

PRESS CONFERENCE WITH MAJORITY LEADER,
STENY H. HOYER

Tuesday, July 15, 2008

11:50 a.m.

Mr. Hoyer. I thank you for being here. A number of your colleagues are still listening to the economists. We had an excellent meeting this morning.

Floor schedule: Went in at 10:00. We're going to do the President's veto on the Medicare bill. Has he done that? We have been in a conference on the economy for the last 2 hours and a press conference with the Speaker. But the President is scheduled to veto the Medicare bill. As soon as he sends it down here we will have a vote on overriding that bill. We had 355 Members of the House vote to pass that bill. We are confident that they will vote to override the President's veto.

We will also need to act on the Kucinich impeachment resolution. After discussions with Congressman Kucinich, my understanding is that he will be moving to refer that to committee as he did his last resolution.

On Wednesday, we expect to consider the Intelligence Authorization Act and the Taunton River Designation bill. Thursday, we will consider energy-related legislation. Direct leases for drilling. And that deals with the National Petroleum Reserve in Alaska. We will also include in that the "use it or lose it" premise that if you have leases, you need to be proceeding on them. And if you're not going to proceed on them, make those available for others to do so. No exporting of oil from Alaska. And also a focus on the pipelines both for natural gas and for

oil.

We will also consider on Thursday the housing legislation -- excuse me -- we probably won't consider housing legislation on Thursday; we may do it the early part of next week.

In addition, we will consider the National Highway and Bridge Reconstruction Inspection Act of Mr. Oberstar's.

Now, let me start those of who you were not in the press conference, I used this line in the press conference, and I'm sure you will hear it. The economy obviously is in real trouble. The policies of this administration which promised great economic growth and success for all people in our country 7 years ago, 7-1/2 years ago, have not been realized.

One of Senator McCain's principal economic advisers said that American was a Nation of whiners.

We believe that America is a Nation of winners. But even winners need good leadership and honest policies. Failing those, even winners are not as successful as they otherwise would be.

The American people rise to the occasion. I think they will rise to good leadership and we will overcome the challenge to our economy. Challenge to our housing, challenge to our oil supplies. But we need good leadership and honest leadership.

Despite the lack of leadership on the other end of Pennsylvania Avenue, Democrats are taking action this week on two economic issues. As I said, gas prices and housing. Although housing maybe -- we are talking to Mr. Frank, Chairman Frank as to

whether or not how soon that can be done. But we think at the latest next Tuesday, we will probably have that on the floor.

President Bush today at the press conference, his OCS announcement -- Outer Continental Shelf announcement is an attempt to divert attention from a failed energy policy. They pursued that in the early part of the administration, February, March, April. The Vice President convened meetings for an energy policy in 2005. Largely their policies have been adopted. And notwithstanding their policies, we are confronted with the highest gas prices in history and Americans are hurting. They are hurting on the gas prices, they are hurting on grocery prices, they are hurting on college prices and health care cost prices. They are hurting.

We passed a stimulus package in the early part of this year. As a result, frankly, of Democratic initiatives, which were talked about and the President came back from overseas and said we need to move forward. We moved forward in a bipartisan way. I'm hopeful that we can move forward in a bipartisan way again on a second stimulus package which clearly we believe is going to be needed if we are going to keep the economy from falling even further than it has fallen.

On energy and gas prices, as I said, the legislation that we have proposed which we will bring to the floor on Thursday will focus on the 20 million acres in Alaska. But there is another 68 million acres as well. 33 million of which is on the Outer

Continental Shelf. And a figure that I think is very relevant: 81 percent of the oil and gas reserves that are projected are located in the presently authorized 88 million acres.

Let me repeat that. 81 percent. So Democrats are saying let's drill. Let's explore. Let's get energy for Americans from America and have it for Americans. And we're not saying do it in some dry hole. We're doing it where experts project 81 percent of the oil and gas preserves exist.

In addition to that, I would hope that the President would urge, which he has not yet done -- we passed a tax extender bill. One of the things the tax extender bill did was to stimulate the alternative energy and renewable energy parts of our economy. That is going to be absolutely critical if we are not going to be -- continue to be held hostage by oil producers around the world.

We have 3 percent of the world's supply and 25 percent of demand. We need to make sure that we look to alternative energy sources and provide that for our consumers if we are going to become energy independent and not be subject to such manipulation by foreign sellers of oil and gas. So we hope that the President will tell the Senate to pass the extender bill, pay for it, and let's get it to the White House for signing.

The housing bill has been slowed up to some degree. We passed significant legislation last year, and significant legislation earlier this year. It has not moved in the Senate as rapidly as we would like. But over the weekend, of course, Fannie

Mae and Freddie Mac, critical housing components of our country, Secretary Paulson and Ben Bernanke, the Chairman of the Federal Reserve, Secretary Paulson indicated that we wanted some additional policies. He and Chairman Frank and Chairman Dodd are discussing those. So we may want to include that in the pending legislation. As I say that may get us to Tuesday.

Okay. Let me stop with that and answer any questions you might have.

Q Mr. Hoyer, the list of components of the energy legislation didn't include speculation, which is something that your side has been talking about. When do you expect to have a speculation bill?

Mr. Hoyer. We were working on that. As you know there were hearings last week of, both in the authorizing committee and in the Ag committee which has jurisdiction over the consumer markets, trading markets, futures, CFTC, and hearings also in the Appropriations Subcommittee which has funding, the appropriating for that Commission.

I expect and hope to have legislation on that either late next week or the week following before we go home.

Q Would it be the same legislation the Senate is going to consider later this week?

Mr. Hoyer. No, I wouldn't want to predict it is going to be the same legislation. It will certainly be similar. In light of the fact it has not been marked up by anyone, I wouldn't want to

prejudge what committees are going to do.

Q The list of energy bills that you cited for Thursday, do you anticipate they will come up --

Mr. Hoyer. That is going to be one bill.

Q Okay. That was my question. They will all come up as a package?

Mr. Hoyer. Yes.

Q Is there any offshore drilling component in that bill?

Mr. Hoyer. There is not offshore drilling. It does seek to focus on the 20 million acres that are in the National Petroleum Reserve. A lot of talk about Alaska. We believe that Alaska is a great source of resources for our people. And what we will do is to require the administration to move forward more rapidly on letting leases in that area.

Again, let me reiterate though -- and I'm not sure why this is the case -- but the President says we ought to drill offshore. We understand that. There are 33 million acres presently available on the Outer Continental Shelf for drilling. That combined with the other areas in the lower 48 and Alaska, 81 percent of the estimated reserves fall in the presently authorized areas for drilling. Notwithstanding that, the companies are drilling on less than about 25 percent of that which is available.

Q As time goes on and you're thinking about a second stimulus, and as these economic troubles seem to multiply, despite

what Senator Graham said --

Mr. Hoyer. I don't think it is a figment.

Q Is your conception of this second stimulus dollar amount, is it growing? How much more would you want to pass before Congress leaves in September?

Mr. Hoyer. Well, I don't want -- when you say "growing," component parts of what we might address certainly I think are, to some degree, that which we talked about before. Food stamps we talked about. Unemployment we talked about. Infrastructure has been talked about. LIHEAP has been talked about. Aid to the States, Medicaid in particular talked about. So you have heard those component parts before.

There has not been a decision made. I would hope that we could move forward on a bipartisan basis with the administration's cooperation and agreement so that we could act in a way that as you say before September 26th, as the need seems to be apparent. All the economists we talked to today, Dr. Summers, Dr. Sinai, Dr. Blinder, Dr. Blank, and Dr. Elmendorf -- congratulations. I remembered all five names -- all indicated that they believe that addition action was necessary.

Q When is the housing bill to be slipped to next week?

Mr. Hoyer. As I pointed out, it's not necessarily slipping. The housing bill is okay. But there are other things that have been suggested by Secretary Paulson over the weekend and we want to get those right and include that in the legislation.

Q Are you going to give Boehner and Blunt their hearings on the bill before the vote? They requested today that there be hearings to consider it.

Mr. Hoyer. We hear that. We are working with the administration. Again, I think there are going to be some hearings. But I don't want to be too specific about what the subject will be. I talked to Chairman Frank just minutes ago and he indicated that would give them time to have some hearings. That is my belief, but don't hold me to that because the conversation was very brief and I don't -- I'm not positive that the timing of the hearings.

Q Have you guys gotten a score on the Fannie Mae Freddie Mac portion? How much that would cost?

Mr. Hoyer. No. If somebody has gotten a score, I don't know it.

Q Does adding the Fannie and Freddie components -- I know you already raised the debt limit, but does it increase the urgency of actually raising the debt limit to ensure that things go smoothly.

Mr. Hoyer. I think as I understand the way the bill is written, it doesn't necessarily impact on the debt limit, but I'm not as confident of that as I would like to be in telling you that. There was some discussion, as you know, about it impacting on the debt limit, and that is being looked at.

Q On the oil package, how exactly is that going to require

the BLM to lease more quickly?

Mr. Hoyer. They now have a biannual lease opportunity. We are going to require them to do it annually so that there will be a greater opportunity for people who are prepared to go in explore, identify, and produce resources. Also so we want to accelerate that.

We also want to urge the President to take such action as the executive department can take in conjunction with Alaska and the private sector to accelerate and facilitate the construction of the pipelines that are additionally necessary, which would be necessary wherever you drill.

And we want to make sure there's a continuing requirement for the oil to be used here in the United States.

Q Okay. I did talk to BLM and they said that part of the reason they are tending to do it every second year is that the first year after somebody leases they like to go in and do exploration the second year they drill. And so they find out what capacity certain areas have based on this 2-year process and they are more educated in terms of what they choose to lease. How would that be maybe accommodated or has that been --

Mr. Hoyer. Well, the President has indicated he wants to open up the OCS and other areas for drilling. As a practical matter, everybody in America knows wherever you are going to drill, whether presently authorized or newly authorized, it is going to take some time. The President admitted that 5 to

10 years in terms of any meaningful product coming from these areas.

The presently identified areas available for leasing presumably, hopefully, responsibly, companies have already been looking at as to see whether or not their geologists and experts, their engineers, tell them that there is a utility looking and proceeding in various different areas.

To the extent that we accelerate the leasing of those spots, we believe that that will accelerate the drilling and possible exploitation of the resources that are located in our country. And further, that is what the President wants to do. We believe if you want to do that, the best way to do it is to proceed initially with those areas that are already authorized. That ought to be simpler faster and more effective.

Q Just a quick question on the Medicare veto. Could that happen as soon as later today?

Mr. Hoyer. Yes.

Q That could happen today?

Mr. Hoyer. Yes. My expectation is that it will happen today.

Q Yesterday, Mr. Markey said he would like a bill that would mandate removing oil from the Strategic Petroleum Reserves. Is that on the agenda?

Mr. Hoyer. That's on the agenda.

Q For when?

Mr. Hoyer. Well, we don't know exactly when, but we were talking about the fact that we have about 730 million gallons currently in the Strategic Petroleum Reserve. There is some discussion that if we release some portion of that in a responsible way and ensure that we maintain sufficient resources for an emergency, an awful lot of people at the pump who believe they have an emergency right now particularly when they go to the pump and they go to the grocery store, they are hurting they have a real crisis. This is oil that we now have. This is the quickest possible -- this is not drilling, this is not exploring, this is in hand that we've got. And this has been done before by previous administrations. And we're looking at that.

I don't want to give you the timing right now, but -- because I don't know the timing right now. I am not withholding it, I just don't know. But yes, we are looking at that option.

Q Let me ask you about the timing of the different engineer packages that the Democrats have. It seems like they are being --

Mr. Hoyer. Thursday we are going to do the bill that I've talked about.

Q Yes, and after that, it seems that they are being judiciously meted out over the weeks so that you all are constantly addressing this problem and maybe not doing it all in one fell swoop. Is the timing any part of the strategy?

Mr. Hoyer. That is a good strategy, but part of this timing

deals with substantively putting together good legislation. That takes a little bit of time. As you know, we just had the hearings on the speculation that you asked about and that legislation is now being addressed now. So that when it's done, we'll address it.

Q [Inaudible.]

Mr. Hoyer. I'm sorry? What did you say?

Q Do you believe that either the energy bill you have on Thursday or the SPR bill or anything else that you coming up with actually get through the Senate and signed by the President, or is this just to make a point of what Democrats have done?

Mr. Hoyer. Well, I hope it can be. My expectation is that we will pass it with the hopes that it will be passed by the United States Senate. We think that the legislation that we will consider on Thursday is a very positive effort forward to say yes, let's drill. Let's utilize America's resources and proceed as quickly as we possibly can.

Again, I emphasize that that which is already authorized is 81 percent of the perceived reserves. So if that is the case, then proceeding right now, rather than simply using this politically for purposes of saying let's drill someplace else, you know, we are not taking that off the table. It has been taken off the table, but we are saying look, if you have got authorized places for 81 percent of the reserves, use it. Pursue it.

89 percent of the refining capacity is now being used.

Historically at this point in time, 95 percent. How many of you -- this is rhetorically. You don't have to raise your hand -- think you your own mind. How many of you have waited in line to get your automobile filled? I ask that rhetorically.

I have not, and I go all over this country and I drive all over my district. I have not seen anybody waiting in line. Which leads me to believe this is not a supply problem. In the 1970's there were long lines.

Now I know in the bigger macro picture supply and demand, Boone Pickens said correctly, you have got the demand of '86 and the supply of '85, which is a billion barrels difference. Obviously that's a part, maybe a significant part of why we have the demand on prices.

But nobody is waiting in line and notwithstanding that, they're at 89 percent of refining capacity. When the President says one of the things we need to do is open up more refineries -- I told you last week and the week before, the oil companies have asked for one in the last 30 years, approvals for refining capacity. It was approved by EPA. They didn't build that refinery. And they are at 89 percent today. So it is not like we are at 96 or 97 percent capacity.

The value of the dollar is, of course, as the confidence in the fiscal posture of the United States has dwindled around the world, the value of the dollar has plummeted to about half what it was when this administration took over. And that is directly

related to the price of gas at the pump.

Ms. Bernards. Last question?

Q With all the discussion now going on over the last several weeks, it seems to be largely about oil and drilling. Is that threatening to drown out the discussion of developing alternative energy sources?

Mr. Hoyer. We hope it doesn't. I talked about the extenders as you recall. So I made it very clear, and I will reiterate, we Democrats believe strongly that, yes, we ought to utilize the resources that we presently have.

Secondly, however, if we are going to be responsible to generations yet to come, it will be because we focus on the development of alternative and renewable sources of energy. The future of America relies on the fact that we do not allow ourselves to be held hostage by those who own the oil around the world, most of whom are not particularly friendly to us. And if our economy is going to be secure, if our national security is going to be in place and we are going to address the global warming challenge that confronts us, it will be because we develop alternative and renewable sources of energy.

Q Why isn't there a more cooperative atmosphere on this energy question. You are working very hard on housing and you are making progress on that. But on energy it really just seems like both sides have a lot of motion but there is no real movement towards a solution.

Mr. Hoyer. I think there is a real philosophical difference between the two parties. For over a quarter a century, the Republican Party has been a Johnny One Note in terms of oil was the only alternative. Oil is an important alternative, a critical alternative. But the failure to actively and vigorously pursue alternative and renewable sources of energy has not been helpful.

Again, I would point out that this group was in charge everything for 6 years and passed their energy policy almost entirely. And we find ourselves in a position of being held hostage to extraordinarily high prices by oil producers and oil companies.

So we need to move on. And hopefully we can do so in a bipartisan way and hopefully we can do so in a way that says, yes. We don't hear any Republicans saying the currently authorized leases which have 81 percent of the reserves are not being fully utilized. I don't hear any Republicans saying that. All they are using this for is to look at other areas. I would reiterate. Those other areas may be looked at in the future, but we ought to utilize what we have authorized first.

Thank you.

[Whereupon, at 12:19 p.m., the press conference was concluded.]