

PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

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Tuesday, May 18, 2010

10:35 a.m.

Mr. Hoyer. Today we are going to do a lot of suspensions. And on Wednesday, Thursday and Friday, we will expect to consider a motion to concur in the Senate amendments to the American Jobs and Closing Tax Loopholes and Preventing Outsourcing Act. And we also expect to take further action on the America COMPETES Act. The America COMPETES Act, endorsed by the National Association of Manufacturers, the Chamber of Commerce and other business groups, is a very positive bill to create jobs and to invest in innovation and research for future growth in the economy.

Unfortunately, the Republicans chose to play political games with that bill, which was a bipartisan bill reported out of committee in a bipartisan way. The original authorization passed with very substantial Republican support, and I expect this bill at some point in time will have substantial Republican support. Let me just point out that, of course, the Republicans, as we all were, were raising the issue of the viewing of pornography by SEC employees. I asked for the facts from OPM on this.

Between 2005 and the present, there were 33 instances of computer misuse involving pornography. Twenty-four visits took place between 2005 and the end of 2008; one employee has been fired, seven employees resigned in lieu of termination; and the remaining 26 employees have received various levels of punishment ranging from suspension without pay to counseling.

Now, I don't know exactly when each of those instances

happened, but obviously there were 33 instances over a 4-year period, and seven employees resigned and one was fired as they should have been.

We continue to see positive economic news as all of you know. GDP, three-quarters of growth, GM went from a \$6 billion loss in the first quarter of 2009 to an 865 million profit in the first quarter of 2010. That is very, very substantial progress. In terms of jobs, we had 573,000 jobs created over the first 4 months. An average of 143,250 per month. It was observed that if we continue at the rate of 573,000 jobs, a third -- I know we usually do quarters, but it has been 4 months -- a third, that we will have created more jobs this year than the Bush Administration net was for 8 years.

Today the House Financial Services Committee -- I may repeat that just so you get the full import of -- I think in a year we will have created more jobs after this recession, assuming we continue along this path and that is an assumption we will have to see. But if it does happen, we will have created more jobs than Bush created net in the 8 years of his presidency. He created about a little over a million jobs, about 11,000 per month.

Today the House Financial Services Committee is holding a hearing on increasing lending to small business. This is a critical issue for small businesses all over the country, getting capital to expand and create jobs. We have been working on this. We think we now have agreement and we expect a markup on that on

Wednesday. And I'm hopeful to have that on the Floor next week.

In addition, House and Senate committees are working on the Promoting Jobs and Preventing Outsourcing Act, which I referenced earlier, close tax loopholes, prevent outsourcing, creates American jobs. As you know on the extenders, by restoring credit flow to small businesses, we extend what was in the Recovery Act of the elimination of fees to the SBA and increase guarantees. Some are 70 and some are 80. We increased those to 90 percent. Also, extend the R&D development and tax credit to encourage jobs here. The Build American Bonds, Recovery Zone Bonds, about 8 or \$9 billion, which are leveraged very substantially to build infrastructure.

In addition, we expect there to be a summer jobs program in there to create a lot of summer jobs throughout the country. And then UI and COBRA will obviously be a major facet of that legislation. In addition to that legislation, we are extending tax relief for middle income families, deductibility for sales tax, property tax and college tuition deductions. Also we want to ensure that [seniors, military families] and those with disabilities have access to their doctors. We are very focused on making sure the sustainable growth rate is a rate which will continue to have doctors participating in those programs that I just referenced. SGR, the doc fix, is the popular name we put to it. It is very, very important for us to deal with that and we intend to deal with it. I just talked to Senator Reid about it

before I came in here.

Lastly, let me talk about the Iran sanctions conference that is pending now. I think it is very important that we pass the Iran sanctions conference report prior to leaving on Memorial Day. We saw today in today's paper a purported step forward by the Ahmadinejad Iranian administration facilitated by President Lula, but they still are contrary to U.N. resolutions, they are not going to be in compliance with U.N. Security Council resolutions. [They have declared they will still enrich up to 20 percent.] We think that is unacceptable. I've talked to Mr. Berman, I've talked to Senator Dodd. I'm hopeful this will move out of conference this week and we will have it on the floor next week. And that is my request to Mr. Berman. Okay. Your turn.

Q Starting off, the Democrats have now pledged to end bailouts. And then last week we saw Fannie and Freddie both come out and say they expect there to be bailouts. In Fannie Mae's words, in the indefinite future. So my question is, when can we expect to see action on Fannie and Freddie? There was pretty swift action in the House on financial regulatory reform concerning Wall Street but the GSEs were left out. The McCain amendment got rejected in the Senate. And I am just wondering when we could expect movement on dealing with them?

Mr. Hoyer. The committee is looking at that. It is going to be considering it. I can't tell you when specifically, but clearly the committee needs to deal with the issue of Fannie and

Freddie and they will be doing it. As you know, I think the Senate Republicans had a resolution or -- I'm not sure exactly what form it took -- suggesting a 6 months review and then reporting back by the administration as to what to do with Fannie and Freddie.

So I agree we need to look at that and figure out how they are going to be viable in the future or if not, what entity will, private sector entity will replace their ability to facilitate home mortgages which obviously, like the private sector, they went too far on and as a result, caused themselves and our economy significant problems?

Q Is it your sense that it will be before or after the elections in your talks with Chairman Frank?

Mr. Hoyer. I don't have a sense of that specifically.

Q Mr. Leader, you spoke about job creation. And everybody knows how huge the economy is an issue in this election year. But the Democrats have already lost Mr. Mollohan, and there are a couple of senators in fights for their lives today. And you probably stand to lose more seats. Is this job creation a little bit too late?

Mr. Hoyer. Well, let me say that if you look at the Bush years, it is a little -- you have got to put this in context. During Bush's last 12 months, we lost 4.392 million jobs, 4,392,000 jobs during the last 12 months of his administration. During the next 12 months, we continued to hemorrhage jobs early,

but reduce almost in straight line until we got into plus this past November. But nevertheless, we lost 3.9 million jobs. We have now created in the first 4 months of this year 573,000 jobs. It is a third, 4 months. That gets you 1.7 million jobs. That is a very substantial growth.

If we continue that, I think the American people are going to see that the economic recovery program that we have pursued is in fact working. Three-quarters of growth, positive growth, stock market that was up has now been traumatized by both oil and Greece.

So that has been a hit on the market. But nevertheless, the market is substantially above what it was when we adopted the Recovery Act. Dow, S&P, you have heard my numbers, NASDAQ. So you have got employment, generally economic growth and stock market up. Are we there? No, we are not. Do we need to do more? Yes, we do. Are we doing more? Yes, we are. And I think the American public will, in November, make a judgment as to whether or not what we have done, which took frankly some courage to do and was criticized, has nevertheless stabilized and started to grow the economy and get us back to where the American public wants us and why they voted for us in 2006 and why they voted for us in 2008.

They handed us the reins in January of 2009 at a very, very tough time. The worst economic downturn in three-quarters of a century. I keep emphasizing that because this was not just a

simple downturn. In the first year of the Bush Administration, 2001, again to give you -- they lost 1.7 million jobs. Now, we lost more than that because we were taking on a really tanking economy as opposed to what they took on -- statistics -- in 2008, again 4.392, last 12 months, lost jobs as opposed to when they took over, they were taking over a previous year of 1.953 million plus jobs.

The American public has a lot of angst. We share that angst. There are a lot of people hurting in America. That is why UI and COBRA continue to be something we support, trying to relieve that pain while we are trying to get back where these folks can get back on the rolls.

Q But you think that anger will take more precedence over the small increments you have made in job creation?

Mr. Hoyer. I don't. I think Americans are pretty smart people and they will make an analysis in November and September and October and November as to what is happening in the economy. If they see this continued success that we have been having, I think they are going to say, well, I was doubtful, but it seems to be working and we will stay the path.

Q I hope you would clear something up. I have mentioned this before, but now there seems to be some movement. There are no statues honoring the two residents deceased, they have to be deceased, in the District of Columbia. Ones again, the District is excluded from the American political -- or for that matter

America because they don't have two representatives. I talked to Congresswoman Norton who said that she is waiting upon the leadership to move a bill that -- and the statues actually have been erected. They are standing in 4th and D, Pierre L'Enfant and Frederick Douglass. There have been some defeats for the district. This would be a way for there to be a victory and to say that D.C. exists in the United States of America.

She said she is waiting on the leadership. I talked to Chairman Brady of the House Administration Committee. He says he is waiting for Congresswoman Norton. What is the hold up? Will this be done or done quickly?

Mr. Hoyer. Mark, I have told you I'm for doing those statues. I think that is appropriate. And I will talk to both Mr. Brady and Ms. Norton about it. I haven't talked to them since you and I talked.

Q Do you think it will be done in this session and could it be done even by suspension? And does it require a hearing? How fast can it actually --

Mr. Hoyer. Mark, let me talk to Chairman Brady, which I have not done and to Ms. Norton which I haven't done since I talked to you and I will have a better answer for you after I talk to them.

Q Mr. Hoyer, Ways and Means tomorrow is holding a hearing on legalizing on-line gaming. Do you support the efforts to regulate the tax on on-line gaming?

Mr. Hoyer. I really haven't gotten into that and I will have

to look at it. I don't know that I knew they were looking at that tomorrow. So I really haven't looked at it that closely. So I'm going to reserve judgment on that. Ed.

Q Did President Karzai's visit last week to Washington make much impact as far as you can tell on House Members about whether they will vote for the supplemental and how many House Democrats do you think will vote against funding the war?

Mr. Hoyer. I'm not going to speculate on the last question, Ed. With respect to the first question, I think Karzai's visit was a positive visit. I think from the administration's standpoint, and we had a positive meeting with -- I don't know about the Senate leadership, but the House leadership, Republican and Democratic bipartisan leadership. Had a meeting with Karzai a positive meeting. I have expressed before my reservations and concerns about the Karzai government and the corruption that clearly is a problem in that country. But I think it was a positive visit that the President had, President Karzai had.

I don't think it affected anybody's vote on the war funding, I would doubt that. But I'm not going to speculate on numbers. Dave.

Q Mr. Leader, in the weeks we have had now, these hearings on the BP oil spill, the focus and the concern has really grown over the lack of a plan by these companies in case of something like this, and worse, the inability or whatever of our agent MMS, the Mineral -- correct me if I'm wrong, guys -- the Mineral

Management Service to force them to have a plan, to have any kind of a backup. And there is concerns they are too cozy with each other. Is it time to break up this agency or revamp the rules or something like that?

Mr. Hoyer. The President has suggested, and others have suggested, and I think we discussed last week that I had indicated that I was supportive of having two separate divisions or 2 separate agencies, if they want to split -- I think they could do it in one agency without creating a new bureaucracy. Clearly there needs to be a separation between the revenue side, those people in the MMS that are concerned about the revenues being paid, the taxes being paid on the barrels and the production being accurately reported and all the things that go into checking on the revenue and also another division whose sole responsibility is looking at the oil companies' compliance with existing regulations and application of safety precautions to preclude this happening. Clearly some of the things that have come out are very troubling, the dead battery, particularly egregious I think. And you would think that would be checked every 12 hours or something to make sure you have got a working, functioning fail-safe mechanism.

So I think the answer to your question is I think it is very appropriate. I think whenever something like this happens, you focus very carefully on why it happened, what can we do to prohibit it from happening again, making sure that plans are in place. Let me say that I think the administration has made every

resource of the Federal Government available to those on site working on this problem. I think the administration has responded very forcefully to this issue.

Unfortunately, BP has been unable to staunch the flow of oil, although they are now siphoning off some of the oil. But this is a matter of very, very great concern that we have got to come to grips with both in terms of the public's oversight through the Federal Government and through requiring the oil companies to be much more diligent than apparently is the case. We don't know exactly what the case is. We are going to have a lot of hearings that are already going on that are going to continue to go on to see what happened, why it happened, how it happened and how we can preclude it from happening again.

Q Why is it taking them so long to get the MMS up here. I hear they may this week, finally. What is taking so long?

Mr. Hoyer. Well, I think for one thing, you want to give them a little bit of time to find out what happened. This is now, what, 2 1/2 weeks?

Q A month.

Mr. Hoyer. Is it a month?

Q April 20th.

Mr. Hoyer. A little short of a month. Getting them up there the next day or the next week, they may not have a handle on it and just speculate. But clearly, I think the committees are very energized, very focused and I believe and hope and urge and going

to follow through on making sure that we have a robust response which is adequate to the challenge of producing energy, but doing so in a way that is safe for individuals and for our environment. This could be a devastating loss to the people of the Gulf Coast. Devastating.

Q Senator Lieberman has indicated that he doesn't think the government was prepared for a disaster of this magnitude. Do you think that the government was prepared and regulatory bodies were prepared for a disaster of this magnitude?

Mr. Hoyer. I don't know the answer to that question, which is what we are going to try to find out. I mean, Senator Lieberman indicates he thinks we weren't prepared. I think probably one could speculate or one could draw the inference that we weren't in terms of Federal Government. But really the people that need to be prepared is BP. BP is the one that is drilling. BP is the one that is responsible. BP should have been the one that was prepared. And they clearly believe that a disaster of this magnitude was not possible. They were wrong.

Q Shouldn't an agency have been ready to be on them, to make them prepared? There is evidence that they didn't push them? They allowed work plans that just didn't add up.

Mr. Hoyer. I think that is accurate. I think you're right. I think you're right. That is why the head of the MMS is retiring. I mean, there is accountability. And I think that there was a sense that they weren't on top of this. And the head

of the agency is, I think, forthwith anyway. She is going. [\* To clarify, Mr. Hoyer was speaking about Chris Oynes, Associate Director for Offshore Energy and Minerals Management (or the head of the department overseeing federal oil leases). He made a mistake in referring to the position as the "head of MMS" and later in using an incorrect gender pronoun. He was not speaking about the Director of MMS Liz Birnbaum.]

Q What do you think the special election to fill John Murtha's seat says about Democrats' chances in November since it is so close and heavily Democratic seat? First of all, why is it so close?

Mr. Hoyer. I don't know that it is a heavily Democratic seat.

Q Murtha won handily, even though he was in trouble in the last election.

Mr. Hoyer. I don't think you can extrapolate from that, that therefore it is a heavily Democratic district. Murtha was very strong in the district. There is no doubt about it. I'm trying to think of a good example of somebody who wins -- Jim Matheson. Jim Matheson got 62 percent of the vote in his district. Would you call that a heavily Democratic district?

Q But do you think that the election says -- can you explain then why it is so close? The polls have them neck and neck right now. And do you think it says anything about the Democrats' chance in November in keeping the House?

Mr. Hoyer. This is episodic. We go from special election to special election. We won the Tauscher seat pretty handily. Health care was an issue. We won a seat we hadn't won in 150 years just some months ago in New York. Did that mean the Democrats were going to sweep? Apparently not because shortly thereafter, we lost the Massachusetts Senate race. There were a lot of reasons we lost the Massachusetts Senate race. It is kind of tough to say we lost because they didn't like the health care plan in light of the fact that they overwhelmingly like the health care plan they have in Massachusetts, which is very similar to the Federal plan that we adopted.

I think Americans are very concerned about the economic condition in which they find themselves. I think they are very concerned about spending and they want to be safe from terrorists. I think we need to focus on all of those issues. I think we are focused on all those issues. I think that it is a very close race in Pennsylvania. I think Mark Critz is going to win that race. I just talked to him less than a half hour ago before I came in here. And he is working hard, a number of the polls have him up. I talked to Ed Rendell 10 days ago at the White House Correspondent's Dinner. He said he was pretty confident that Critz was going to win.

If he wins, will that mean the Democrats are going to sweep? I don't think so. These special elections are what they are. Mr. Mollohan, for instance, has been here a long time. There were

a number of issues in that campaign and I think we are going to win that district. The Democrats are going to win -- I think the State Senator will win.

Q A question concerning Mark Souder real quickly. Republicans are somewhat distinguishing the way they handled the situation when they divulged that he was having an affair with a staffer. They asked him to resign immediately which he is doing right now, distinguishing themselves from the way leadership has sometimes handled similar situations recently. Can you talk about it?

Mr. Hoyer. What do you mean sometimes?

Q Massa.

Mr. Hoyer. We handled Massa. As soon as I found out about Massa, I said you need to go to the Ethics Committee. If you don't, I will do it within 48 hours. He went and 3 weeks later he was gone. Now, he didn't admit -- apparently Souder admits and Souder himself made a determination. I don't question his determination. He thought that was appropriate, that that was what he ought to do. But they are trying to turn a sow's ear into a silk purse. I don't think that is appropriate. They were two different situations, entirely different. I don't know anything about the Souder matter other than he has indicated he is going to resign. I don't have any comment on it.

Mr. Souder made a determination and he believed that was in the best interest of himself and his family and whatever reasons.

That is fine. But the two situations I don't think are analogous and what they would very much like to forget is that from the late 1990s to 2006, they knew about Mr. Foley and they did nothing. And they surely would like the American public to forget that. I don't blame them. In terms of Massa, Massa was gone 3 weeks after I learned about it.

[Whereupon, at 11:04 a.m., the press conference was concluded.]