

PRESS CONFERENCE WITH MAJORITY LEADER

STENY H. HOYER

Tuesday, February 6, 2007

11 a.m.

Mr. Hoyer. Good morning. How is everybody today? Today we're meeting at 10:30 a.m. for morning hour, 12:00 for legislative business. Six suspension bills, possible consideration of the House resolution to name a new Clerk and CAO of the House. That is possible. I don't know whether anybody knows that, whether we are going to do that today or tomorrow. It is going to be done.

Tomorrow we will meet at 10:00, seven bills under suspension of the rules. Thursday we meet at 10:00 for legislative business, consider H.R. 547, Advanced Fuels Infrastructure and Development Act, under an open rule. That bill essentially deals with the transmission of biofuels and other fuels which are not as susceptible to being put through pipelines as others -- as oil petroleum products are.

Let me go -- we received the budget yesterday. I had a discussion with Mr. Portman. We had a very cordial discussion. I want to say at the outset, although I am critical of the budget and will say some things critical of it, I believe that Mr. Portman is someone who wants to deal with the Congress, dealing with the challenges confronting our budget process and country. Whether that is shared equally by the administration or others in the administration, I can't predict. I certainly can't predict it from past performance, which has not been positive, which

has not been helpful in moving us towards either balancing the budget or paying for our priorities. This administration doesn't want to pay for what they buy; \$247 billion in additional funding for Iraq, I'll talk about that in a second.

The budget that has been presented calls for more deficits and more debt. There is a chart behind me that shows the discrepancy between what the President says and what CBO says. The chart behind me includes war costs and AMT costs. The line here, as you can see, is what we believe to be the actual real deficit.

Now, again, let me remind you that when we do our budget we are going to do apples to apples. We are not going to adopt principles that the administration didn't adopt and try to say -- but we're going to be honest about what we can do and not do. The administration is honest. Portman says and has included this. But they may claim this so-called surplus. It is not going to happen, given the proposal on Social Security, period. Nobody believes it will happen, given the proposal of the President. He inherited a 5.6 trillion surplus. We are 3 trillion in deficit. You see that chart here.

Furthermore, the President did not adopt pay-go for revenues -- for taxes. You are not going to get there from here if you don't as, we did in '90 and again in '97, adopt

pay-go affecting both revenues and expenditures. You need to control both.

One of the most egregious steps that the President has taken in this budget is badly underfunding children's health care. We believe it is at a crisis. We believe that many States are trying to do a better job than the Feds are doing. But the President's proposal provides only \$5 billion for our children who need health care who are uninsured. And the estimates are in order to stay even, we would need \$15 billion. That is an estimate. I have a figure here, but I don't know how accurate it is. But there are hundreds of thousands of children who will not be covered under SCHIP as a result of the President's proposal. We think that is not the right priority going forward.

The Iraq supplemental I mentioned, \$245 billion in supplemental emergency spending, is being asked both in the supplemental and in this budget. I want to recall for you Donald Rumsfeld called \$3 billion war cost projections, quote, baloney, closed quote. Paul Wolfowitz insisted that Iraq would be able to pay for its own reconstruction from the oil revenues. Mitch Daniels, who was then Director of OMB, said that the war was going to cost approximately \$60 billion. We are now at \$400 billion, give or take a few dollars, and the 245- puts us at about 650-, \$645 billion in projected expenditures for Iraq.

As you know, the President's budget only goes through '09, although the President clearly believes -- because he said the next President is going to have to resolve this issue. If that is the case, the next President, January '09. So that while the President rhetorically says we are not going to be out of there, but from a fiscal standpoint and budget standpoint he doesn't project that. For this year alone the global war on terror is \$163.4 billion, a 42 percent increase above the fiscal year '06 level, while we cut out hundreds of thousands of children from health care.

The budget is going to get very careful, vigorous oversight, which has not been the case over the last 6 years, in terms of all of the expenditures; not just the expenditures on Iraq, but expenditures on the global war on terror, expenditures on the domestic side as well.

With that, let me say that we are moving forward. I met with the committee chairmen today. We have a lot of issues that are ready to move forward. We expect the committees to start reporting out bills next week, which will have gone through the regular process, regular order. And over the next weeks, we expect to do the budget sometime after the 15th of March. Expect to have the committee markup that way. 15th, I think, is a Thursday, so that week at some point in time we expect the budget to be marked up and expect it to be reported for the following week. That is our hope.

Obviously, that is a lot of work for the Budget Committee the next 5 to 6 weeks, but that's what our hope is.

Then we move to appropriation bills in June. In addition to that, next week we're going to debate an Iraq resolution, and in the days ahead we are going to focus on health care, SCHIP, mental health parity, education, No Child Left Behind, Head Start reauthorization, higher ed reauthorization, jobs and economy, minimum wage, the issue of tax subsidies for taking jobs overseas which was in our Six for '06 the committee will be considering.

And energy, we will be focusing towards the end of June for significant energy legislation. That does not mean we're necessarily going to have a comprehensive one bill. As you see, we have a bill on the floor this week, a relatively noncontroversial bill, but which deals with how we transport nonpetroleum energy sources.

So that those will be some of the things that will be going forward. I just got a note on SCHIP, it is currently funded at 5 billion and capped in statute per year. Six million kids are participating. Bush provides an increase of 5 billion over 5 years, a billion dollars a year. According to the estimates, we will need approximately 15 billion over 5 years to maintain current coverage, in other words 3 billion a year.

Q You said 6 million kids are covered?

Mr. Hoyer. Six million kids are participating, yes. Participation is the word used. I presume that means covered. Yes.

Q Mr. Leader, why has the House decided to go ahead next week with an Iraq resolution rather than waiting for the Senate? Is the thinking that the Senate bill may not arrive? Is there a decision on what the resolution will be? Will it definitely be nonbinding? Might it be binding? What will it say?

Mr. Hoyer. It will be nonbinding. The committees, as I said, the chairmen met this morning. Every Tuesday morning I meet with the committee chairmen. Both Mr. Lantos and Mr. Skelton were there. They are in the process, along with their staffs and -- as you know both committees have some jurisdiction on this issue. So it is currently being worked at this point in time. They have had extensive hearings in both committee, as you know, on the President's proposal, and I don't want to anticipate what the resolution is going to be.

The reason we're going ahead is not because we don't think the Senate will ever act, but we are not sure when the Senate is going to act. The Senate has different challenges than we do. And that is the Minority, as we could from time to time, can stop moving forward if you can't get 60 votes. As you saw, I think it was 49-48, I think? 49-47? So that

they could not move ahead.

We said for a long period of time we would follow the Senate, but we believe it is important for us to make the views -- make our views known prior to leaving for the President's Day break.

Q Do you think this will be a bipartisan resolution?

Mr. Hoyer. I hope so and expect so.

Q When do you think the language might be available?

Mr. Hoyer. Sooner rather than later. I don't want to get tied down, but I would certainly hope that in the very near term in the next couple of days.

Q Will you allow the Republicans to offer an alternative?

Mr. Hoyer. I think we will.

Q Have there been Republicans signed on to the bill?

Mr. Hoyer. I don't want to anticipate that yet.

Q But it will be bipartisan?

Mr. Hoyer. I said I hope it will be bipartisan, and I think it will be bipartisan. Clearly there is a -- what happened in the Senate was not that there was disagreement on the Warner resolution. The Warner resolution probably has 60 or 70 votes, according to what I am hearing, on the Senate side. So it is not the issue of whether it has support. It is the issue whether the Republicans were united on not wanting to move forward without some other considerations.

So I think there is bipartisan support for this

resolution; whether there will be bipartisan sponsorship, I hope there is.

Q Mr. Hoyer, do you call it a resolution of disapproval? Is that what you are expecting? Will it deal just with the surge, or will it be broader than that?

Mr. Hoyer. It will deal with the escalation of troops, the 21,000 troops. I don't mean that it might not be broader in terms of its expression, as all the resolutions have been, in terms of rhetoric. But in terms of the effect, I think it will speak to the President's proposal.

Q Is that what you are expecting?

Mr. Hoyer. Reservation, disapproval in the sense that I think the resolution will clearly say we do not believe that the President's proposal of an escalation of 21,000 troops is the proper policy to be pursuing. You can characterize that as however you want. Disagreement is disapproval, I think.

Q On the floor, Mr. Blunt was calling for open debate, bringing a bill out and not necessarily you guys bringing a bill to the floor that you wrote. Are we going to see an open rule on this?

Mr. Hoyer. We are not going to see an open rule on this. I don't think -- we would be there for a very long time with an open rule. I'm sure we would have hundreds of amendments with an open rule.

Clearly the reason you have to have some sort of rules

with respect to debate in a body of 435 is so you can get to the issue. However, having said that, I expect this bill to be debated for an extensive period of time, maybe over 3 days?

Q Is this going to go through committee, or will it go directly to the floor?

Mr. Hoyer. As I told you, the committees have had extensive hearings on this. The committee chairmen are discussing that now. Frankly, as all of you know, resolutions of this type regularly were written by Republicans in the last Congress and brought to the floor from the Rules Committee or by the chairmen without going to the committees. Why is that? This is a resolution -- first of all, we were hoping to get some product from the Senate. We didn't get a product from the Senate. So now we are in the process of putting together a resolution that we think will express the opinion of the majority of the House of Representatives. Whether there will be actual markups in committee has not been determined mainly because of time restraints, time restraints in terms of rules that would prevent us from getting the debate done next week. If we want to provide for 3 days of debate, which will provide for almost every Member who wants to say something on this as we did in the first Iraq resolution back in 1991, then it will require that we move it ahead quickly.

Q The President's budget included private accounts starting in 2012, Social Security. I asked Republicans this morning, where do they go from here? And they said it is time for you guys to bring something to the table. So what is your plan? Are you actually going to bring forward a plan? When? Is this a nonissue forever?

Mr. Hoyer. No, I don't think it is a nonissue, "it" being Social Security. Is that what you meant? That is what "it" is, as opposed to the nonstarter of private accounts?

Q Right.

Mr. Hoyer. The President believes in private accounts. The American public don't. Solidly rejected by Republicans and Democrats, thank you very much. Republicans never brought it to the floor, as you recall. So whoever in the Republicans you talked to, tell them I responded, why is it our turn when it was your turn and you didn't do something?

Q You are in the Majority now.

Mr. Hoyer. So were they, and they didn't do anything. The reason they didn't do anything is because they didn't support the President's proposal that the President continues to make.

Mr. Rangel and his committee are clearly going to be addressing this issue. Mr. Rangel and I both have had extensive conversations with Secretary Paulson. We are going to continue to have those conversations. I have said to

Secretary Paulson I believe this is an issue which I agree with the President addressing sooner rather than later is appropriate. I am hopeful that we will address it.

So the answer to your question is if we can reach agreement, we would like to reach agreement. We are prepared to work with the President. We had a very positive interface in Virginia at Williamsburg, and Secretary Paulson and I and Mr. Rangel and Secretary Paulson have had positive discussion. I'm hoping that we can move ahead on this. We don't think private accounts as the President has proposed them is a viable proposal, and that was from a Republican standpoint or Democrat.

Q If you couldn't reach an agreement, though, might you just move ahead anyway and see what happens?

Mr. Hoyer. Let me tell you -- I shouldn't start out "let me tell you." My view -- I didn't mean it to be harsh. It came out of my mouth. It sounded harsher than I wanted. I believe that in order to address in an effective way Social Security, Medicare and Medicaid reform, to provide for fiscal soundness of those three programs into the long-term future, it requires Presidential and congressional cooperation. Democrats can't do it alone. Republicans can't do it alone. The President can't do it alone. The Congress can't do it alone. It requires cooperation.

Q So you are just going to wait until there is a Democratic

President to solve Social Security?

Mr. Hoyer. No. As a matter of fact, I will tell you I think it is easier to do with a Republican President and/or Republican Congress. That's what Reagan and O'Neill did. I know you are tired of me using that example. Why did that work? Because you had Reagan and O'Neill coming from different perspectives and different parties saying this is necessary. I personally believe that is the most viable context in which you can resolve very thorny issues.

Immigration is going to be such an issue. I think the President, when he said to Nancy Pelosi and I that he thought he would have an easier time on immigration with the Democratic leadership in the House, I think he is correct. That's what I mean. Not that we're going to wait for sometime in the future.

Q Will it take -- Bush originally proposed this in 2000. We're looking at 7 years. How long did it take Reagan and O'Neill?

Mr. Hoyer. They were pushing private accounts in '05. That was his real push.

Q Immigration, when do you think immigration is going to come up? That was the question here.

Mr. Hoyer. Immigration? I'm hopeful that immigration will come up before the August break.

Q Mr. Hoyer --

Mr. Hoyer. And I say "hopeful," that is what we're trying to get to. Obviously it is a complicated issue. Obviously Mr. Conyers is going to have some hearings on that. As you know, that came up in Williamsburg. It came up when Speaker Pelosi and I met with the President 2 days after the election. It is a critical issue, in my opinion, and Speaker Pelosi has continued to address it, and so has the President. So we clearly both -- and frankly, the President, the Senate, and the House Democrats are not that far apart. I don't mean there are no differences, but you saw we're not that far apart. Where we are far apart is with the House Republicans.

Q There seem to be problems with the Hispanic Caucus where the women say they are not being accorded the same respect as the men are. Is that something to be concerned about?

Mr. Hoyer. Sure. Yes.

Q Is it something where you would seek to intervene?

Mr. Hoyer. I don't think at this point in time. I think at this time it is a caucus issue. I think they will address it. I don't know whether they are going to address it, but I do think it is a matter of concern. Yes.

Q Mr. Hoyer, you said that energy bills would come up toward the end of June. I know it is some time away --

Mr. Hoyer. It's actually very, very close, and that's the problem. This is a huge issue. As you know, there is going to be a select committee. Mr. Dingell is moving ahead

as well. There are four or five other committees that are involved with this as well, as you know, the Ag Committee, the Science Committee, Ways and Means. I may have left out -- Government Reform. In any event -- Resources, thank you. I need all the help I can get. So that's pretty close.

And whether we can meet the June date, as I said, my view is that we are not going to be locked into simply a one giant bill. There may well be a series of bills, and we may not get it all done. Clearly my expectation is we would not get it all done by June. And in light of the fact that June, I think, will be primarily an appropriations month, so we will have -- to the extent we're going to do something in June, we will have to work it in with the appropriations bill. And it is my hope and Mr. Obey's hope and Ms. Pelosi's hope, and, more than that, it is our intention, to do whatever we can to get all the appropriations bills through the House by June 30.

Q What are the energy priorities that you could characterize that are likely to come out of the House?

Mr. Hoyer. You already saw us on the priority in terms of our CLEAN Act that we passed the House with a very substantial Republican support which dealt with the shifting dollars, in this case \$12- to \$14 billion, to alternative fuels, renewable energy sources research. As you know, we have talked -- Speaker Pelosi has a great way of saying it:

We want to focus on getting more of our energy from the Midwest rather than the Mideast. I think that's a great way to say it, which means ethanol, biofuels.

We also want to have additional research, obviously, on alternative energy sources. The President mentioned coal. He wants to focus on that. Nuclear will have to be, obviously, in this mix.

But I think you are going to find that the major thrust will be threefold to affect our national security becoming energy independent. That does not mean we will not use energy from overseas. We will. But it will mean that we will be far more -- far less dependent from an economic standpoint to make sure that we have affordable energy to grow our economy and from an environmental standpoint, global warming, climate change, obviously very big issues for us and, the President has now indicated, an issue for him.

So I think we have an opening to work in those areas. Those would be the key areas.

Q I was wondering, you talked about having a budget that would have an apples-to-apples comparison with Bush. Can you expand on what you mean by that? What should we expect you would not include?

Mr. Hoyer. The President has taken \$145 billion off budget. He includes it in this budget and includes it in these figures. From that standpoint he does, we will have to

do the same thing. If we try to include this 245 billion on budget, which we think is, frankly, the way we ought to do it, but if we try to do that, there is no way we could write a budget that any citizen could compare with his budget, because we would look like we were \$245 billion more in spending than the President, and we could hardly compute that.

AMT effects. The President has done 1 year of AMT. They do a rolling AMT. The reason they do a rolling AMT is because in the near term it is relatively inexpensive. In the long term it is very expensive. They only do it for 1 year and roll it. It gives them -- not only does it do that, but it gives them a perverse ability to say, if we didn't do this, we couldn't do it. It gives them perverse ability to count the revenue that results from the AMT not being adjusted in the outyears. So they get more revenue than they really expect to get.

Q So you would also have the 1-year AMT then?

Mr. Hoyer. On those two at least we will probably track the President. But I will tell you guys and tell the public very honestly, look, this is not the way we ought to be doing it. But if we're going to compare our budget with his budget so you have some understanding of what we are proposing, we are obviously going to propose -- 1 percent freeze on domestic spending is a cut in almost every item on domestic

discretionary spending. Education, health care, law enforcement, the COPS program is cut deeply in the President's budget. Obviously that has been done before. Neither Republicans or Democrats think that is good proposal.

Q Election reform measures? Will you have anything in place by '08?

Mr. Hoyer. So, oh, we will have something -- yes, Juanita Millender-McDonald, chairwoman -- as you know, the committee has not been fully constituted yet. We are looking to make sure that gets done. I don't want to speak for the Speaker, but soon. There is no doubt that election reform will be a highlight on our agenda.

Q Which 3 days next week will the Iraq debate be?

Mr. Hoyer. My expectation is Tuesday, Wednesday, Thursday.

Q Any thoughts of moving it up to this week?

Mr. Hoyer. No.

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