PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

***

Wednesday, June 3, 2009

10:30 a.m.

Mr. Hoyer. This is a pretty new crowd here. Not all of you have been here for a long period of time.

Good afternoon. Welcome back. I know you're happy that we're all back in town and you can talk to us and report on us.

As you know, and as I said last time, we had a very successful first 5 months, in my view, successful to the extent that we addressed very, very tough problems. And we addressed them definitively, and it appears that there is progress being made.

Secretary Geithner is, I guess, testifying today, maybe -- no, Bernanke is testifying today before the Budget Committee. But there are obviously positive signs that things are working.

Clearly the automobile response is moving ahead. Chrysler has been in bankruptcy and coming out. GM is going in under a structured, but has revised very substantially, its business model and business plan. We hope that leads to success, the saving of jobs, and, very frankly, the creation of new jobs.

We are going to be discussing very critical issues in this next work period in the next 60 days. Republicans are essentially, in my opinion, out of touch with the American people. They began this year by opposing economic recovery legislation. The poll at the time showed that 60 percent of Americans favored passage, while Majority Leader Boehner observed this is not what Americans want. So the polls do not reflect that.

The Republicans tried to delay passage of the clean energy legislation. Seventy-five percent of Americans support the addressing of the global warming/greenhouse gas challenge. And during the course of the debate, Ranking Republican Joe Barton threatened the Republicans would drag out the markup, and they were prepared for it to take weeks or months. That did not happen.

I indicated to you I thought we would pass the energy bill through the House -- through the committee before the Memorial Day break, and that's what happened. It passed on the Thursday before the break.

Now we are moving to two critical items, plus a lot of other business, but two major priorities of this administration and of our Congress, health care reform, and energy independence and global warming preclusion. Fifty-six percent of Americans want Congress to pass health care reform, and very strongly they support, as I said 75 percent, addressing greenhouse gas.

I'm hopeful that we can reach out and work with our Republican colleagues on both of these issues, because they are issues strongly supported by the American people and crying out for definitive response. Our committees have been working very hard on both issues. As you know, I've been working with the Chairman of the Energy and Commerce Committee, Ways and Means Committee and Education and Labor Committee on the health care, and they are moving ahead well.

Over the break I spent a brief period of time in Denmark and met with the Prime Minister, the Foreign Minister and the Minister of Climate and Energy. As you know, the second week of December there will be a major conference on global warming to which the President may go. I will probably go with him if that occurs. And they were very focused, as is, I think, all of Europe, on the success that we had in the climate change bill and their hopes that we will be able to move ahead.

Obviously America is the largest impactor on the environment in the world, and therefore, the world is very focused on what we may or may not be doing.

Let me stop. I took my 5 minutes. I don't think I need to tell you the schedule, but briefly, we have two bills which were passed before which the Senate has not passed dealing with the recognition of various Indian tribes on the floor today, the suspension bills.

On Thursday we're going to do the Transportation Security Administration authorization, TSA. That comes out of Mr. Thompson's committee. And there are going to be 14 amendments, 6 Democrat, 8 Republican.

And then on Friday, if we can, if we're ready, you may have a question on this, we will do the supplemental; and also the Federal Employees Paid Parental Leave Act, which has been approved by the Senate and ourselves in the past. We'll move that bill.

Let me stop with that and tell you that I don't want you to

think I cut you off, but because of the Reagan ceremony, we will end at 5 of 11:00.

All the way at the end.

Q Thank you, Mr. Hoyer.

Getting back to health care and energy, to what extent -- how are you working out the scheduling of which is to go first, and what are the factors you guys are looking at in determining which will hit the floor first?

Mr. Hoyer. To some degree the scheduling of these bills will be dictated by the progress made in the committees on these two pieces of legislation. As you know, with respect to energy, although Energy and Commerce passed the bill out, there are other committees that have jurisdiction, in particular Agriculture and Ways and Means. There are six other committees as well.

The Speaker has had meetings with the various Chairs indicating that we'd like to move ahead in the next few weeks with whatever consideration they think is necessary of the bills. So in large part scheduling's going to be dictated by how quickly they make progress.

On the health care bill, the health care bill has not been marked up, it has not been put on the table yet. The committees, and leadership staff and others are working inside and with outside interest groups, docs, hospitals, insurance companies, senior citizen representatives, all those representatives, on coming up with a draft bill. The committees are working together

and expect to have a unified package. The three committees expect to have one package. And again, how quickly we proceed will be dictated by how quickly that process goes.

As you know, I have said, and I would repeat, that -- and in talking to the President yesterday -- the Speaker and I met with the President at the White House yesterday -- this President is very focused on trying to accomplish both of those issues prior to the August break. As you know, I've said the same thing for a long period of time, our target is doing both those issues prior to the August break.

Q Is one more likely than the other, though, at this point?

Mr. Hoyer. No, I don't want to -- I mean, they are obviously -- honestly, as you well know, because you talk to a lot of people, and some people like to move one first, and some people like to move the other first, but it is going to be dictated essentially by the progress that's made. We want to pass them both. So whether one goes first or second, we'd want them to both go.

Q In light of the government's majority stake in GM, is Congress going to establish or empower any oversight in the new oversight bodies to make sure -- to watch over the administration's involvement in GM?

Mr. Hoyer. The committee obviously -- the committees of jurisdiction will be obviously exercising oversight, and there are

a number of those committees -- clearly the Financial Services Committee, Education and Labor, Ways and Means, to mention three -- Energy and Commerce. So they will be exercising oversight.

We have not created, to my knowledge, an oversight -- specific oversight on the automobile issue. There are other oversight boards, as you know, but not specifically of the automobile at this point in time. But we will certainly be exercising oversight. However, I would emphasize the President's view, the administration's view and our view that notwithstanding the 60 percent share of the General Motors, and the significantly analogous share in Chrysler, it clearly is not the intent of the administration to engage in the day-to-day operations of the automobile companies. That's their business. We obviously did look at the model they have come up with. The administration feels comfortable that the model that has been put forward can work and can work in a 9-1/2 to 10 million annual market.

Yes.

Q Thank you, Mr. Leader.

To get back to the White House visit. Yesterday there were also Members of the Senate who were also there, and Obama seemed to be pretty specific about a deadline in order have health reform legislation on his desk. I was wondering if he expressed a similar deadline to the House leaders.

And just a quick follow-up. There also seems to be some discussion about whether or not -- or where the White House is in

terms of how to pay for legislation. I'm thinking primarily a possible cap on the employer-sponsored health insurance, the exclusion.

Mr. Hoyer. Let me say -- thank you. Let me say with respect to the -- there is no deadline, I want to make that clear. The objective is to pass health care reform legislation which brings costs down. The President is very focused on costs generally, that we need to not only bring costs down, but we need to bend the curve long term on the increase in health-care costs in this country. They are very focused on assuring every American has the choice of their health care, and if they like what they have now, they can keep it; very concerned about obviously paying for whatever we pass and ensuring accessible quality health care for all Americans.

And we discussed all of those subjects, some of which you referenced. There were no decisions on any of that, and the President certainly did not set a deadline. He did say that he was very committed to having health care, and energy, but health care passed in a timely fashion so that the Senate and House could conclude their work on health care and send him a bill in the fall.

Q Mr. Hoyer, the GM question. Again, on the unprecedented nature of the government actually taking 60 percent ownership of the company. Do you feel -- I'll rephrase it -- how do you think the government should be able to do that without direct

congressional authority -- on that issue?

Mr. Hoyer. Well, of course, the Congress gave broad authority to the administration to use TARP funds, and specifically authorized them to be used with respect to the automobile companies, as you know. I think the Congress' view on both sides of the aisle is that this is not something that the Congress would have chosen to do. The Congress and the administration were confronted in the latter part of last year and the beginning of this year with financial crisis, and with a crisis in the automobile industry and a crisis with the economy overall. You know what we have done in the financial, AIG obviously, very, very substantial investment in AIG and other financial institutions.

With respect to the automobile companies, I would reiterate that I think every Member of Congress would, A, hope that this is a short-lived position that we find ourselves in; that the automobile companies will rebound, save the jobs that they have, and, in fact, grow additional jobs, save suppliers -- there is a great deal of concern about the dealers, I might add -- and that we would get out of the business of having a substantial equity ownership in the car companies.

Q To follow up on that, there has been some dispute as to whether Congress did specifically grant under TARP the authority to bail out auto companies.

And secondly, do you think Congress actually, when they voted

on TARP, that they envisioned something this broad, actually a 60 percent ownership?

Mr. Hoyer. Of course I can't speak for everybody in Congress as to exactly when they envisioned, but there is no doubt that Congress, both under President Bush and under President Obama, knew that it was giving to the Bush Administration and the Obama Administration broad discretion to try to meet the economic crisis that confronts us, and to try to stanch the hemorrhaging of jobs, and try to get our economy stable and growing. So I think there is no doubt that there was an expectation that there would be a broad exercise of that authority.

Q Chairman Bernanke this morning urged lawmakers to stop spending, to cut the deficits, and the Federal Government can't continue to spend at this rate. What's your reaction to that?

Mr. Hoyer. I think he's right. I think, as some of you know, I gave a major -- well, I gave a speech; you have to judge whether it was major or not. But I gave a speech about a month ago referencing the fiscal posture this country was in. I was speaking specifically of entitlements. But I can say this: I think the President of the United States is equally concerned and believes that we need to obviously respond to the crisis to stabilize the economy, but that an equal priority is to assuring the fiscal well-being of our country and stability of our country and responsibility of our country going forward.

So I agree with Chairman Bernanke that we have to address

this very carefully. As you know, statutory PAYGO is a major reason, I think, that we had 4 years of surplus in the '90s under Bill Clinton. I think statutory PAYGO alone will not get us there. We need to address entitlements, as I said. I think Chairman Bernanke is absolutely right. We need to be very concerned about the occurring -- incurring of additional indebtedness.

Q What's the timing of statutory PAYGO?

Mr. Hoyer. We hope to pass statutory PAYGO in this work period.

Q Sir, you mentioned the IMF a few minutes ago. Do you have the votes to pass the supplemental with the IMF provisions in it, or do you think you might have to dump it?

Mr. Hoyer. Let me -- the President of the United States met with 19 other major leaders of major countries at the G-20. The G-20 made a determination that in order to stabilize the global economy, as well as stabilizing each one of their individual economies, it was absolutely essential that the IMF have additional loan capacity as it relates to smaller countries that are experiencing and don't have the resources to respond to the economic difficulties that they have.

The President made a commitment on behalf of the United States that we would bear 20 percent of the increased loan guarantee, it was 500 billion, and that we would do 100 billion of it. I don't think that's an unreasonable expectation of United

States. The Senate has included that, and we expect to include it in the supplemental that we pass through the House.

And the answer to your question is certainly we hope that we would have the votes. I know that Republicans have indicated that they are not supportive of this, although obviously previous Republican administrations have supported supporting the IMF and its efforts.

Q Sir, the President asked for another 2 billion last night for -- for, I guess, H1N1, I think. Do you plan on that being critical to the conference report?

Mr. Hoyer. I don't know the answer to that question. I want to tell you that Mr. Obey did mention that this morning at the Chairmen's meeting. There is substantial money in there now. Whether it is in or out, I think that certainly this is very substantial money. I think -- we were 1.85, the Senate was 1.5. I'm not sure what exactly the conference -- somewhere in that neighborhood. I think they took our number, 1.8 --

Q Was there resistance at all in terms to adding more money? When you say you're not sure, were they -- was there some resistance to basically doubling that? You have about 2 now, and the President is asking for 2 more, I think?

Mr. Hoyer. Let me finish the answer.

Q Sorry.

Mr. Hoyer. That if we pass the 1.85 -- I think that's the number, I may be wrong -- between 1-1/2 and 1.8 -- and that's

insufficient, there is obviously opportunity to pass an additional supplemental at some point in time. If we find that to be insufficient, we want to be sure we have the funds necessary to respond to this pandemic.

Q Mr. Leader, people who came out of the meeting at the White House yesterday and said --

Mr. Hoyer. You're talking about the Senate meeting now?

Q Yes. There seemed to be a renewed interest in the administration in taxing health care benefits.

Mr. Hoyer. I didn't respond to that. I'll do it.

Q I detect from people -- from your colleagues in the House, Democratic colleagues have less of an appetite for that, and I was just wondering is that going to be a point of friction for this administration?

Mr. Hoyer. Well, I don't think any of you are surprised there is not a lot of appetite in either House to pay for things. We need to pay for things. The President was -- did not advocate the issue that you're referring to, certainly in our meeting. I wasn't in the Senate meeting, but -- and -- but I will simply say the administration has indicated this, that, as we have indicated, we will pay for what we do, going back to Mr. Bernanke's observation, that we need to make sure that our finances are pursued responsibly. Even in difficult times the United States can afford to do that which it needs to do.

So I think I'm being pretty tactful in my answer. I'm not

deluding myself that -- I think the answer to your question is what the President has said is, okay, you know, you -- you, House, Senate, put things on the table that you think are necessary, and I'm not going to say absolutely I oppose this, that or the other. But he obviously in the past has said that's not an option that he's promoting.

Q On the H1N1, we also understand that the President has asked for permission to redirect $4 million in the stimulus package.

Mr. Hoyer. Four million?

Q I'm sorry, 4 billion in the stimulus package towards H1N1. And some critics are questioning whether the stimulus is acting as sort of a slush fund in terms of redirecting. Would you agree with --

Mr. Hoyer. I, frankly, don't -- I'm familiar with his question. I'm not familiar with your reprogramming issue. Mr. Obey did not mention that this morning.

Again, let me say, though, that it is certainly possible for us to -- in the future, if, in fact, sufficient funds are not available in the supplemental as passed and sent to the President. We want to see this supplemental passed soon. As you know, the administration -- we gave the administration about twice what it asked for, and we included money in the recovery and reinvestment, as you know, that was cut out by -- at the request of Susan Collins when we passed the Reinvestment and Recovery Act, the $787

billion.

So are we mindful of the need to respond to that, but it doesn't necessarily mean that we have to respond to it in the supplemental at this late date. We are trying to get that done. I have not talked to the administration about it personally, so I really can't answer your question specifically in terms of the reprogramming, but I think you heard my answer to the previous question. Passing the supplemental does not shut the door. If there are responsibilities we need to meet, I'm sure we will consider them.

Q On energy, given the work that Ways and Means and Agriculture have to do, can you rule out the House will take it to the floor before recess?

Mr. Hoyer. Can I rule it out? No, and I wouldn't rule it out.

Yes.

Q Do you agree with the pressure that the Obama administration is putting on Israel to curb settlements in the West Bank?

Mr. Hoyer. I think pressure -- it has been the policy of the United States for a very long period of time. This is not something new. President Obama has reiterated the policy of the United States against the expansion of settlements. In fact, when Mr. Netanyahu was here, the Prime Minister, and met with the Speaker and I and the Republican leaders and other Democratic

leaders, we reiterated that settlements were an issue he needed to address and needed to constrain. So I don't think that -- it is a reiteration of existing policy and policy that we have reiterated.

Q Along those lines, Obama said in an interview with NPR on Monday that sometimes we haven't been as honest with our allies as we should be. Do you think that's right? I mean, did you agree with that? He's --

Mr. Hoyer. Again, I didn't see the interview, but, you know, sort of as a comma, maybe we haven't been as honest, comma. My point being, I don't think that was a substantive policy statement. I think it was sort of an observation that we need to be candid with one another, we need to make sure that or allies understand our positions so that there is not confusion. I think that's an accurate statement. I think that's probably what he meant. I don't think it was -- it was not a change of policy or policy enunciation.

Mr. Hoyer. Last question, because I'm going to have to go to -- I don't have to go, I want to go.

Q I was just wondering about your -- on the priority list for this summer, the Highway Reauthorization Act, by Chairman Oberstar. And also the Highway Trust Fund, the chasing of a massive deficit by September, where it is that for the summer?

Mr. Hoyer. Okay, on the two issues, Chairman Oberstar talked about that this morning in our meeting with the Chairmen. He wants to move that ahead. He'd like to move it ahead, obviously,

sooner rather than later. However, it is a very large bill -- I am talking about the bigger bill now. Now I'm talking about the deficit in the fund. He's been working very hard on that. My expectation is that his expectations are that it won't be ready to do before after the July break, and we'll have to see if it is ready to do by then. It is a big, complicated bill.

On the shortage, we may well have to take action on the shortage. As you know, we have already done that once. We may have to do it again.

Thank you very much.

[Whereupon, at 10:59 a.m., the press conference concluded.]