

PRESS CONFERENCE WITH MAJORITY LEADER,  
STENY H. HOYER

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Tuesday, March 17, 2009

10:35 a.m.

Mr. Hoyer. Good morning.

We have an early day today. Is that what the crowd reflects, that we have come at an earlier time and have not disrupted your other schedule?

Was that Evelyn? No, it's Linda. Okay. I couldn't see you, Linda.

All right. First of all, let me say that -- I don't know whether everybody saw Bloomberg this morning, but I was on Bloomberg this morning, and discussed the outrage that all Americans feel that has been expressed by the President and has been expressed by the Speaker. I think, I don't know, but I presume Leader Reid has also discussed this.

We have a group of people who tried to, in effect, separate risk and responsibility, and in doing so, they imperiled a very vibrant company, AIG, and not only did they put at peril AIG, their own company, they put in peril literally millions and millions of people around the world and probably thousands of companies.

They have now received very substantial bonuses after receiving billions of dollars of taxpayers' money to assist them in keeping AIG afloat so that its downturn would not create a whirlpool, which would suck down literally millions of people who relied on either the employment or the economic activity of, literally, thousands of other companies.

There is some question as to whether legally we can affect those bonuses. I think that's the wrong question. The right question is: How can these executives take these bonuses? Have they no shame? Have they no sense of responsibility to the taxpayers of America who have agreed to help them? Have they no sense of decency as it relates to what is happening to literally millions of people around this country who have lost their jobs, lost their homes, have their homes at risk, lost their health insurance?

So the question is not whether legally we can abrogate the contracts or very frankly -- and I think this is a question raised by Arthur Levitt and the President in yesterday's press conference that we ought not to act out of anger. I agree with that; we have to act responsibly, but the responsible, decent thing for the executives to do is to say we won't take these bonuses; we will repay these bonuses; we will give them back to a company that is still in deep trouble and tell the American people that, like them, we are prepared to cinch our belts in attempting to meet the crisis, in part, significantly, caused by the actions of these same people in creating these exotic documents that again estranged risk from responsibility, and they thought they would never have to pay the piper. The piper is now being paid, not by them but by the taxpayer.

Okay. Let me move on. The schedule this week is we meet at 12:00 today, consider several bills under suspensions, including

an extension of the SBA. On Wednesday we'll meet at 10:00, except to consider an FAA extension. We don't believe that to be controversial, and we'll consider it under suspensions. It's an important bill, but we also expect to consider the rule on general debate on the GIVE Act, which is promoting national service, increasing very substantially the authorization and the personnel from about 75,000 to 250,000 to encourage the kind of asking what you can do for your country like President Kennedy and the Peace Corps and AmeriCorps and other like institutions, promoting volunteerism, essentially, and using the talent and zeal and sense of service of the American people in a way that will help us particularly at a time when so many people in America are at great stress.

Lastly, let me say that the budget, as I said, is going to be considered the week of March 30. That budget is being considered by the committee now. I guess the meeting is over, but Chairman Spratt and Chairman Conrad were at the White House today, discussing this with the administration, and we expect to move that budget forward.

I note former Vice President Cheney indicated on national television this weekend "I don't think you can blame the Bush administration for the creation of those circumstances," referring to the economic circumstances that President Obama inherited.

There is nobody in this room who doubts that if the situation were reversed and the Obama administration had just concluded 8

years and the Bush administration had just undertaken its office, that for the next 36-48 months, we would be hearing the problem was at the doorstep of the Obama administration as we heard that whatever problems there were were at the doorstep of the Clinton administration.

In fact, when the Bush administration took over, they took over in January of 2001, in which there was a creation of 164,000 jobs. Obama took over an administration in January that had lost 351,000 jobs. The administration that preceded the Bush administration created 22 million jobs, or 236,000 a month, while the Bush administration had 31,000 per month. You need 100,000 to stay even. The Obama administration inherited a terrible economy, an imploding economy, a job market that had been destroyed, and a budget deficit contrasted with a \$5.6 trillion budget surplus that the Bush administration inherited. They left a \$4.5 trillion deficit to the incoming Obama administration. There were 5.7 million people unemployed in January of 2001. In January of 2009, there were 10.3 million unemployed.

It is mindboggling that the former Vice President would simply say, well, it's not our fault. Heaven knows whose fault it was if it wasn't their fault. They controlled all the levers of government for 6 of the 8 years, and they controlled the most important lever for 8 years, and we couldn't change economic policy in the 2 years of '07 and '08.

So this administration and this Congress have been working

very diligently to try to address the economic implosion, and in fact, have passed major pieces of legislation, probably more substantive legislation that has been passed, as I said last week, in the first 50 days than in any Congress in which I have served.

Let me stop with that. Your turn.

Q Mr. Leader, if AIG turns down your question about giving back, is Congress going to look for legal counsel in what to do?

Mr. Hoyer. Well, I think Congress is clearly looking at that. Senator Dodd has indicated that. Congressman Frank, I know, is looking at this issue. The President has instructed Secretary Geithner to look at this issue, so I think there's a lot of determination as to what options are available.

The most appropriate option I have suggested to you is that they simply turn back the money and say, look, we understand that what we did got us into this mess. We're going to stay here and get us out of this mess.

What kind of people are this that make a huge mess and then say, if you don't pass a huge bonus for -- I'm going to use polite terminology -- for messing this up, then we're going to leave and leave it to you to clean up? So you know -- but the answer is all options are being looked at.

Arthur Levitt raised this -- I didn't hear him make this, but he raises an issue on the competence in a contract. I think that's an important issue, and the President said we ought not to act out of anger. Obviously, I think there's a valid point to be

made that these contracts were in being. They got the bonuses pursuant to a contract. Should we obviate the contracts if we could? I don't know the answer to that, but if we could -- which is why, I think, that really, if they were at all sensitive to what the American people have done to keep their company afloat, albeit trying to keep the economy afloat with it because they posed such a risk to the entire economy, they would simply give this money back.

Q Mr. Leader, based on what has happened with AIG and what happened with the financial rescue package last fall and other packages that might have to come down the pike here, isn't this the concern, though, of what the government is involved in now, being involved in the private industry, and that it's fraught with this sort of potential peril and that we could be exposed to other types of AIG situations like this? How do you remedy that in the broad term?

Mr. Hoyer. Well, clearly, we've all taken a risk, and the reason we took the risk is because almost across the board every economist that we talked to -- and clearly the Bush administration concluded that the risk of doing nothing was greater than the risk of acting, and we agreed with that in a bipartisan way; Congress agreed.

We are confronted with a situation that doing nothing is not an option. Turning our back and saying you guys are bad guys and we're going to let you go down the drain -- the problem is, as

they go down the drain like a great ship, sinking, if you're swimming around it, you get sucked down and drown in the process, not because you did anything wrong but because the ship sank.

So I think that's the answer, is I think doing nothing was not an option. Do we have risk of this happening again? We do. However, let me say the House passed very significant legislation earlier in February in which we precluded these kinds of bonuses and payments being made if, in fact, you took money from the Federal Government to try to assist you to getting through this. I would hope the Senate would pass that legislation.

Q Sir, on the D.C. vote, do you think a bill can be passed in the House that does not either include a gun amendment or that isn't part of a deal allowing that a gun bill goes through? In other words, what are your -- what do you think is possible as far as a clean D.C. vote bill?

Mr. Hoyer. Well, first, let me say that my preference would be and would have been for a bill to pass, giving the citizens of the District of Columbia a voting representative in the Congress of the United States. It's very nice that we, you know, in our great magnanimity gave to the citizens of the District of Columbia the right to vote and to even elect a representative, but by the way, your representative can't vote. I think that is a derogation of our commitment to democracy in America, and I feel strongly about that.

So my preference would be a clean bill that didn't deal with

another State and that didn't deal with any other extraneous issues.

Somebody asked me last week, I think, about Senator Durbin's addition to the bill. He may or may not have a good -- it passed overwhelmingly, but it ought not to be in this bill. So the answer to your question is I'd like to see it pass clean.

The second proposition is I want this bill to pass. I think this bill is critical. It's critical to redeem our promise of democracy. It's critical to display to the world that the citizens of the Nation's capital are equal to all the other citizens in this country with respect to the voting representative in the House of Representatives. I don't want to go beyond that. There are obviously, you know, arguments that flow from that for the United States Senate, but I don't want to get into those arguments. We are dealing with a voting representative in the House of Representatives.

Now, as to the guns, I don't know the answer to your question. We're working on that, but I want this bill to pass.

Q Mr. Leader, are you making any progress on the discussions on D.C.?

Mr. Hoyer. I think we're having discussions, and I think we're making some progress in the sense that, I think, people recognize the challenge, and I think they've recognized that we need to meet that challenge because this is the time for this bill.

Q Mr. Leader.

Mr. Hoyer. Mark.

Q In the end, if you're not able to --

Mr. Hoyer. I thought you were going to ask me a foreign policy question. I'm shocked.

Q Sorry. I'm so one-dimensional.

Once we pass --

Mr. Hoyer. You are focused, I know. You're going to go into a lot of others.

Q I have some other questions.

Mr. Hoyer. I've got you.

Q I know I'm monomaniacal about this.

Let's assume with all your wisdom and skill you're not able to round up --

Mr. Hoyer. Which is a great question right now.

Q -- that you're not able to round up the requisite number of Democrats and you're left with this choice, look, you have to go to the local officials and say I -- this is the best I can do; some of these amendments are going to be on the bill, and you're just going to have to stomach it, realizing that these amendments can be placed on any bill, that they can be placed on an appropriations bill.

Now, the Council Chairman Vincent Gray seems to be of that opinion. Jack Evans is of the opinion let's have the vote even with the amendments. The mayor -- excuse me -- Vincent Gray

doesn't want the amendments. The mayor and Jack Evans say let's take what we can get. I don't know where Congresswoman Norton is. It's kind of diffuse. When you -- I'm being polite -- when you have to go to the local officials, will you say to them in the end, look, I did the best I can. We'd better vote, and you'd better decide to take this.

Mr. Hoyer. Mark, without going too much into detail, when I asked if progress is being made, I think progress in this kind of a matter is that you're having discussions and that they're positive discussions. That is to say, people aren't saying, oh, we can't do this, can't do that, can't do -- now, I'm working closely with Eleanor Holmes Norton. Congresswoman Norton, obviously, is the Representative in the Congress for the District of Columbia. Her view, I think, is going to be critical. She is very concerned about, as you know, the provision that was added in the Senate. She thinks it's totally inappropriate for a number of reasons.

Number 1, on the substance, she disagrees with the substance, but number 2, it interposes congressional judgment for the District of Columbia local officials who have been given by the home rule charter the ability to govern their jurisdiction. This is a problem that we deal with in many, many different areas. Obviously, they're raised particularly in the D.C. appropriation bill, as you know, so there are other avenues, as you point out, that this issue can be raised so that the -- I think -- without

going into detail, Mark, I think all of what you discussed is being discussed, and I think --

Q But, in the end, will there be a vote on this bill?

Mr. Hoyer. Yes. When you say "this bill," what's the definition of "this" as opposed to "is"?

Q That D.C. voting rights will be voted on.

Mr. Hoyer. Yes. Yes.

Q Okay. I have two others since I'm -- I see your portrait of --

Mr. Hoyer. Your colleagues, you need to lobby them better, Mark.

Q Do you intend to bring up the Colombia Free Trade Agreement in the House this year or how soon do you intend to do it and in what form do you intend to do it? Would you be wanting to make some changes? Because, I think, Colombia has already accepted it in the form that it's in.

Mr. Hoyer. First of all, the posture we find ourselves in is that the Colombia agreement is no longer on the table. With the end of the Congress, the Colombia agreement which was submitted by the previous administration is no longer on the table, so the administration would have to submit a new treaty agreement, trade agreement, and we're having discussions with the administration as to when they might want to do that, if they might want to do it.

Obviously, as you know, Mr. Kirk -- is it Kirk? Was he confirmed? No, he hasn't been confirmed yet, so -- and I'm sure

they want to get the Trade Representative Designate Kirk approved before they start to move on that, but the answer to the question is I'm hopeful that it will be. As you know, I'm for it. I've talked to Sander Levin about it. He wants to work on it. He's got some ideas as to what further steps need to be taken, and clearly, those ideas are going to be very important to me. We're going to work -- he's chairman of the subcommittee on Ways and Means just, so his thoughts will be very important, but you know, I think everybody pretty much knows my views on that.

Q Mr. Leader.

Mr. Hoyer. I'm going to allow one follow-up question just to clarify.

Q Do you think the White House will submit that agreement?

Mr. Hoyer. I don't want to predict what they're going to do. We're having discussions, but those discussions have been delayed until, you know, Ron Kirk is confirmed.

Q Mr. Leader, do you agree with the Speaker that the budget reconciliation process should be used to advance the cap-and-trade bill?

Mr. Hoyer. I don't know who wrote the article, but I think it was pretty accurate, so congratulations to whoever wrote the article.

That said, essentially, the reconciliation was more important to the Senate. There are some Senators, one in particular who expressed outrage that reconciliation would be considered, mainly,

I suppose, because the United States Senate is outraged that the majority would rule, because that's what reconciliation provides for.

Q But the reconciliation applies to both Houses, as you know --

Mr. Hoyer. Yes.

Q -- and you're crafting a budget resolution --

Mr. Hoyer. No. I understand that.

Q -- and the Speaker wants cap and trade to be accommodated through reconciliation in that budget, right? So --

Mr. Hoyer. No. No. No. I don't know that the Speaker has made a definitive statement on reconciliation. I've said and I've said it at a couple of these pen and pads that I believe that was certainly under consideration and discussion by Chairman Conrad and Chairman Spratt. I did not say that it was, you know, something that we were looking to have done. I've been pretty circumspect on that, much, perhaps, to your chagrin, and I'm still circumspect on that.

The only reason I say from the Senate perspective it is a very important consideration is because that's the only way they can get, in effect, working the will of the majority in the United States Senate, and -- you know, but Senator Grassley and Senator Baucus -- Grassley pretty strongly and Senator Baucus less strongly, but I think in working with Senator Grassley that they would prefer the reconciliation was not a part of the process

because they see that as, I suppose, trying to put it through the Senate in a fashion that the Senate is not used to, that is, majority rules.

Q Mr. Leader.

Mr. Hoyer. I don't know why I call on you at every press conference.

Q I really appreciate it.

Mr. Hoyer. I know you do.

Q Last week, Senator Reid introduced a bill on the Senate floor that would permanently repeal the cost of living -- the permanent cost of living raises for Members of Congress.

Mr. Hoyer. I don't know why I called on you this time.

Q If that bill passes the Senate -- gets a vote and passes the Senate, will you commit to bringing that bill to the floor of the House for a vote?

Mr. Hoyer. No.

Q Why?

Mr. Hoyer. I'm not for it, so I'm not going to commit to bringing it to the floor. We'll see what happens to it, but you know, that answer doesn't shock you, I'm sure.

Q Do you think Congress should get those permanent --

Mr. Hoyer. We have a vote every year in the House of Representatives on the procedural question, which is clearly on whether or not we ought to receive the cost of living. It was my view and the Speaker's view, very strongly this year, that we

ought not to have a cost of living in the coming year given the situation in our country, given the distress that so many people are under, and I maintain that view.

Q Another trade question: Mexico is putting tariffs on our goods to retaliate against Congress for specifically ending a pilot program for allowing their trucks on our roads. I was wondering: Do you have plans to try and reinstate the pilot program? Do you have any concerns about safety? What if any actions are you going to take?

Mr. Hoyer. There is no action planned at this minute. I want to talk to both, again, Chairman Levin and Chairman Oberstar. Both of them, obviously, will be involved in this. The Speaker and I haven't discussed what action we deem to be appropriate at this point in time.

Q Mr. Leader, back to AIG, Senator Reid said a few minutes ago in the Chamber that Democrats are going to look at the Tax Code.

Mr. Hoyer. Senator Dodd, as I understand, and Mr. Peters from Michigan is also looking at legislation which would put a very substantial tax. I haven't looked at the Dodd bill, and I think Peters' bill may be similar to that, Congressman Peters, a new Member from Michigan.

Q In principle, though, would you support that?

Mr. Hoyer. Well, let me say that -- reiterate that these guys ought to give the money back. They ought not require anybody

to go through a lot of legislative machinations or the administration to go through machinations, you know, if they have any commonsense at all, any sensibility of the rightness and wrongness of their position vis-a-vis the American taxpayer who has put themselves in substantial hock to clean up their mess that they irresponsibly made in the pursuit of extraordinary profits, with little thought for the consequences of the risks they were taking to the American public and to our economy and to the international community. I haven't finished. I'm really wound up about this. They ought to give it back.

Now, the question I have -- and I don't know the answer to this question, but it occurs to me whether or not under an equal protection clause you can tax one bonus and not tax other bonuses. There may be some bonuses that are driven by people doing good things, you know, whose team won the World Series or -- as an example or, you know, whose team does this, that and the other or whose company's stock appreciates, and they add employees and they're doing very well. I mean Americans understand bonuses for good performance. What they don't understand is bonuses for a disastrous performance. So whether or not you can deal with one bonus because this is a bad bonus as opposed to a good bonus I think it's -- I don't know the answer to that question, but it occurs to me that, yes, you can tax this bonus but can you tax this bonus of AIG. Maybe you can tax the bonus of anybody who received TARP money. That might be one way to discreetly deal

with it, but I haven't thought it through, as you can clearly tell, with great depth.

Ms. Staff. Last question.

Q Getting back to the budgets and reconciliation, Conrad has kind of raised this issue, and it's about what is the purpose of reconciliation. Is it to put in policy favored by the majority party or is it to substantially reduce the deficit?

Mr. Hoyer. Well, I think it could be both. Under reconciliation, it needs to be both?

Q But, under cap and trade for health care, there's a question of whether either of those would have the effect of reducing the deficit necessarily.

Mr. Hoyer. Well, it depends upon how you use the revenues. I mean, clearly, cap and trade will have revenues. Whatever system you use, it will have revenues, and if you use those revenues to reduce the deficit, clearly, it complies either in whole or in part, but the real purpose of reconciliation is to try to get not so much our policies but the policies of the majorities of both Houses. You know, that seems to be a concept that has eluded many people that in America the majority rules. Now, I'm for thoughtful, careful, timely consideration of legislation. I'm not for, however, the majority rule being thwarted permanently?

I'm going to take your question just to show I'm still in charge.

Q Mr. Leader, I haven't been able to confirm this

anywhere, so I thought I'd ask you.

Does AIG underwrite government pensions, congressional pensions, anything of that nature, do you know?

Mr. Hoyer. Do they underwrite?

Q The pension plans.

Mr. Hoyer. Not to my knowledge, but now, having said that, you understand part of the pension plan of Federal employees -- you know, I have the same pension plan that the Federal employees have. Now, some Members don't. They have a plan -- I'm under the new plan. The old plan prior to '86 was different, but we don't need to go into that.

But, in any event, the Thrift Savings plan may have had an investment in AIG. I don't know the answer to that, but as far as I know, AIG has no direct involvement in underwriting the Federal pension. I don't know whether we have a credit default swap with it, so I can't confirm because I don't know.

Q You never said if you think these guys will give back their bonuses. You're calling on them to do it, but do you think they will do it?

Mr. Hoyer. Based upon their performance, it doesn't give you a lot of hope.

Q If they took the money in the first place, what makes you think they're going to want to give it back?

Mr. Hoyer. You know, at some point in time, I would think they would have some sensibility to the outrage of the American

public. They're, after all, in business. They rely on customers to do business with them, at least on their insurance side, so I would think, from a public relations standpoint, they would try to get their company out of looking like a totally insensitive, greedy operation that's getting a lot of help from the taxpayers.

[Whereupon, at 11:05 a.m., the press conference was concluded.]