PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

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Wednesday, June 9, 2010

11:03 a.m.

Mr. Hoyer. Welcome back. I spent a lot of time in Indiana and Minnesota; a short time in Wisconsin. Our Members are positive. In Indiana, obviously, we have got some challenged Members there, but they are very positive. So I have come back with an upbeat view of where we are. Clearly, the numbers are not great in terms of incumbents. I think that is probably bad news for both sides of the aisle. But it clearly is an indication that people continue to be upset with where their country is. And we share that view.

This week, we are going to go to conference on the Wall Street Reform Act and Consumer Protection Act. We will do that today. This week we will also consider the FHA Reform Act out of the Financial Services Committee. And if it is ready, we may well also consider the Small Business Lending Fund Act of 2010. One of the huge issues that we find around the country is the availability of capital to small businesses to expand and grow their businesses, obviously, and create jobs in the process. We think that is a very important piece of legislation. The administration has been very strongly in favor of that, and I would hope that they are working that hard to let Members know how important it is to get capital into the hands of small business.

That will be two of the major pieces of legislation. In addition, of course, we are going to be dealing with the Promoting Jobs and Preventing Outsourcing Act, which we sent over to the

Senate. The Senate is now considering the Baucus amendment to that which, as you know, adds back in Federal Medicaid assistance for the States, modifies the carried interest pay-for somewhat, and removes the transparency that we put in there so employees would know the expenses that are being incurred in their 401(k) or retirement investments.

In addition, we will consider addressing the issue of the level of funding -- budget issue -- and we will also address, perhaps, as early as next week, and Chris Van Hollen has been working very hard on, the DISCLOSE Act, which is a response to the Supreme Court case. We believe that as the name implies, disclose, that as we do in terms of personal contributions being reported so that people will know who's contributing to whom, that that is also appropriate for corporations, and in addition, we think that foreign corporations ought to be precluded from making an impact on the elections here.

We will also be dealing with the supplemental. The Senate passed a supplemental, as you know, the week before we left; the last week we were here, to say it another way. We will be considering the supplemental this month as well. We believe that the issue of funding is not as critical as we once thought it was in terms of timing, but nevertheless, we would like to get the supplemental done certainly this work period. In addition to that, the Iran sanctions conference is now ongoing, and I expect to see the Iran sanctions conference conclude and report back to

the Congress this work period. Probably the week of the 21st. That is our target on that.

Now an issue of extraordinary concern to us, and the Speaker convened a meeting yesterday early afternoon with all the Committee Chairs -- and I was on the phone, I was not in the room; I was on the conference call -- with respect to the BP oil spill. We have given you a handout, which I think you will find interesting, which is from the committee, Ed Markey, dealing with what has happened so far with respect to the spill and what sort of oversight is being effected.

We expect to have [and] we have had numerous hearings already. We think those hearings, as the paper reflects, have led BP to make additional disclosures. It was because of pressure from the Congress that BP finally issued the high definition resolution pictures as opposed to the analog pictures which they had released, and that will give scientists a better view of how much oil is, in fact, being released even after the cap that was put on there was put on there. Obviously, there is a motivation for BP not to attribute a higher figure rather than a lower figure because they are fined, obviously, I think, by barrel or by gallon, I am not sure which it is, but they are fined for the amount of oil that is, in fact, released as a result of this spill.

I agree with the President's decision to take a breather, a moratorium, if you will, on deepwater drilling. This does not

affect 500 feet or less but on deepwater drilling to make sure that we understand why this happened and what additional steps need to be taken to ensure that it doesn't happen again. Very frankly, as the paper points out, there is reason to believe that there was a lot of negligence present here and that corners were cut that should not have been cut and that representations made by BP in particular and/or Transocean -- I think the permit was issued to, obviously, BP -- as to how much oil could be handled were inaccurate. They were very significant figures. We are waiting to hear -- again, I got a figure of 250,000, but I am not sure whether it is gallons or barrels. *[Note: BP said it was prepared for 250,000 barrels of spill per day. The BP containment dome is capturing about 630,000 gallons per day – about 15,750 barrels.]*

Obviously, if it is barrels, it would be, 40 gallons to a barrel, a very, very substantial amount of oil being released and that BP believed and represented they could contain. That, obviously, has not happened.

On the legislative side, in the Jobs Preventing Outsourcing Act, we will strengthen the solvency of the oil spill supplemental -- the oil spill trust fund, raising it from eight cents to thirty-four cents per gallon, which will provide for greater funds to meet these kinds of crises. We will also consider the war supplemental fund, which will have additional assistance in there. The House bill was in the $260s and the

Senate bill $193 million to enhance that fund. In addition, at some point in time we are going to have legislation in the future, as all of you know, and we have been discussing, to raise the existing cap that is now at $75 million on responsible parties' liability, and of course, BP has said they will waive that.

But there is some real concern. There was a hearing by Mr. Stupak's subcommittee in, I guess, New Orleans, in Louisiana, it may have been done in the parish, but with reference to this issue, where two of the widows testified and a number of other people involved, the watermen testified and others testified, as to the economic consequences that have already occurred. Mr. Markey indicated to me that one individual who has a tourist hotel/motel on the water has received literally hundreds of cancellations. Obviously, the economic consequences of this to the people who live there, do business there, are going to be very, very substantial. We expect a dozen more hearings on this issue.

The President is very engaged on this and I know is seeking advice and counsel from experts all over the world and in our own country as to what should and can be done, what can be done from the technological standpoint, to ameliorate this very tragic occurrence which, unfortunately, increasingly appears to be the result of negligence and improper activity in putting in place the protections that were asserted to be fail safe, which obviously were not at all.

Questions.

Q Mr. Hoyer, Mr. Markey announced his intent to bring the CEOs of the top oil companies in the country to Capitol Hill for kind of a big rundown on what the future is. I am wondering your sense on that.

Mr. Hoyer. I think that is appropriate.

Q What do you want to hear from these folks? What could this hearing bring out?

Mr. Hoyer. Well, I think that we need to hear what their view is. I think every oil company in the world, certainly every oil company that is doing business in the United States, has a direct interest in this issue. They have a direct issue in this spill being stopped. To that extent, although BP may be a competitor of Exxon or other companies, my view is that every company ought to have a very high incentive to give us their best advice with their experts on how to stop, prevent -- well, prevent, stop, gather, protect the shorelines and the water and the Gulf and other places where drilling occurs offshore in the waters as to how to stop this from happening again.

I have always felt that we ought to convene everybody who has any expertise in this area and say to them this is a crisis of mammoth proportions. We want your best advice and counsel, and we are going to do everything in our power, Federal Government, to intervene in a positive way.

Q If I can follow up. From people down there, it seems

like there is no real end in sight. Do you sense that?

Mr. Hoyer. I think as long as people see the pictures -- all of us, everybody here, I am sure, as long as you see that torrent of oil coming out of that pipe on television, you are going to be very pessimistic about the consequences. Do I see any end in sight? My expectation is that at some point in time -- hopefully, much sooner than later -- this is going to be stopped. Secondly, that we will deploy every resource available to us to try to reclaim the marshes, which are tougher; the beaches; the water itself; which we have extraordinary damage to the environment in which fish and fowl sustain themselves. I think we need to be very cognizant of public safety issues. There is going to be an end to it, but we don't yet know the scope of the consequences.

Q Mr. Hoyer, on the reg reform conference committee, can you tell us who the House Members are?

Mr. Hoyer. I don't have that list. There will be representatives of a number of committees.

Q Will it be televised?

Mr. Hoyer. The conference? It is going to be open. My presumption is it will be televised. My hope is it will be televised. I think this is a bill that the American public knows is very, very important. We have got to make sure that this doesn't happen again. We have got to make sure that the regulators, in fact, do their job and they have the tools to do their job.

Q You guys worked for a while in the Senate on the tax extenders jobs bill to come up with a compromise. They seem pretty poised to send you back a number of changes you mentioned. The oil spill trust fund. If they pass that and send it back, is that something you think you can get through House?

Mr. Hoyer. Well, I want to wait to see what the Senate does. I know what Senator Baucus has proposed, but that has not passed the Senate yet. So I am going to wait to see what the Senate passes. Obviously, we knew that there was no way that Senator Baucus or Senator Reid, and for that matter, no way that Speaker Pelosi and I can guarantee absolutely that each House won't work its will and make some changes. Frankly, we had FMAP in. They want to add FMAP back. We took FMAP out because obviously Members were concerned about spending levels.

We will see what the Senate does. And when the Senate sends us a package, we will certainly try to reach agreement. But I think the effort was pretty successful because, for the most part, while certainly we took some things out and they are putting some things in -- the carried interest -- I can't discuss it specifically either because I don't know or don't have the expertise to know exactly what the Senate has done, if they modified it and taken it out. So we will see what they pass over, and we will see.

Q Do you think it might have been done better through conference committee as opposed to the ping-pong system.

Mr. Hoyer. I am not sure it would have been any better. It is clear that the Republicans have no intention of participating in a positive way in many of these issues, which is why they so overwhelmingly vote against pieces of legislation. I will tell you there has been substantial criticism of MTRs. Their MTRs are not designed to improve or modify legislation. They are, as Norm Ornstein points out, essentially political in nature as opposed to substantive in nature.

So I am not sure that the answer to that question would be they would have been improved by a conference. What Mr. Levin and Mr. Baucus both tried to do was come up on both sides of the aisle with a bill that were pretty close. I think, in fact, they did that. I think they have succeeded.

Q Mr. Hoyer, do you remain confident that the conferees, the House and Senate, will be able to pass a final version of financial reg reform by the Fourth of July, and what do you base your confidence on?

A The Chairman's representations to me that he and Chairman Dodd are both confident that they can come to agreement.

Q Do you see -- what do you see as the major hurdle between now and --

Mr. Hoyer. Chairman Frank, he will chair the conference. He has got a very aggressive schedule which calls for, I think, the first meeting on Thursday and then meeting up until the next to the last week we are here and then reporting the conference report

on the floor the last week we are here before the July 4th break. And he seems pretty confident that he can do that. And we are hopeful that he can do that. I am working with him to effect that end. I think the bill has very significant support throughout the country.

Q Given some of your Members' concerns about spending levels of the FMAP, if the FMAP were to be included in the Senate bill, and it gets back over here, does the House have to choose between that provision and the spending for the teacher layoff bill that the --

Mr. Hoyer. Well, the teachers' bill is not in. So the answer is they wouldn't have to choose between those at that point in time. I, frankly, don't want to speculate what the Senate is going to do. I have talked to the Senate leadership and we will wait to see what the Senate does, in fact, do, and then we will deal with that.

Q Mr. Hoyer, Congressman Marcia Fudge has proposed imposing some restrictions on the Office of Congressional Ethics. I wonder what your take was on that?

Mr. Hoyer. I know that she has made a proposal. I haven't seen the specific proposal. We created the Office of Congressional Ethics to ensure that the public had access to making complaints, that there would be some outside eyes, if you will, looking at issues. And we want to make sure that it is working correctly. I have not seen it.

Q Is there an appetite for modifying some of the powers that they have?

Mr. Hoyer. I think I will look at her proposal. But this is a very new institution or organization and we are committed, as the Speaker has said on numerous occasions, to making sure that the American public has confidence in this institution operating in a way that gives them confidence that we are operating on behalf of their interests.

Q Mr. Leader, Senate Democrats -- you mentioned it before -- raising the tax on oil drilling. Senate Democrats want to take that and use it, at least in part, to pay for their new job stimulus economic package. What do you think of that plan?

Mr. Hoyer. Well, we will see what they do. The Senate, like the House, has a lot of ideas, and we can speculate on them, but I want to see what they do. Clearly, pay-fors are important. We passed statutory PAYGO, on the one hand. We want to make sure that we have fiscally responsible treatment of legislation. We still are in the place, however, I want to say from my perspective, where the challenge is to ensure the growth of the economy. Now we have had a couple of hits on the chin, Greece being one of them, which may not have been as economic a crunch as it was a psychological crunch on the United States. Europe may be different because Europe is trying to figure out how much they are going to participate. They have already put up a substantial sum or discussed putting up a substantial sum. So we will see what,

in fact, the Senate can pass. There are a lot of different pay-fors that we talk about.

Q But Republicans say it is a tax that should be used to pay for oil spillage and damages; that you are trying to fund what you already know is an overwhelmingly egregious bill on many accounts and that you are just trying to enlarge government, spend more and tax more, and this is another example of it hat.

Mr. Hoyer. Well, I have been active for about half a century. That message hasn't changed, period. The Republican mantra is: Lower taxes, smaller government. That is their message. Look at their performance. Higher spending and larger government. So they need to put some substantive proposals on the table themselves and not simply spout political rhetoric without following it up with any substantive actions.

And certainly, the 8 years or 6 years they were in charge of everything, what did they do? They grew government, they grew deficits. They created fewer jobs than any administration since Herbert Hoover and they created the deepest recession that America has seen in 75 years. So that is the record, not the rhetoric.

Q Mr. Leader, how close are you deciding to whether to do a budget? Do you have a deadline for deciding?

Mr. Hoyer. Somebody asked me that question last week or 2 weeks ago and I said I don't have a deadline. I believe that it is important as we move ahead certainly on the appropriations process to have targets for the appropriators and for the

Congress, for the House, and Mr. Spratt is working on that. We are going to be meeting -- I am going to be talking to Mr. Spratt today and others today on that. So we are moving ahead on that. We think it is important to do.

Q If you do a deeming resolution, do you think you have will fulfilled your responsibility and that is good enough, or do you think doing a budget is preferable?

Mr. Hoyer. Well, I think you have heard me say that I am for passing a budget. But I have also been here long enough to know that the budget is a plan. It is the execution of the plan pursuant to Appropriations and Ways and Means and other committees that really make a difference. So from that standpoint, if you have a resolution which sets your parameters, I think that is meeting your responsibility to act in a fiscally responsible way. And then how you carry that out is what I think the test is of whether it is good, bad, or indifferent. In other words, what kinds of appropriation bills, what do you fund, what don't you fund, how do you pay for it.

Q Do you expect the House to take up its own war supplemental or can you just up the Senate bill?

Mr. Hoyer. We can just take up the Senate bill. Right now, I think Mr. Obey's view, in light of the fact that the Senate has already passed a supplemental, would be to work on that supplemental.

Q So he won't be work marking up his own bill?

Mr. Hoyer. He has no plans at this point in time to markup his supplemental because now that he has got a supplemental over from the Senate, which is, by the way on a House bill, you know.

Q I know.

Mr. Hoyer. So it meets the constitutional requirement.

Q But that one doesn't include $23 billion for the schools.

Mr. Hoyer. I didn't say he was going to take the Senate supplemental. I said he was going to work on the supplemental. There is a huge difference between those two concepts. In light of the fact one House has already passed, the Senate in this case passed a House bill with their supplemental attached to it, we can work on that alternative.

Q A follow-up to that question. So does that mean you are going to do the ping-pong thing on the supplemental then?

Mr. Hoyer. That is certainly an option.

Q The House amendment.

Mr. Hoyer. That is certainly an option. Yes. I am not saying that is what we are going to do, but in light of the answer that I just gave, that would be a logical conclusion that that is one of the things we can do, and that may well be the easiest way to facilitate the passage of the bill.

Q Can you explain what the holdup is on the DISCLOSE Act and what --

Mr. Hoyer. There are a number of very legitimate concerns

that have been raised by (c)4 and other organizations as to they have large membership roles. They are not hiding anything, but they have large membership roles and they want to know exactly what it this going to mean to them. And Mr. Van Hollen has been working on that. I think he expects in the near term, maybe as early as today, have some view as to whether or not he can resolve those legitimate concerns while at the same time providing transparency, knowledge to the public, of who is trying to influence them as to whether they ought to vote for or against an individual, a proposition, a party, a program.

So I think the objective of the DISCLOSE Act is, interestingly enough, very consistent with what my Republican friends have been saying for some period of time when we came up with campaign finance reform. What they said is, you don't need caps. Caps are not -- essentially what the Supreme Court has alluded to -- that it is not constitutional to cap expenditures. But what they have been saying for a very long time is what you really need is transparency. They have been saying that is the key, so that voters and citizens know whose money is being spent to influence them for or against.

That is very important because, to use an example, BP oil spending a lot of money to influence a campaign for or against a candidate or against a candidate who has been for strong controls on oil drilling in the Gulf, and the public sees, Well, those ads are being paid for by BP. Hey, I don't think they have a lot of

credibility in influencing me that candidate A or B who wants to control them and make sure that they do it right is a bad person. That is not going to have much credibility.

So that has been the whole thrust of what the Republicans, frankly, have argued through time -- that transparency was the issue. That is what this bill does, is gives transparency and knowledge to citizens on which to base their analysis of the facts they are getting.

Thank you very much.

[Whereupon, at 11:31 a.m., the press conference was concluded.]