- we passed a bill 2-1/2 months ago, November 16th, in plenty of time to get a bill through the Senate, back to us, to conference to try to reach agreement. That, unfortunately, has not happened. Hopefully, in the next 15 days or 19 days, that can happen.

The White House did not authorize the House Intelligence Committee or the House Judiciary Committee to see the papers that you've heard me talking about what is -- what immunity is being -- what are we asking immunity for, what was done that we're asking immunity for and what was the justification given by the administration to the companies to do what they did. It was not until late last week that the White House authorized the House Judiciary Committee and the Intelligence Committee to see those documents, and I made the point to the White House that surely it was not reasonable to -- because there are thousands of pages -- there are over a thousand pages; I'm not sure how many exactly there are -- that it was not reasonable to expect that -- both

committees to be able to accomplish that objective within such a short time period. In any event, the Senate hadn't acted, so there was nothing really the House could do.

So that's where we are. I expect that extension to pass. I expect it -- I would hope it would pass the Senate; and, if it does, my expectation is that the President will sign it.

Anybody have a question on earmarks? I'm ready.

Q If the Senate is talking about adding unemployment back in and there is concern that that could upset the delicate balance, as it has been called, is there a third way of doing that? And I guess the idea of seeing this is you talked earlier about triggers. Is there any discussion of maybe saying, you know, if unemployment went up a full percentage point, then maybe some spending on that -- would that be something that could be acceptable or is there any discussion of that with the Senate side?

Mr. Hoyer. The problem we have with unemployment insurance, trigger or not, was that the Republicans did not want to move in that direction, either the Republicans of the House under Mr. Boehner nor the President in the White House. So it was an item we couldn't get agreement on.

As you know, we were strong proponents of both the unemployment insurance, the food stamps and, indeed, the Medicare relief for the States, which we thought would also be stimulative and help the States in a tough time. The agreement that was

reached was pretty simple, straightforward, could be done quickly, targeted and temporary. It would phase out December 31st, both the business incentives and the transfers. So from that standpoint, what the Senate wants to do -- we'll have to see what the Senate does.

I'm not one who says that if the Senate makes any changes at all, then it's terminal in terms of the bill's life. But I do hope that the Senate will stay pretty close to the parameters that have been set and agreed upon by the White House.

And I know the White House -- Paulson will be working with Senator Baucus, Senator Grassley, Senator McConnell and Senator Reid. So I know that they are working together. The simpler they can keep it, the less changes there are, the more likelihood that we can get this job done in a short period of time, which will help -- whatever the package is, will help add to the stimulus effect.

Q Are you at all worried that it won't get done?

Mr. Hoyer. Well, I'm concerned that we did not do it. But I'm not worried because I think we will.

Q I'm confused about the FISA. So the bill that is coming up shortly on the House floor is a 30-day extension? It will be amended on the floor?

Mr. Hoyer. The bill will be a 15-day. On suspensions, we have a great deal of flexibility of what bill we can offer. We are doing 15 days. And the reason for that clearly is the -- we

could get agreement to do that, and this needs to be done quickly.

Q And it is your expectation that the Senate will follow --

Mr. Hoyer. It is my expectation that if we pass -- I've had discussions with White House representatives; and my sense is that they will say that, given a number of things, that -- the Senate didn't get cloture yesterday. So we couldn't get us a bill. We're not going to be here for 3 days. Given the fact that we just got the documents and the authorization to vet the documents, I think the White House will say in that context -- and this is half of the time they said they would veto, a 30-day. I think they want to keep the pressure on.

But I want to emphasize our position is, even if it lapsed, I don't feel pressured because we gave them a bill which gave them up to a year's authority to -- once they were approved to proceed. No authorization would expire in less than 6 months after February 1. So they have got -- and, as you recall -- maybe you don't recall, but I'll remind you all -- on the floor on Thursday, when we were doing the colloquy and we were talking about FISA, I made it clear to the administration that we don't feel compelled to pass this if the time elapses, that it is up to the administration and ourselves to work together on a compromise that can be passed and can become law, that will meet the problem that we all understand exists.

The problem is communications, whether USCO -- foreign to

foreign now come through a U.S. switch. So there is a technological change in how communications run which is complicated. We need to fix that. Everybody has agreed on that. We fixed it in the bill that we passed through the House. It is pending in the Senate.

Q The economy has leaped to number one in the issues on America's mind; and, despite a partisan package, it is going to go through it looks like -- and you list these things here: We've invigorated the economy. Which of these items do you think is doable and signable by the President or likely to be with bipartisan support or any other economic measures?

Mr. Hoyer. Which one of these items are you referring to? The less --

Q The five bullets here and other items. But I'm just talking in general. In other words, is the spirit of the bipartisanship going to continue on the economy? I notice that your retreat is themed around the economy. So, clearly, it is an issue on Democrats' minds.

Mr. Hoyer. The economy is always close to the minds of Democrats because we believe that the working people are the ones most challenged and need an economy that is growing and robust and creating good jobs and good pay.

I think Americans know how focused we are on the economy, number one.

Number two, we have been very critical of this President's

economic program, which we think has not succeeded. We said it wouldn't succeed. It has created deep deficits. It has created two-thirds less jobs than the Clinton administration economic program. And let's say neither program was probably the major responsibility for what has happened, but both programs created environments in which things have happened. So I think the economy continues to be our concern.

You asked what we were working in a bipartisan fashion on. Obviously, things of immediate and great consequence I think gives incentives to both sides to come together and work together. I think that is essentially what you see in the stimulus package.

When you saw the energy bill signed down at the Energy Department with the Secretary and President Bush and Speaker Pelosi and myself, Senator Reid, you saw a bipartisan accomplishment. I think we can work on a number of these issues in a bipartisan fashion if the President is willing to do so.

Now, lower the health costs and increase quality. We've tried to work very hard on the children's health insurance bill. I was very disappointed that we didn't get that done. We had 45 Republicans starting out. We made the bill -- we made some accommodations to those that opposed the bill. We only needed at that point in time another 25 or 30 votes from Republicans, and we made very substantial efforts to get them. They weren't there. They didn't move. I think that is unfortunate.

Lowering energy prices, there is a difference of opinion how

you do that. Obviously, Republicans are more interested in looking what we think is backwards in how do we develop more fossil fuels. We know that we need to use fossil fuels, particularly our coal, if we could figure out how to burn that cleanly with no adverse consequences -- or little adverse consequences to our carbon footprint or to the environment, global warming. We ought to do that. We have a 200-year supply.

The housing market, we are working in a bipartisan fashion on that. Barney Frank and Secretary Paulson have been working very closely together. Senator Dodd, I believe, is going to address that.

And part of the understanding of the stimulus package was that we would address in the very near term the GSE, Fannie Mae, Freddie Mac cap issue. As a matter of fact, the cap issue, as you know, is addressed to the stimulus package itself.

So reduce the deficit, restore fiscal responsibility, doubtful. Why? Because there is a deep philosophical difference between the parties. We are very much for PAYGO, and they are not. We are very much for making sure that we have a budget that is responsible and invests in some of the public enterprise we think is essential for growth and the growth of the economy, while their sole economic policy is cutting taxes, cutting revenues and, frankly, creating large deficits, $1.68 trillion during the last 6 years. So there is a big -- 7 years now. There is a big divide on that issue. Whether we could get there without a new President

is doubtful.

Q Won't this bill, the economic bill, increase the deficit?

Mr. Hoyer. Yes.

Q Last month, you guys made a big complaint about the AMT and how it is going to be paid for. This month --

Mr. Hoyer. Well, let me explain that to you. Almost every economist will tell you that balanced budgets are good. Almost all those economists, right to left, conservative to liberal, will also say, look, there are times, however, when the creation of deficits is justified and those times are when you have an economic downturn and that downturn needs a shot in the arm.

Why we've created these great deficits is because in times when the economy was growing and the President said it was robust and successful, we were incurring deep deficits. We didn't do that in the Clinton administration. We brought them down 4 years in a row and then created 4 years of surplus and didn't squander the surplus. In fact, in 2 of those years, we had real surpluses. And what I mean by that is even not counting the Social Security surplus. In the trust fund, we had surpluses. Not in every one of those years did we have a surplus. Some of that was offset by Social Security revenue.

So there are unique circumstances when PAYGO itself anticipates that it won't be paid for, that the stimulus won't be paid for. But it can be paid for over a longer term.

When I talked to Mr. Bernanke -- I think I mentioned this last week. I don't know whether you were here. Mr. Bernanke, the Federal Reserve chairman, made it very clear to me that he believed that any stimulus package that we passed should not make worse the long-term deficit picture, which I thought was interesting, because, of course, he was on the President's Council of Economic Advisors. I didn't get into a deep discussion with him on the consequences of the economic policies being pursued by the Bush administration, but I do believe he was right in saying that we need to be concerned about the long-term deficit.

But AMT was not a stimulus package. AMT was -- we didn't want the taxes to go up on people. We had no intention of the taxes going up. Our proposition was we should pay for it. You'll recall the Democrats in the House voted to pay for it. Democrats in the Senate voted to pay for it. It was Republicans who -- in the Senate who blocked the AMT passing paid for. I thought it was one of the best tax bills in terms of a populous bill and requiring people to pay their fair share of taxes that I've seen in my 26 years here.

Q Can I ask you about earmarks?

Mr. Hoyer. Oh, thank heaven.

Q I know.

Mr. Hoyer. I thought you'd never ask.

Q I saw you speaking yesterday, but why not go for a moratorium now? I mean, Democrats voted for a lot of earmarks

in the '90s. You all were not shy about -- in fact, Democrats -- earmarks from Democrats in the '90s and under Republican control was that you were not getting enough, just like they can't get enough. Why not go for it now?

If the Democrats -- you are targeting fiscal responsibility. What -- you just mentioned on the AMT you wanted PAYGO. Why not limit the earmarks now? The offer is on the table. Why not go for it?

Mr. Hoyer. When you say "the offer", I'm not sure what -- the Republicans went down to their retreat --

Q We're talking about a 6-month moratorium.

Mr. Hoyer. Yeah, and they came back from their retreat with a compromise of their own.

First of all, let me say about earmarks. We have a party now who took earmarks and, depending upon how you count them, doubled them, tripled them or quadrupled them. There are all sorts of different ways to count earmarks and what they are.

But the committee on waste -- which I thought I had a card here on. I'm surprised I don't see it. In any event -- I do have it. Citizens Against Government Waste, I use their figures because they are sort of a watchdog group. You get their releases. You watch them. So I figured their figures are as objective and as critical as figures.

They said, in 1995, the last year, which was the top of the '94, fiscal '95 budget, $10 billion in earmarks. In fiscal '06,

we didn't have any earmarks. In '07, we made a determination that there already has been a moratorium on earmarks for fiscal '07, except the bills defense and MILCON, which obviously have a significant number in there. But they said it was $10 billion in fiscal year '95, $29 billion, three times as much as when they inherited this, and that we have them to $14.9 billion last year. That is what the Citizens Against Government Waste said.

Now, moving on, Dick Army, who I love to quote, said this: You've got a group of people that for the last 12 years have been saying to their members, if you think you're having trouble with your re-election, come to us and we will help you out in the appropriations' process, he added.

And he said this: This pork is our deal. The Democrats in charge -- Mr. Army says he looks at it now and he says the Speaker and the Majority Leader are not going to help me on my deal anyway, so I might as well fight them -- speaking of the Members. In other words --

Of course, that is not true. There was no real assertion of unfairness in the earmarks. They were cut. There is no doubt about that they were cut. Because we have the earmarks.

Furthermore -- and this is why I wanted the question from someone. I want to compliment the Democrats for earmarks reform that is stronger than the Republicans did. Democrats in this way had more guts than we did to tackle earmark reform in a meaningful way, and I compliment them for that. But I appreciate and I again

want to compliment the Democrats for doing stronger earmark reform than we did.

All of you recall that that is what Jeff Flake had to say in January when we adopted our rule. Our earmarks were transparent. If we even adopted a rule that -- if they were parachuted in, as some people say, in conference, you could say we don't like this and have a separate vote, not on each one but a separate vote on those earmarks in the House.

Earmarks are an investment in our communities. If it was, as Citizens Against Government Waste say, $14.9 billion, that was less than 10 percent of the supplemental the President asked for Baghdad and Kabul.

The Constitution of the United States says that we are the appropriators. You know, the President says he is the decider. The Constitution says the Congress is the appropriator.

I personally believe it would be a mistake in terms of checks and balances to give up the ability to add projects here at home to the President entirely. Obviously, he plays a role in submitting a budget and saying this is what his priorities are.

So the answer to your question is we had a moratorium for a year. We then had -- made more transparent our earmarks and we vet our earmarks. So you have notice ahead of time and you have to sign an assertion that you have no personal interest. So we have made very substantial earmark reform.

And it is interesting that the Republicans who went down to

their retreat or up to their retreat -- Greenbriar is, I guess, west. So they went over to their retreat with sort of this fire and brimstone attitude that they were going to eliminate earmarks and came back with a let's just stop them for a little while.

Q Mr. Hoyer, I mean, if you feel like you've been doing a good job so far and you're not going to do the moratorium -- is that it or is there still more Democrats -- do you have an earmark agenda at this point?

Mr. Hoyer. We are discussing next steps. Mr. Obey is discussing next steps with the leadership and with his committee. I will not prematurely anticipate the results of those discussions.

Q Chairman Conrad said he intends to bring to a vote the idea of a bipartisan commission on taxes.

Mr. Hoyer. I'm for it, as you know. I went over and testified.

Q Right. But the problem over here seems to have been other parts of leadership, politely put, and some committee chairmen and their concerns about what kind of power that committee would have. If they do get to vote on that, does that increase the pressure on you guys?

Mr. Hoyer. Well, if they send us a bill, I don't know that it increases the pressure. It increases the focus and attention to that issue.

I believe -- as you know, I'm a strong proponent of a

balanced budget, very strong proponent of the PAYGO. As you know, I voted against the AMT. I believe that we need to pay for what we buy. In this specific instance, I do believe the stimulus package is unpaid for or justified because you're trying to stimulate -- to stimulate and depress at the same time seems counterintuitive to me.

But I think -- I went over and testified before the commission I think it is a good idea. I think we're moving forward on it. I did suggest, however, that the commission, as you know, be formulated next year. Because, after all, this administration is on its way out; and I think last night's speech was a clear indication of the lack of energy for new initiatives. So I think this is something that the next administration ought to focus on. It is going to be very tough to do but I think absolutely essential to do.

Q Thank you.

Mr. Leader, I write for Latin American Media. I have a question on trade based on the President Bush speech last night. And he said among those free-trade agreements that are pending in discussion in Congress -- Colombia, Panama and South Korea -- the Colombia one is coming first to Congress. So my question is if you feel there is a mood in the House for discussing trade very soon or at least this year, especially on this Colombian agreement?

Mr. Hoyer. Well, I saw Ambassador Schwab last night, who is

our trade representative, as you know. I happen to be a good friend of hers, and I told her I think we're going to talk about this in the near future.

I think on our side of the aisle there continues to be a great concern about Colombia and the ability -- after all, one of the things we reached was a historical agreement that workers' rights and environmental concerns would be dealt with in these trade agreements. Well, certainly one of the basic workers' rights is the right to stay alive if you're a union organizer, and Colombia has had a very bad record on that. We're concerned about that.

I take the President's thoughts, though, positively in this sense. I think Colombia is an ally of ours, a friend of ours in an area of the world where that is important; and so I think we can focus on that. Now, whether or not Colombia or any of the other trade agreements will pass this year I think is -- I would say doubtful.

But I think Panama would be relatively easy to pass if it weren't for Gonzalez, who is accused of murdering an American soldier. I think that makes it very difficult to bring a bill on the floor. His term I think as President of the Senate expires in September. I would have hoped he would have resigned before that for the best interest of his country. He didn't.

South Korea's problematic at best until we work out a fair treatment of our automobile import with Korea.

So the answer to your question is relatively long, but I don't think that -- there are no present plans for us to put Colombia on the agenda. And the President, obviously, has the authority to send it down here; and the clock will start to run on that. But I don't know that that is useful unless he believes it is going to pass.

[Whereupon, at 2:36 p.m., the press conference was concluded.]