PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

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Tuesday, February 23, 2010

11:05 a.m.

Mr. Hoyer. Good morning. Thank you for being here. Today, we will go in at 12:00. We will do several bills under suspension, then we are doing the Native Hawaiian Government Reorganization Act. There will be three amendments, and we expect the last votes about 6 o'clock, or before.

Tomorrow, we will consider the Health Insurance Industry Fair Competition Act, a McCarran-Ferguson Insurance Antitrust on health care. We will consider also the latter part of the week the Intelligence Authorization Act. The White House Health Summit will occur on Thursday, as you know, and we will accommodate that conference by probably having a vote on the rule at some point in time in the middle of the day when we can get back from the White House, and then doing the balance of debate, and votes won't be until after 3:30 or so on that bill.

Other pending business, as you know, our jobs bill; the expiring provisions of the PATRIOT Act; satellites; flood insurance; highways; SGR, unemployment insurance; and COBRA. There are some others, but they are the principal ones we have been talking about. The Senate is going to try to move those extensions today. I talked to Senator Reid yesterday. Going to try to move those today. And if they can do that, we would then move them here. If for any reason they can't move them, we will move them over here to the Senate. All of those expire on the 28th of February, so they need to be acted upon.

Now we have 5 weeks in this work period, which the break was elongated by the snow, obviously. But we have 5 weeks and we have got a lot of work to do. The focus will be on jobs, as you have seen. We are starting with jobs in the Senate. Hopefully, that bill will move over to us. We passed a bill in December, as you know.

Last night, the Senate took a major step. Five Republicans voted to move forward on jobs. I think that is a good sign. I was interested to see that the new Senator that theoretically was going to put a monkey wrench, did the opposite. He facilitated moving ahead. I hope that continues, and I think that is appropriate. Whether you're for or against the proposition obviously that serious, it should be considered by the full Senate. Last night's vote facilitated that happening.

Last week was the 1-year anniversary of the Recovery Act. Since the Recovery Act passed, this is the situation with respect to jobs. I did this graph myself and thought it was pretty persuasive in terms of, as you see over here, the Bush years, the last year of the administration the loss of jobs escalated; straight down. So it started up here at January 20, 2008, and you went essentially straight down. Obviously, there are some glitches. Straight down to a loss down here. And you go here, which is when the Obama Administration took over. This is February. And you went up to here.

Now, essentially what this is, is there are about 740,000 --

726,000, to be exact -- in the last 3 months -- November, December, January -- the last 3 months of the Bush Administration, an average of 726,000 jobs per month were lost. In the last 3 months of the Obama Administration, to date, obviously, you have come up from that very low point, almost consistently. Obviously, there are zigs and zags. This was 64,000-plus jobs. This was 150,000. This is 20,000 jobs. But, clearly, we went from an average of 726,000 lost jobs in the last quarter, last 3 months, to an average of 35,000 lost jobs. Very substantial progress.

The stock market -- another indication -- the stock market went from essentially 6,500 in round terms to -- I don't know what it closed at yesterday -- but about 10,4. Up almost well over 4,000 points. GDP numbers are very interesting. If you take the last two quarters -- I don't have that statistic, but I know it -- if you take the last two quarters of the Bush Administration, about 12 percent decline in GDP. You add those two numbers together. That is really not accurate, but about 12 percent. The last two quarters of the Obama administration you have seen about 7-1/2 points increase in GDP. About two points in the third quarter and about 5.7 in the fourth quarter.

Housing starts are up. Prices are stabilizing and housing is about where it ought to be. But any fair-minded analysis of the economy indicates that we have made substantial progress. Now you have heard me say it before, but it bears repeating; we have not gotten where we want to be, obviously, is that -- and Americans

are going to be concerned. We need to be above this line. We got above the line. The Bush Administration was never above that line in the last year. The Clinton Administration, by the way, in their last year, you recall, I told you, gained 1.8 million jobs in the last year. The Clinton Administration. Here, lost 1.9 million jobs, otherwise known as a 3.7 million turnaround in jobs. Here, we got 64,000 new jobs. But, unfortunately, the next month we went down 150, then went up to 20. That is November; the high point.

We need to be in the plus. That is why we are doing the jobs bill early and why we are going to continue to focus on how we grow small businesses, medium-sized businesses, and yes, large businesses -- through policies that we can get consensus on or at least majorities on in both Houses to try to make sure that we continue to see the progress that we have been making continue and accelerate.

Governor Crist, in talking about the Recovery Act, said "Taking Recovery Act funds was the right thing to do. Our economy was going off into the abyss, and if we didn't have those moneys, we would have had 87,000 people out of work today in the sunshine State." Notwithstanding that, some Republicans say not a single job is attributable to the Recovery Act. Crist in one State says 87,000 jobs were attributable. That is in the public sector, not necessarily in the private sector, I think he was referring. I really don't know that, so let me retract that.

Schwarzenegger said similar things. The quote that I have put in bold type, "We've seen people are getting back to work." That belies, again, a claim of some partisan Republicans, as opposed to more objective people, particularly Governors of States who are saying they are seeing people getting back to work. Schwarzenegger is also saying that his revenues are up in California, which badly needs revenues, clearly because of more business activity.

So I think it is fair for us to claim correctly that the Recovery and Reinvestment Act has had a very substantial, positive effect in taking us off the slide down -- steep slide down; stabilize; and start bringing us back up.

Health care reform, obviously, continues to be a major issues. Jobs is our principal focus, but health care remains to be a very important item for us. We are working on that. I think the President's proposal that he put on the table and put online is a very positive one. Obviously, it reflects a lot of the discussions that have gone on over the last month and a half since the Senate on Christmas Eve passed its bill. I think that it is a very positive step forward. We will see what happens on Thursday. Thursday, we hope the Republicans will come with some positive proposals. And if they do, certainly I think we will consider those.

Now the Republicans mantra is "starting over." That really is not a realistic request, I think. Indeed, Republicans and

Democrats have worked very hard on this in numerous hearings, as you know, over the last 2 years, 3 years, on this issue. Republicans participated. They were open, transparent. The Republicans offered amendments, the Democrats offered amendments. Some Republican amendments were adopted, some Democratic amendments were adopted. So we have had very fulsome consideration of this bill. And starting over really does not seem to be a path that would be very efficient at all.

There are philosophical differences in the Republican bills that will be offered. As I understand, they cover about 3 million Americans as opposed to the 31 to 35 million Americans that the Senate and the House bills will cover. It deals with some of their traditional proposals like the associated health plans, which we believe, in principle, we don't have a problem with, and provide for small businesses to have larger co-ops, in effect, and they have better bargaining power. But we think that those should not be used to undermine States' protections of individuals in terms of their coverage. But we will be working hard on that.

We think the polling data reflect the American people do believe reform is necessary. They haven't liked this process and they don't like some of the things in the bill that came from the Senate, and had some reservations about ours, but I think that they continue to poll that they think we ought to be moving ahead and pass legislation.

We think the Health Care Fair Competition Act, which I

mentioned was on the schedule for Wednesday, is an important step forward to make sure that competition is vigorous; that prices are set by the market, not by any agreements or collusion between the parties; and we think that we are hopeful that will pass in a bipartisan way. Hopefully, that is part of a free market route to approved affordability, quality, and access.

I know I have gone longer. We will take 5 extra minutes of questions. The Intelligence Authorization bill will be on the floor Thursday. We believe that bill will be the first authorization that we have had in 5 years. We think it is important. We think it reflects our continuing focus on the national security of this country, effectively confronting those that would terrorize our people abroad and freedom and democracy abroad as well as here at home. I am hopeful, again, that that bill will get bipartisan support, but it certainly reflects, I think, that this administration and this Congress has been very focused on defeating terrorists and going after them, and I believe there is substantial success in the administration's policies. Clearly, we see some real progress in Pakistan. Three of the major leaders of the Taliban were taken into custody by the Pakistanis. I think that is a reflection of the success of this administration working with the Pakistanis and escalating their confrontation and cooperation in going after terrorists.

So let me stop with that. I don't think I gave you this quote. David Ignatius said last week, "The country can agree in

looking at the evidence that Obama has been no slouch in pursuing what he said in his inaugural address was 'a war against a far-reaching network of violence and hatred.'" In point of fact, when you look at Marjah and you see what is happening there, there is no doubt in the terrorists' mind that this administration is committed to their defeat and the establishing of a democracy, or at least a stable Afghanistan that no longer is a haven for terrorist bases.

Q Mr. Leader, on the jobs bill, if the Senate does pass the pared down $15 billion plan, will the House go ahead and pass that plan?

Mr. Hoyer. That is an option. It has not yet been decided, but that certainly is an option. I talked to Mr. Rangel about that. He and his staff are looking at what the Senate had put together. I think if the House had done it -- we passed a bill. These component parts are in one way or another in our bill. I think that it is accurate to say that there would be disagreements. But whether those disagreements are such that we won't want to go to conference, we are going to decide in the near future. But we really need to see what the Senate does. The Senate hasn't passed that bill yet, and we have to see what the Senate bill does.

We want to focus on jobs. And I would reiterate what I said yesterday and somebody reported in one of the clips I read today very accurately -- thank you for whoever did that. I said that

Senator Reid said this was a jobs bill but not the jobs agenda; his point being this is part of an agenda.

Q When you passed your version of this jobs bill back in December, I remember the rule on that bill and the actual final up-or-down. It was close. And I remember seeing a lot of scrambling around on the floor here. Granted, this Senate product is different. Pared down. If you do take that, what happened then, when you say jobs is the principal focus, that you had to scramble around to get those votes on that vote back in December, when people were leery about this obviously for some reason at that point of passing it when here we are in February and you're still trying to move the jobs package through.

Mr. Hoyer. That was in November, as you recall.

Q No, December. It was the last vote of the year.

Mr. Hoyer. December?

Q 19th.

Mr. Hoyer. 19th. There were some Members who were somewhat concerned as to whether or not we ought to pass a jobs bill in December or whether we ought to wait and work with the Senate on coming up with a jobs package. There were a number of us that felt that passing a jobs bill before we left was appropriate, again, because jobs was one of -- not one of -- our major focus. Growing this economy, getting this number up into the plus; growing jobs.

You're right, there were some reservations whether we ought

to pass it then or pass it when we came back. We did pass it. Unlike the health care, which we passed in a bipartisan way, overwhelmingly, as you recall.

These bills are tough. These are major issues. I think you've seen we have been successful at every one of these major issues in the House because ultimately we do in fact have a majority that believe that moving forward is necessary.

Q Did the attitude change from December to now?

Mr. Hoyer. I think there is a much greater focus on jobs, economic growth, and expansion. Again, we have had progress in all of these areas. I keep reiterating that. I think the Republicans, when they claim we haven't -- the Recovery and Reinvestment hasn't worked, I don't know what statistics they are using, other than the administration claim that this would keep unemployment below 8 percent. It's now 9.7 percent. Probably shouldn't have made that claim. But there was not in late January and early February the understanding by anybody -- that's not true. We were on the brink of a depression. So we knew it was deep, but the administration was hopeful and optimistic that we could staunch the loss of jobs at that point in time. Again, we have. You look at this graph, not only did we staunch it, but we reduced the loss of jobs very substantially. So I think in that context Members are focused on moving forward. So I am confident we will get the votes.

Q Leader Hoyer, President Obama's health care plan calls

for raising some taxes -- Medicare payroll taxes, taxes on interest and dividends -- on some people who make less than $250,000 dollars a year. Do you support that?

Mr. Hoyer. Well, let me say that, first of all, President Obama has put on the table an alternative. I think that was a very positive step forward. I am not going to make comments on specific proposals -- and I just saw this on Monday -- until I have an opportunity to digest it. So I am not going to make a comment on specifics that are included in his proposal, which is 11 pages. Obviously, there are a lot of other things that go into the calculation. But we are going to pay for the bill. Our bill, by the way, brings down the deficit in the first 10 years significantly more than the Republican bill. Over time, probably about the same. So deficit reductions are important. An item for us, deficit reduction is important item. We need to pay for the bill. And then you need to figure out how you pay for it. The President has made a suggestion.

Q There's a big push in the Senate right now to revitalize the public option. About 23 Senators signed it. Leadership is somewhat receptive. Can it still pass in the House or is it kind of over in this Chamber?

Mr. Hoyer. No, I think the public option can pass in the House. It is not in the President's proposal. I was for the public option. I believe the public option does in fact provide for -- and CBO scores it at saving money. To that extent, I think

it is a good thing. But I think that it is, obviously -- an item that the President has decided he was for the public option as well -- decided is not something that perhaps the Senate can buy, and that we have usefully, as I have said before, the guts of this bill is the inclusion of all people in health care coverage, providing them an exchange, whether in the States or nationally, and the provision of affordability credits so people can afford insurance. That is the guts of this bill.

There's a lot of other pieces of this bill, but from my perspective -- and you have heard me say this now for, what, the last 8 months when you started asking this question, that has been my perception then, and it is today.

Q Mr. Hoyer, what are you hoping will come out of this summit on Thursday, and is it the plan to pass a bill and send it to the President during this 5-week work period?

Mr. Hoyer. We will have to see. I am not going to set a deadline for us doing this work. Obviously, there is a lot of calculation that goes into when we can put it on the floor and when we can pass it. But certainly I think we are all focused on getting this done and we are focused on jobs, economic growth and expansion. Getting the economy back to where it needs to be to provide jobs for literally millions of people, which will take a long period of time. But we have lost 8 million jobs over the last 3, 4 years, and that is a significant problem for our country, for so many people in every one of our States. So that

is going to be our focus. Yes, health care will move forward. Whether we do it in the 5-week period, or it takes longer than that, we will have to see.

Q What do you think this meeting Thursday will accomplish?

Mr. Hoyer. I think this meeting will accomplish the American public's opportunity to see what all sides are proposing. I think that would be useful. To that extent, sort of like a conference. I am, by the way, for having more conferences and having them transparent and open and the American public seeing who's for what and who's against what. I think that would be useful. Unfortunately, the Senate does not want to go to conference too often.

Q May I ask a follow-up to that? Do you think at this late stage it's possible to turn around the public's opinion about these bills that have passed the Senate and the House?

Mr. Hoyer. Kaiser -- I wish I had other polls to show you. But this Kaiser Family poll -- Kaiser Permanente -- areas of agreement in health reform legislation. Eighty percent say it is extremely or very important that each element be passed into law. A very interesting poll because it doesn't really comport with some of the other polls we have seen. Reforming the way health insurance works; total thinks that ought to be done, 76 percent. Providing tax credit to small businesses, 72 percent. Creating a health insurance exchange marketplace, 71 percent. Expanding high-risk insurance pools, 70 percent. At least 6 in 10 in two

groups believe important also providing financial help for low- and middle-income, 68 percent.

Now the reason I say this is you have got to put this in context. This is discrete issues in which people answer pretty strongly that they think these individual items ought to be done. I think the American people have been distressed with what they see as a process that has, for them, been confusing and contentious. I don't think it's a reflection of their conclusion that health care reform is not necessary.

I think it also reflects some of the concerns are what were reflected over 10 years ago, 16 years ago, that most Americans have health insurance that they believe is pretty good and they can feel pretty comfortable with it. I think there are not as many as there were in 1993 and 1994 that are in that position, but I think most Americans are pretty comfortable and they want to make sure whatever we do does not adversely affect the security they now have.

Q Mr. Hoyer, the Wall Street Journal had an article detailing a lot of States, about 30 or so, are proposing these Health Care Freedom Acts, which basically are trying to gut the teeth of requiring folks to have health insurance through Federal law. Virginia is going -- Governor McDonnell plans on signing the law sometime this week. Do you worry that these Health Care Freedom Acts, which essentially States are extending protections of individuals not to have to enroll in health insurance, could

hurt the bill overall?

Mr. Hoyer. The intent, obviously, of the bill is to bring insurance costs down for all Americans and to provide for all Americans having coverage. Almost everybody that has looked at this -- insurance companies, providers, other health care experts and economists -- have indicated that in order for such a program to be successful, it has to have broad-spread participation. If you don't have broad-spread participation, what you have is adverse selection, and that is unhealthy people require insurance and get insurance, and unhealthy people do not. It is like every safe driver saying, I'm not going to be in an accident and not having insurance, and every driver that is afraid they may have an accident, have insurance. Obviously, their insurance would be very costly. The Maryland Accident Insurance Fund, which is for drivers who have had either convictions for reckless, DWI or whatever, or a lot of accidents, are in that fund. It's a more expensive policy.

So the answer is essentially that people have raised the question can the Congress require people to have insurance. We do that in automobile insurance. But, obviously, people have the option of not having an automobile; not driving. That is the response you get. I understand that. Having said that, though, people don't have the option of getting sick. People don't have the option of not getting into a serious automobile accident if they are a passenger, they are not driving.

What's my point? My point is that all of us at risk either of having a serious injury as a result of a trauma, an accident, or at risk even, if we are young people, at getting serious illnesses. We either are going to have to pay for it together -- by the way, we will all pay for it together. Now, we pay for it, $1,100 bucks in each one of our insurance policies, which we are paying for uncompensated care. Our premiums are higher.

You may recall I used the analogy, which is a bad analogy but makes a point, going to a store, you buy something, a nickel or a dime or fifteen cents is there for pilfering. People who have stolen items without paying for them. They amortize it over all of us who do pay. Health care is the same way. The insurance companies are amortizing their losses or the cost of health care to keep the hospital open because the hospital has to take people whether they have insurance or not if they are traumatized and at risk.

So you ask me, do I think this will jeopardize. I frankly think that it is an effort by some to make a point, but I think the point that they make is that, frankly, we are not all in this together, and somewhat of a libertarian, you know, you have to just to leave us alone. The problem is, illness and accident don't leave us alone.

Q But if the State of Virginia says to their citizens, You don't have to be enrolled, and the Federal Government says you do have to be enrolled, what happens? Where is the enforcement

mechanism?

Mr. Hoyer. Of course, Virginia citizens, like Maryland citizens, travel all over the country. You don't know where they are going to get sick, get in an accident. It's a national issue. Medicare is a national program, Medicaid is a national program, although the States have a significant -- and in Medicaid, a controlled enrollment. But the national taxpayer ponies up a lot of money for health care in America and Medicare and Medicaid. The States pony up a lot of money themselves. That is the public spending that money. We believe that having everybody covered by insurance and participating to some degree to the extent they can afford it in paying for that insurance is a better deal for the taxpayer and for the country and results in savings and a healthier community.

Q Mr. Hoyer, following on that thought, does that also argue for the need --

Mr. Hoyer. Is this in lieu of the hall? Go ahead.

Q Does that also argue that you need to do a comprehensive bill and it's not an option to do little piecemeal things?

Mr. Hoyer. You can take an option of doing discrete, separate items. The problem you have is that some of the things that are most popular with the public are eliminating what they see as very harmful insurance company practices -- preexisting conditions, lifetime caps. If you get too sick, we are going to drop you, leading to bankruptcies because of very large expenses.

They want those. I mean every poll reflects they think those are good things to do.

The problem is, if you don't spread the risk, then you inevitably are just going to raise premiums. Because if I tell insurance companies tomorrow -- or we do -- you have got a preexisting condition and you can't eliminate people, but by the way, you don't have any more people that you're ensuring, their risk becomes greater and they are going to raise their premiums.

So the trick is getting the reforms -- strike that -- I want to take back "trick." What a terrible interpretation of what was said. The way to do this is spread the risk by having a large number of people. That is how automobile insurance works, because most of us won't have an accident. If most of us had an accident, the insurance companies would go out of business and wouldn't ensure people, because it would be a losing proposition. The reason they are in business is because they spread the risk. Same thing for all casualty insurance. So that is the problem with doing it discretely. You cannot effect the reforms --

Q So are you saying it's all or nothing?

Mr. Hoyer. No, no. I mean we may not be able to do all. I hope we can do all; a comprehensive piece of legislation that will provide affordable, accessible, quality health care to all Americans. Having said that, if we can't, then, you know me, if you can't do a whole, doing part is also good. There are a number of things I think we can agree on.

[Whereupon, at 11:38 a.m., the press conference was concluded.]