

PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

Tuesday, June 15, 2010

10:35 a.m.

Mr. Hoyer. Hello. How is everybody today?

Well, as you know, we were going to go in at 10 a.m. We are out now because the former Members are meeting. We will go back in at 11:30. We will consider several bills under suspension. Then we will begin consideration of the Small Business Lending Fund Act of 2010. I will speak a little bit about that. There are 17 amendments. Last votes will be around 5 to 6 o'clock.

Wednesday, we will meet at 10. We will finish consideration of the lending bill and then we will possibly go to the DISCLOSE Act, if it is ready to go. There are two other items pending, which are, obviously, subject to moving if in fact they are ready to go, and that is the supplemental and the extenders.

With respect to the -- is this a very important press conference I am having today, or pen and pad? We are having the esteemed leader here. Is the baseball game coming up? There has to be something, some big deal here. In any event, welcome.

Small Business Lending Fund Act, Democrats continue to focus on jobs. As all of you know, jobs is our number one priority; jobs, fiscal responsibility, and national security are the three issues which we believe we need to focus on very, very heavily.

This bill seeks to increase capital for small business lending. It gives incentives, as you know, for small business lending. It is also accompanied by the Small Business Jobs Tax

Relief Act, which is both a funding measure and reiterates various small business incentives, 100 percent exclusion of small business capital gains, small business penalty relief, and increased reductions for startup expenditures, which my colleague Frank Kratovil was responsible for getting into the bill. All of these are designed to get more money in the hands of small businesses to expand and create jobs.

All over the country, every Member hears from the small business community, we are having great difficulty getting capital. Normally we could get loans and it would be a telephone call. Now, not only is it not a telephone call, it is a long procedure and the end is not always successful.

This is a top priority for the President, the bills on previous actions we have taken. The HIRE Act, as all of you know, was signed by the President, which gave payroll tax exemption and small business expensing continuation, all designed to try to create more jobs. And in fact, of course, during the first 5 months of the year, every month has had positive job growth. We are now at over 1 million jobs created in the first 5 months of the year. That is as many jobs as were created net during the Bush Administration. So, in 5 months, obviously Bush had some years in the 2 millions, but net, of course, it was about 1 million, and of that net, almost all of them were public sector jobs, net.

So I hope that the Republicans will come together and support

this legislation, because they are not Republican small businessmen or Democratic small businessmen who are unable to get capital. All small businesses are struggling to get capital, and if they get capital, they will grow jobs.

All of us are focused almost minute by minute on this terrible tragedy that has occurred in the Gulf with the BP oil spill. There has been some criticism of the number of hearings. Mr. Boehner observed that, doing what Congress does best, hearings. Now, if he were Woodrow Wilson, I would say he is talking not in ironic terms but in real terms.

In fact, it is what the Congress does best; investigating why this happened, what needs to be done, who needs to be held accountable, and how can we change things so going forward we won't have reoccurrences, and what can we do now to ameliorate the terrible, terrible consequences of this leak to the environment, to fish and fowl, to individuals on the shoreline and in so many different businesses that rely on either tourism or fishing in the Gulf.

So it is appropriate that we are having these investigations, which I think -- investigatory hearings, which I think in fact have certainly made more information available to the American people, in which congressional pressure has made the films be released of the oil spewing forth, which is just wrenching for everybody to watch. It just looks like such a cascade of pollution flowing into those waters.

We have had a total, by the end of the week, of 17 hearings. The Subcommittee on Energy and the Environment today is looking at America's energy future, safety, security and clean energy, all of which are critical problems if we are going to move forward to utilize those resources that we are going to need.

The Subcommittee on Insular Affairs is having a hearing with the Fish and Wildlife Service, obviously on how we can ameliorate to the extent possible the damage to fish and fowl.

Tomorrow, the Subcommittee on Health will have a hearing on actions to identify health effects of the BP oil spill. All this is being looked at by the administration, but also needs to be looked at and given airing for the American people. These will all be available to the American people.

June 17th, the Subcommittee on Oversight and Investigations on the role of BP in the Deep Water Horizon explosion and oil spill. Clearly we read now repeatedly, daily, of mistakes that were made, oversights that occurred. And today, in today's paper, of course, we see that apparently decisions were made that, notwithstanding warning signals, that they were going to go ahead anyway with the construction, even though they weren't sure that the concrete had been laid properly and that the consequences of not doing so might lead to the very thing that did in fact happen.

Also on the 17th, there will be a hearing regarding Minerals Management Service regulations doing the job. In the last administration, of course, it came out of a culture of regulatory

neglect, where the articulated belief was that regulators impeded growth and expansion of the economy. In effect, regulators got in the way and therefore regulators ought not to get in the way.

We saw that in the banking crisis that confronted us, and we now see this in BP. Nobody is without a certain amount of blame in this, and certainly we need to make sure that going forward MMS does in fact do its job.

I think it is absolutely appropriate that the administration took the action to separate out the revenue component, where there is an incentive to make sure that more oil is drilled so we get from a per-barrel drilling, the Federal Government gets a fee. The problem with that is if that is all you are focused on, you are not focused on the safety factor or the regulatory end. You are just focused on the revenue factor.

The separation of these two, and I am sensitive to that because when I first came to the Appropriations Committee, Alcohol, Tobacco and Firearms was under the jurisdiction of the subcommittee on which I served, and obviously they have a revenue side of them and they also have a regulatory side, and they are divided, and they properly ought to be.

I expect to hear the President's full update to the American public. We are going to get a full update tonight. We also have passed legislation, we voted to ensure continued Federal response by making funds last week available in the Oil Liability Trust Fund for the Coast Guard.

We passed the American Jobs and Prevention Outsourcing Act of the House that raised from 8 to 34 cents per gallon the cap on monies going into the claims act, the liability act, which we think is appropriate. Obviously, this incident is going to be very expensive. We hope to preclude any future events, but we ought to be ready for them.

We are going to consider the 2010 supplemental funding bill with additional resources to address the spill, and additional legislation is going to raise that \$75 million cap, maybe to \$10 billion. There has been some Republican resistance to that in the Senate, but I am hopeful that we can see movement on that and passage of that bill.

The "drill, baby, drill" mantra that we have seen for the last 4 years, we need to use our domestic resources. No one doubts that. But we need to do so safely. We introduced a bill, as you recall, which was called the "Drill Bill," drill responsibly in currently leased lands. I don't think the sea was in there, but in leased lands.

The point we made was, and I have to get the exact figure, but it is 60 to 70 million acres currently under lease, and about drilling there, rather than simply pursuing in a helter-skelter way and in a way focused on profit, as opposed to safety, which may will have occurred here, is the appropriate way to proceed. I think those who were simply using a three-word bumper strip created a culture where the only objective was to drill and get

more oil. We need to do that, but we need to do so in a way that does not cause the extraordinary consequences that we now see because of irresponsible pursuing of that concept.

Let me stop with that.

I am just handed a note, I don't know whether you heard this, General Petraeus collapsed during testimony in the Senate Armed Services Committee. He was walked out of the room and the hearing is recessed.

I certainly hope that he is fine. General Petraeus is one of our most respected military leaders, and I am not sure whether he just felt faint -- I don't know anything other than what I have just been told. But I wanted to comment on it, because I think General Petraeus is a great asset to our country and a great asset to the Armed Forces. I have had the opportunity to meet with him down at MacDill Air Force Base in Tampa some month ago or 6 weeks ago for an hour-and-a-half, and I certainly hope he is all right. I don't know more than that.

Q One-and-a-half questions, if I may. First to clarify --

Mr. Hoyer. I will give one-and-a-quarter answers.

Q First to clarify only the timing of the small business bill, is that today and tomorrow, or just today?

Mr. Hoyer. It is probably today and tomorrow. There are 17 or 18 amendments. What did I say, 17 amendments I think I said, and so -- 17 amendments, yes.

Q That was the half question.

Mr. Hoyer. That was the half question, though I gave a full answer to that. So I only will give a half answer to the next one. Who is the accountant here?

Q You mentioned only Sunday that you had asked the administration about whether there was money available unobligated to use as a possible offset for George Miller's teacher jobs bill. I was wondering, A, if they had gotten back to you and how you feel about that?

Mr. Hoyer. Thank you. I really didn't ask the administration on that. The administration wasn't in the room on Thursday when we had a meeting, at which point in time I raised the issue of we have passed a bill which is now scored at about \$850 billion for recovery and reinvestment. I think that bill was appropriate to pass. I think it has made a very big difference. CBO has said we are talking 3 million jobs either retained or created under that legislation. I think it is very, very helpful.

I think that the items in that bill, some were short-term. Obviously the tax cuts were essentially immediate to 95, 96, 97 percent of the American public, and that was about a third of the bill, as you know, about \$300 billion.

What I suggested in the meeting was that there were other items in the bill which were longer term, and that the current crisis of States being faced with the possibility of laying off some 300,000 teachers around the country was not then contemplated

and that might be perceived as a greater immediate priority right now, and that therefore I urged us, it wasn't so much to the administration, I urged us to look at the recovery and reinvestment dollars that were still on the table, unobligated, that may not be as high a priority -- they may be good objectives, job-creating objectives, stimulus creating objectives, but may not be as immediate as the immediate need to preclude 300,000 teachers being laid off. That was my suggestion, and I still think that that is a worthwhile focus.

Q In terms of the proposal to have a moratorium on offshore oil drilling, is there a concern now --

Mr. Hoyer. You mean on the 500 hundred -- right.

Q Isn't there a --

Mr. Hoyer. 500 feet and deeper.

Q Yes. Isn't there a concern about loss of jobs and going into the summer right now and gasoline prices are going to be heading up through the roof?

Mr. Hoyer. Of course, we are talking about within 500 feet there is not a moratorium. In other words, if you are shallower than 500 feet, there is not a moratorium.

Q You don't think that is going to create a loss of jobs?

Mr. Hoyer. Now, deeper than that, I think the problem we have is that clearly the technology of being able to drill has not been kept up with on the technology of working at that depth. That is what we see. That is why we are now -- this happened on

the 20th of April, and we are now 2 months later and this is still spewing forth oil. We have slowed it a little bit.

But I think we are all concerned about the loss of jobs. The majority of wells, of course, are not deep water wells, as you know. I don't know the number of jobs, but clearly I think the administration has made a prudent judgment to make sure that we in fact have a full knowledge of why this happened; a way to make us much more confident that it won't happen again; that if it was simply negligence but the technology was appropriate and can work if properly maintained, and in this case Halliburton may not have properly installed the concrete sleeve and the blowout protection therefore failed, I think the administration is prudent, given the consequences, the financial consequences, the job consequence, the environmental consequence, the fish and fowl, the consequence to fish and fowl, tourism, those economic consequences are extraordinarily great and therefore I think their prudence is justified.

Q Mr. Leader, we have heard a lot of talk over the past few months really about whether or not you are going to do a budget. I have been hearing the past few days we may do a budget and it may somehow be connected to how we handle the supplemental. Can you sort of discuss the state of play and what that scenario might be?

Mr. Hoyer. Well, as you all know, because I have said it repeatedly, I believe we need to pass a budget, or a budget

enforcement resolution, a document which says this is the parameter in which we are going to work. I think that is appropriate for us to do, and Mr. Spratt, as we speak, is working on that.

We talked about it last week. We continue to talk about it. I talked about it with Members over the weekend, I talked to them about it yesterday, and we are trying to pursue something that we can get the votes for which will put the parameters in which the appropriations process will move forward.

The budget per se, as you know, is not signed by the President. It is not law. So the budget per se, a lot is being made of the budget. I think it is important, I think we ought to adopt a budget, but, of course, the Republicans haven't adopted a budget in most of the election years that they were in charge, '02, '04 and '06.

Q But is there a way to possibly try to Velcro that in some way so the supp is not as big because the budget takes some of the hit, or vice versa? Is there some way to marry those issues?

Mr. Hoyer. The answer to that is I don't think so. If you mean by marrying -- the budget doesn't spend money. The budget puts forth, you know, either a plan -- you have an expansion budget, the budget from an appropriations standpoint, the budget makes a lot of observations about how money might be spent. But what the budget really does is it sets a 302(a) number, that is

what it really does, and within that number, it could have reconciliation in it as well, which is very consequential, as we saw last year, or earlier this year.

The budget, however, in setting the number, the 302(a) number, says, look, we are going to constrain our spending. We have a plan to constrain our spending. I think that needs to be done. I think we will do that.

The supplemental, of course, is making proposals to spend money on objects that we believe are necessary that were not contemplated in the budget or the appropriation bills that were passed last year. The war is the biggest, Afghanistan and Pakistan.

Q Mr. Leader, you mentioned the war. There have been a lot of stories lately about the deteriorating situation in Afghanistan, concern that the President might not be able to meet his goal of withdrawing troops by whatever date is set. Do you hear more concern expressed by Members about that situation now and in Iraq as well?

Mr. Hoyer. I think that there is significant concern about Afghanistan. I think we all share that concern. I think that clearly the President enjoyed broad bipartisan support of the plan that he proposed in dealing with the counterinsurgency and to stabilizing Afghanistan and to then having a plan to phase out our involvement and turn that responsibility over to the Afghan Government and Afghan people.

Clearly, as is usually the case, it hasn't gone as smoothly as I think we would have liked or as was contemplated. We just now heard that in Kandahar that things are not going to get resolved as quickly as one would have hoped.

My own view is that we need to look very carefully at Afghanistan. I have said this in the past. Afghanistan has posed a huge challenge to powers through the millennia, without much success, and I think we need to look at it in that context.

I think my own view is I am supporting the President's request for the dollars currently available. I think the President's plan has had, relatively speaking, very significant success relative to the Bush Administration, not only in Afghanistan, but in Pakistan. We are taking out a lot more al Qaeda and other terrorist leaders. We are confronting the Taliban. The Taliban is now on the defensive, as opposed to the last years of the Bush Administration where the Taliban was resurging.

Al Qaeda was not being dealt with as effectively, either by the Pakistanis or by ourselves. That has changed very dramatically in the last 18 months. The use of drones is very substantially up. The elimination of terrorists is very substantially up. So I think we are having success, significant success, and I think that is the good news.

But that ought not -- I was looking forward to what Petraeus' observations are on this, and I hope that we get those relatively

soon. I think most of us have a great deal of respect for his military acumen, so I want to hear that.

But I think that your question, do you hear increasing discussion of it, I think the answer to that is yes.

Ed?

Q Despite your suggestion that the teachers money be paid for out of unspent stimulus money, this --

Mr. Hoyer. I just want to clarify, because I made this comment, I said we ought to look towards that. Mr. Obey and others are looking at a lot of different areas, not just the Recovery Act, but other areas as well. And my suggestion was that was one area that we ought to look to.

Q Frankly the reaction so far in Congress has gone over like a lead balloon, the President's suggestion --

Mr. Hoyer. You mean the \$50 billion, unpaid for.

Q Yes, unpaid for. Is this a turning point in the Democrats' approach towards the recession, towards unemployment? People don't want to pay for this? People don't want to spend this money if it is not paid for. Is this finally the --

Mr. Hoyer. Well, one of the reasons, Ed, the Recovery and Reinvestment Act was to accomplish two principal objectives. One was to respond to the immediate challenge of an economy that was in a deep ditch; the second was to invest in growing the economy. First, you have got to stop the hemorrhaging, stop the bleeding, and then you have got to rehabilitate the wound and get the wound

cured. That is probably a bad analogy, but you get what I mean.

The only suggestion I made was, look, at the time we considered it in February of last year, nobody was saying there were going to be 300,000 teachers because of continuing lack of revenue at the State level that might be laid off. That, it seems to me, has been concluded by the administration, and I think most Members I talk to, is a priority item. Now, there are some Members, frankly, who say well, that is a problem for the States. The problem is you lay off 300,000 teachers, that is a problem for the economy, not just the States.

So all I have suggested is I don't know that it is a turning point, that we look to see whether or not, given the new information, the new challenge we have, whether some of that \$850 billion is still on the table. We are talking about \$24 billion on teachers, about \$24 billion FMAP, that we look to those sums to see if there are sums there available for use on a matter that has now presented itself as a more pressing priority in the short term.

Q Do you think the votes are in the House to do that, even if it is unpaid for?

Mr. Hoyer. We will find out, Ed. What I am saying is look at that money. If that money is available --

Q I am saying in general. Not your specific idea, but in general.

Mr. Hoyer. It would be paid for, under those circumstances.

In other words, if you could look to find recovery money or money from someplace else, it would be paid for.

Q But that money wasn't paid for.

Mr. Hoyer. It would be paid for -- you are right. It would be paid for to the extent you would not be borrowing new money.

Q You already borrowed it.

Mr. Hoyer. You did. But here is my point: You borrowed it, you put it on the table. Let's find out how much of that money is still on the table for a now item that presents itself as a priority item. That was my point.

[Whereupon, at 11:05 a.m., the press conference was concluded.]