

NATIONAL PRESS CLUB LUNCHEON WITH REP. CHRIS VAN HOLLEN & REP.
THOMAS M. DAVIS III

SUBJECT:

MODERATOR: SYLVIA SMITH, PRESIDENT, NATIONAL PRESS CLUB

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SYLVIA SMITH: Good afternoon. My name is Sylvia Smith. I'm the
Washington editor of the *Ft. Wayne Journal Gazette* and President of the National
Press Club. We're the world's leading professional organization for journalists.
And on behalf of our 3,500 members worldwide, I'd like to welcome our guests
and our speakers today to our luncheon.

I'd also like to welcome those of you who are watching on C-SPAN or
listening on XM satellite radio. We're celebrating our 100th anniversary this year,
and we have rededicated ourselves to a commitment to the future of journalism
through informative programming, journalism education and fostering a free press
worldwide. For more information about the Press Club, or to blog about today's
event, please visit our website at www.press.org.

We're looking forward to today's speech, and afterward I'll ask as many
questions from the audience as time permits. Please hold your applause during the
speech so we have as much time as possible for questions. I'd like to explain that
if you do hear applause, it may be from guests of, and members, of the general
public who attend our luncheons, not necessarily from the working press.

I'd now like to introduce our head table guests and ask them to stand
briefly when their names are called. From your right, Mike Soraghan from The

Hill; Zack Coile of the *San Francisco Chronicle*; Katherine Skiba, senior writer with *U.S. News and World Report*; Jonathan Salant of Bloomberg; Katherine Van Hollen, who's wife of Chairman Van Hollen; Greg Giroux of *Congressional Quarterly*.

And we'll skip over one of our speakers for the moment. Melissa Charbonneau, Vice Chairwoman of the Speaker's Committee. And we'll skip over another of our speakers. Jonathan Allen of *Congressional Quarterly*, and a member of the Speaker's Committee who organized today's event (thank you so much, Jonathan); Karen Hanretty, Communications Director of the NRCC; Jennifer Dlouhy of Hearst Newspapers; Lisa Mascaro of the *Las Vegas Sun* and Sean Reilly of the *Mobile Press-Register* and Newhouse News Service. Thank you all for coming. (Applause.)

Less than a month before Election Day, the national political dynamics are bright for the House Democrats and bleak for House Republicans. President Bush remains tremendously unpopular. Democrats have been energized by Obama's candidacy. The troop losses and expense of the Iraq War are troubling to many voters, and the domestic economy is in decline. Experts predict that Democrats will expand their majority in the House, and are currently estimating that they will pick up between one dozen and two dozen seats. In either case, Speaker Nancy Pelosi would have a significantly larger caucus than Republicans ever did in their 12 year run as stewards of the chamber.

Republicans have long viewed this year's House elections as a battle to limit their losses. In a memo to his colleagues earlier this year, one of today's guests, former National Republican Congressional Committee Chairman, Tom Davis, described it this way. "The political atmosphere facing House Republicans this November is the worst since Watergate, and is far more toxic than the fall of 2006 when we lost 30 seats and our majority, and came within a couple of percentage points of losing another 15 seats." Davis, who helped expand Republican's majority, as head of the NRCC in 2002, is widely respected as one of his party's top strategists, both on the legislative and electoral playing fields.

He made the short trip from Virginia's Fairfax-based 11th district to join us today to join the state of House races. Davis was first elected to Congress in 1994 and has seen his last congressional race in the previous cycle. He's not seeking reelection this year. In fact, his seat is one that most analysts predict Democrats will win in November. We expect to hear from him why that seat and others that are in play this year may stay in the Republican column.

He is joined by Democratic Congressional Campaign Committee Chairman, Chris Van Hollen, who also made a short trip from suburban Maryland's 8th district to be with us today. In addition to recruiting candidates,

raising money and plotting strategy, Van Hollen's task this election cycle has been to bring cold-eyed reality to a Democratic caucus that has high expectations for enjoying a commanding House majority come January. Democrats already have picked up three seats from Republicans during the current Congress, winning two special elections in conservative districts in Mississippi and Louisiana, as well as a special election to succeed House speaker, Dennis Hastert, who retired. Since those victories, many of them have been counting seats they have yet to win.

Van Hollen was elected to the House in 2002, upsetting a member of the Kennedy political dynasty in a heated primary, and then toppling long-time Republican Congresswoman Connie Morella, in the general election. To win both, he had to see paths to victory, raise tremendous amounts of campaign cash and execute superior game plans, talents essential to success at the helm of a party committee. We're pleased that Congressman Davis and Van Hollen are here with us today to give us their insights into this most interesting election season.

We used bipartisan consensus to decide who speaks first today. So, please help me welcome to the podium first Congressman Van Hollen, and then Congressman Tom Davis. (Applause.)

REPRESENTATIVE CHRIS VAN HOLLEN: Well thank you, Sylvia. It's great to be here at the National Press Club today, and thank all of you for joining us. I'm very pleased that I could be joined by my wife, Katherine. I was just saying the other day that these two years as Chairman of the Democratic Congressional Campaign Committee had just whizzed by very quickly. And Katherine said that she didn't quite see it that way from her perspective.

I'm also very pleased to be here with my friend and colleague, Tom Davis. I'm going to miss comparing political notes with Tom. As a member of the Washington, D.C. delegation, we're also going to miss his tremendous leadership. I am grateful, however, that he has helped provide an open seat where we can have an opportunity. And I'm also glad that many of his colleagues did not heed his warnings in time in this upcoming election. And to thank all of you for taking a little bit of time out of a very heated and historic presidential election to focus on the congressional races. I believe that Barack Obama is poised to make history in this election, and the congressional Democrats are poised to beat history in this election.

And what do I mean by that? Well, you heard talk during the introductions about how Republicans are now in the position of trying to limit their losses. It wasn't always that way. And if you look historically, a party that wins a lot of seats in a wave election tends to then lose seats in the following election. In other words, a big wave comes in, and then the wave recedes a little bit. And as you

well know, the Democrats picked up 30 seats in the House of Representatives in 2006; and historically, you would, therefore, expect us to lose some this time around.

In fact, I remember when I first took this job, one of the first days on the job, a lot of people called me to say I was absolutely crazy to take on this position because if you look at that historical record, you would have expected the Democrats would have to spend most of their time in this election protecting the gains we made in the last election. Many people thought we'd have to circle our wagons, batten down the hatches and just hold onto the gains we made in 2006. So from our perspective, the big story in this election is that we didn't stay on defense, that we helped put our incumbent members in a strong position, and really allowed ourselves to remain on offense as we go forward in this election.

We are now, I think, poised to beat that historical pattern, and we will, I am confident to say, pick up seats in this next election. How many, I think, is still unknown. But we have, as was said by Sylvia, and thank you for your leadership here at the Press Club, we had picked up three special election seats in very difficult political territory. We won the Illinois seat held by the former Republican Speaker of the House, and we won seats in Louisiana and Mississippi that George Bush carried in the presidential elections by 60 percent, and 61 percent respectively. So, we've already beaten that historical pattern if we can hold onto those seats this November.

And I think there are really three main reasons why, and I just want to go over those reasons. First, change. Our Republican colleagues wish that the American people had a case of collective amnesia on this issue. But the fact of the matter is, the Republicans have had a monopoly on power in Washington for six of the last eight years. And, of course, they've had the White House and the veto pen for eight of the eight years. And they have become the party of the status quo in this election.

Second, more Americans are feeling the brunt of Bush economic policies in these difficult days. And the Republicans, I think, appear, and John McCain appears, to be very much out of touch with the economic stresses the American people are feeling.

And third, we did work very quickly after the last election to try and field terrific candidates and provide them with unprecedented resources and innovative strategies that were put in place early in those special elections.

So let me just dive into these three points in a little more detail. The American people have been paying attention, and in 2006, they said in what was a clear referendum on the Bush presidency and on the Republican Congress, that

they'd simply had enough. In 2006, as you all recall, not a single Democratic member of Congress lost, and 30 Republicans lost their seats and the Democrats, of course, claimed the majority in the Congress.

Now, Americans are understandably frustrated that things haven't changed more quickly on more fronts. But, the Democrats in Congress share that frustration. We share that sense that things haven't turned around more than we would like. However, the American people also understand another thing, and this is seen in all the public opinion polls. They still see the Democrats, understandably so, as the party that is fighting for change across a whole range of important areas, and they still see the Bush White House and Republicans in Congress as defending the status quo.

First, they've seen some of the changes that the Democrats were successful in making. You will recall in the last election, there was a lot of focus on the fact that the old Congress had become the Jack Abramoff Congress. It was the Congress of Duke Cunningham and pay to play. And in fact, they had at the very highest levels turned the House of Representatives from the People's House into an auction house that was up to the highest special interest bidders.

The new Congress, under the leadership of Speaker Nancy Pelosi, on day one, changed rules to strengthen the ethics rules and went on to pass a legislation that even cynical watch dog groups that are out there to protect the public interest, even those groups said was a "landmark piece of lobbying of reform legislation." The Democrats also went on to fulfill what we called our 6 for '06 pledge. I remember being here about this time two cycles ago talking our 6 for '06 pledges, and we followed through; to reduce our dependence on foreign oil, we boosted fuel efficiency standards for new cars. To make college more affordable, we cut in half the interest rate on federal student loans and took other measures. We enacted the 9/11 Commission recommendations and for the first time in ten years, we increased the minimum wage in this country.

We made record new investments in veterans' health care, and we passed a GI Bill of Rights to provide veterans returning from Afghanistan and Iraq with a free college education. Those are solid accomplishments, and those are accomplishments that would not have happened if you did not have a new Democratic Congress.

At the same time, we have been blocked in many of our other efforts and initiatives. And I think the American people looking in at these debates have seen that the Republican Party, with the President at the top, has become the party of no, veto and the status quo. No to a lot of the new ideas we've presented, vetoing important measures that we send to the White House, and protecting the status quo. With respect to Iraq, they have continued to block our efforts for a

responsible redeployment of our forces, even though that war is now costing the American people, in addition to the terrible loss of lives, \$10 billion a month, at a time the Iraqis have \$7 billion in surpluses.

They also blocked our efforts on children's health care, to expand it to cover ten million children which would have cost the same as four months in Iraq. And there are other measures that they have opposed, which I think the more people learn in this environment, they will be surprised. For example, they opposed the shareholder vote on executive compensation. We said shareholders, which should have some say over these big bonus packages for CEOs, who seem to think that when times are doing well, they should get bonuses, and when they're not performing they should get bonuses. That was opposed by the President and by a majority of Republicans. They opposed legislation to end credit card abuse. Again, the President said he was opposed to it, as were a majority of Republicans. And so I think the people see through their actions that they continue to support the status quo and resist change.

That brings me to the second reason I think people are going to look for a change, even more so today than even a month ago. And that is obviously the state of the economy and the consequences of the Bush economic policy, and the fact that both the President and John McCain have said for all to hear that the fundamentals of the American economy are strong. That simply lets people know how out of touch they are. And the fact of the matter is, you have Republican congressional candidates around the country who voted in lockstep with that Bush economic agenda. You also have, of course, the former chief advisor, economic advisor to John McCain, Phil Graham, one of the architects of deregulation, saying that we've become a nation of whiners, and really this economic pain is all in our heads.

So, it's going to be very difficult for Republican members of Congress to run away from their records of voting for a Bush tax policy that benefited the very wealthiest in this country at the expense of the middle class. It's going to be difficult for them to run away from their support for the privatization of Social Security at a time when people can see just how bad the consequences of that would have been on their retirement security. And at a time when you have 759,000 jobs loss in the economy since January, they have not followed through with our call for extended unemployment insurance and continue to oppose, the President continues to oppose, the plan the Democrats have put forward, not just to try and stop the freefall of our economy, but to try and put America back to work with an economic recovery package. It was lost in a lot of the shuffle at the end of the last Congress, but the Democrats in the House passed a \$60 billion package to try and invest more in our roads and bridges, in our transit systems, in our environmental infrastructure, and the energy infrastructure of this country, to try and get America back to work.

And this is an area we are continuing to focus on. The Speaker has invited a number of economists to the capital on Monday, and we're going to be hearing from them as to whether or not this is something we should be moving forward on immediately. But we think this is an important step in our economic policy.

Finally, and I will end with this, the third reason I think we're in a position now to beat history is because from day one, we at the DCCC went out and recruited and fielded some of the best candidates we've ever seen. We've provided them with an unprecedented level of resources, we've made some very important organizational changes to bring our research department in house. We have more than tripled our field operation over last time; in fact, much more than that, and started it much earlier. I'm a big believer in grass roots field operations. We need to make sure that when voters go into the booth, they don't only vote for Barack Obama, but they go down that ballot and also support that Democratic congressional candidate. And to do that, you need to start early to cut through the clutter, because you're seeing, obviously, lots of advertising and clutter in the presidential race. You need to move early to try and get to those voters on a one-on-one basis. We have a terrific team at the Democratic Congressional Campaign Committee, a great staff. I salute all of them.

So for those reasons, good preparation, the state of the economy, and the fact that the Republicans continue to be a party protecting the status quo, I think that we are in a position to beat that historical curse and pick up a significant number of seats in this coming election. Thanks for being here today. (Applause)

REPRESENTATIVE TOM DAVIS III: Well, thank you. First of all, it's always good to appear with my good friend, Chris Van Hollen. We may disagree on national politics, but when it comes to the Washington region, I think we have worked very, very hard together to bring a number of changes that I think have benefited the region as a whole. And I greatly respect his intellect and political skills and integrity.

This town right now is a very poisonous town. It's right before an election, the Republicans and the Democrats are just going at each other. The closing days, you saw the House and the Senate going at each other. You've got the executive branch and the legislative branch with their tensions. This time of year, in fact, in this region, and I think Chris would agree with me, there's only one thing that brings this town together, and that's the Washington Redskins. And I just had to mention that, they got a big game Sunday. But I was out at their opener this year, and for the record, I bought my own tickets, so I was way up in the nosebleed section.

But I focused on a seat down on the 50-yard line that was empty at the start of the game. And it was empty at the end of the first quarter and empty at the end of the second quarter. So at half time, I walked down about five tiers. The seat was still empty. I was next to an elderly lady. I tapped her on the shoulder, said, "Ma'am, is this seat taken?" She said, "As a matter of fact, it's not." I said, "Would you mind if I sat here for the second half?" She said, "Please, be my guest." I said, "Man, this is great."

I was way up there and I said, "I can't believe this seat is vacant. They're scalping for a couple hundred dollars out front." And she said, "Well, that was my husband's seat." Said, "We'd been to 40 straight Redskin openers together." She said, "...but he died." She said, "But I know he would have wanted me to be here today." And I said, "Ma'am, I am so sorry." I said, "But couldn't you have found a friend or a relative that could have used the ticket?" And she said, "No." She said, "They're all at the funeral." (Laughter.) Now, why I am talking about funerals, right? I mean, just--

First of all, let me just briefly rebut a couple things that we hear on the other side on-- Voters aren't interested in policy, but we've heard a lot of this campaign about Republican deregulation, the major deregulation bills that came into being, the commodities future modernization act, which let these derivatives go, was signed into law by President Clinton with a huge bipartisan vote. I was not there for the vote on that, I might add, did not vote for it.

Graham-Leach-Bliley, this was signed by President Clinton, with, again, a large bipartisan vote. This was there before President Bush even took office. One thing we did fail to regulate is Freddie and Fannie, something this administration has been calling for, for years, something that in the Senate passed, but was held up by a filibuster by the Democrats. In fact, some of their leaders were saying, "What's the matter? What are we doing?"

And we could go way back to the community reinvestment act where the incentives were good incentives initially, but became perverse over time as we tried to get more and more people into housing they couldn't afford. And that's really the genesis for this.

So when it comes to laying the blame, I think the public understands what the genesis for this are. They're really more interested in solutions at this point. And as you take a look at the polls on this, who does the public blame right now? They blame Wall Street. Congress is at the bottom of that. And they tend to blame the Democrats in Congress who control the place more than Republicans. So this is going to bounce a lot of ways before it is over.

Let me just say, the only constant in this election cycle is it has had so many different cycles and shifts as we go about this. It started off on a cultural cycle. It moved onto other issues. Iraq was going to be the big issue. Then it was the energy prices and gasoline and drilling, and now back here. I'm not sure where it's going to be. Three weeks is an eternity in this business. If the markets were to stabilize, as I hope they do and think they will, and start moving up, what is the next facet? What else happens on the ground? Nobody can predict that.

And so I think both Chris and I are reluctant to give a number in terms of where this ends up. Needless to say, there is great volatility.

Now having said that, the Democrats come into this with-- due to Chris's hard work and others with a playing field that is a little tilted in their favor. Financially, let's talk finances at this point. The Democrats have a huge cash advantage at all levels. If you're in the Washington area, you've seen Obama on Washington TV the last week. You're seeing him more right now during the World Series than some of the players as they get on. He's there so often.

And McCain is not. And the National Committee is not. They will, I think, come to parity the last two, three weeks of this campaign, but there has been a huge financial advantage going back. Now remember, Senator Obama initially said that he was going to go with campaign finance reform. He was going to negotiate something. But it quickly became clear, the money has flowed strongly to the Democrats over this last cycle. And they have a huge spending advantage, in House races, in Senate races, and at the presidential level. That is very important for them. And over the last few months, they have been beating up a number of our people who have really not been able to respond.

I think it comes closer to parity as we move into the last two weeks, because we've been saving money and taking a pounding in the meantime. But there's a cost to us in having done that. The money is used to come here. The Wall Street money, so to speak, has been two to one on the Democratic side. K Street money, two to one in the Democratic side. Labor money, 99 to one on the Democratic side. Even pharma, *even pharma* has been 50/50. So that tells you where we are financially. And they've done a great job at the grassroots. And frankly, the impetus for change generally helps the out party in these type of things, and they've been able to take advantage of that.

And so we need to understand going in that that has done. But for all the advantage that they have had financially, they've only put away a handful of races. We are still competitive in a number of races. The Kanjorski race in Pennsylvania, they have put millions into that. According to our polling, we're still up outside the margin of error, despite that. I don't think money can save him at this point, given other issues.

So that is an advantage to them. It is an advantage up to now. But I think in the last two weeks, you'll see us come up closer to parity. I think you'll see the same thing in the presidential race where you see Senator Obama right now with a generic advantage around the country, but in the target states, he's been spending a ton of money and has increased even more in those areas.

But as we start to respond in the last couple of weeks, I think you'll see that playing field come back a little to normal, again, depending on where the economy and the volatility goes. There's still a number of factors that are in play.

We're battling over a number of seats at this point. We have a number of bright spots for us in some of the races as we look around. They are Democratic incumbents that are all of a sudden at risk that are going to be surprised at this, too. The American people recognizes that the Congress has been held by the Democrats, that they may be holding hearings on Lehman Brothers now. They may be holding hearings on AIG now. But were they 12 months ago when hearings would have made a difference? It's one thing to point fingers and lay the blame, but where were they when they had an opportunity to do something about that?

Let me talk about coattails for a minute, because I think this is one of the most misunderstood aspects. Chris is right; you generally don't get two wave elections back to back that benefit the same party. And I think you're going to see-- I mean, I readily concede, you're going to see an election where we're going to lose double digit seats in the House. I don't know what the level will be in the Senate, but we're clearly going to be losing seats then. Part of that's just the math of having more Republican Senators up. Part of it is the environment which isn't healthy for a party that holds The White House during these times.

But traditionally coattails for the incumbent party that holds The White House don't work in a reelect year. And so for Bush in '88, even Eisenhower in '56, huge national win, Reagan-- Nixon in '72, Reagan in '84, there were not huge coattails despite huge national wins. Because when you reelect a regime, you generally reelect the Congress along with it. So if McCain were to win, except in some of the districts in the South that I think will bounce back to normal and-- you're not going to see much in major coattails candidates or kind of on their own.

On the Democratic side, they had such a wave last time. They cleared out a lot of that underbrush of weaker Republicans, that there's not a lot left for them to get very easily. Now, we still have vulnerable Republicans out there. But it's difficult for them to have, even in a huge-- if Obama were to win this huge, to pick up the number of seats that would go with those coattails given the fact that

most of these districts are red districts now. As Charlie Cooks looks at these-- He's pretty good about these things, of the 60 districts or so he has competitive, only about a half dozen are really in blue districts. The rest are red districts and are(?) lean(?) in a normal year. So at least we're fighting this battle on our turf, despite the financial disadvantages and the atmospheric disadvantages that we have at this point.

Republican candidates have been underperforming McCain throughout most of this campaign. But what we will see in the last two or three weeks is they start spending money and moving-- You'll find a regrouping, and a lot of these races will close.

I can tell you, having chaired the campaign committee, not just in 2002, but in 2000 as well when a lot of pundits in this town had basically conceded we were going to lose the House, that in the closing weeks, it's not judging where you are in the polls today; it's knowing where we're going to end up. And there will be a lot of these races that we will close in our favor.

But we still have significant odds, still have financial disadvantages. And it's going to be an interesting race as we move down to the final. You're going to have a lot of questions, I think, on the volatility of that for Chris and me during the question and answer period. And I want to give you some opportunity to do that. But I would just add, I know Chris is proud of the accomplishments of this Congress, but the last Congress, they've got some poster people ...(inaudible). Bill Jefferson is still there, run-off. The chairman of the Ways and Means Committee now is in a situation where he's not even paying his own taxes. Know that's got to be a little bit of an embarrassment for them at this point.

They've held up trade promotion authority for the President, trade agreements with Colombia and some other areas that are not just vital economically, but vital from a geopolitical point of view. You don't elect in a recession a party that is anti-trade. We have a lot of issues, I think, still to be articulated as we move down the home stretch at this point. But as I said before, this has been wave after wave. What appeared to be a cultural election then became an energy election, back to culture, is now in an economic phase. Three and a half weeks is an eternity in this business. And we'll be happy to answer your questions and try to give to the extent that we can, knowing facts on the ground are changing at a pretty consistent basis, some answers to some of your questions as we move forward. Thank you. (Applause.)

MS. SMITH: Congressman Davis predicted double digit loss for the Republicans. I wonder if, Congressman Van Hollen, if you'd like to put a more specific number on that.

REP. VAN HOLLEN: Well, listen, you know, I agree completely with Tom that the environment is very turbulent out there. You see a lot of bouncing around. Before the Republican convention, if you looked at the generic polls, do you prefer the Democratic candidate or the Republican candidate, Democrats have had a consistent lead right after the Republican primary that almost closed in-- excuse me, the Republican convention that almost closed entirely. And now it has opened up again.

But as Tom said, I mean, we've gone through these cycles. And so it's so turbulent out there. As Charlie Cook and Stu Rothenberg, another person well-known to people in this room have said, I mean, they pegged it about a week ago somewhere between ten and twenty. Now, they have said in light of recent events, they may revise those numbers upward. But that's where they are.

The reason we haven't made any hard predictions, other than saying that we will pick up additional seats, is for the reason Tom said. We see a lot of toss-up races. And the question is, when it comes down to the wire, which of those toss-ups will we win? And which of them will they win? And it's just too turbulent out there right now to make any clear prediction.

MS. SMITH: For both of you, could you name a few seats that your party will win that may not look that way right now?

REP. DAVIS III: Well, I think we're going to do well in the South. I think we're going to pick up Cramer's open seat in North Alabama. We have an excellent chance to win back the seat in Mississippi that we lost originally. Part of that is, you have a third party African-American Democrat running in there. And the election is in November. It won't be kicked over until December. Clearly the Kanjorski seat in Pennsylvania, and I think there are a host of others. You can talk about the Kagen seat in Wisconsin. This is a seat that has been Democrat one term before in the last half century. It snapped back with a vengeance. We've got a great candidate, for state speaker of the House there. Kansas offers some opportunities I think, Ms. Jenkins, our candidate there, the State Treasurer, great candidate. Democrats have a good candidate there, but this is a snap back district that McCain will run well. Pat Roberts will run well, we think, the dynamic are there. So those are a handful.

But, you know, these are volatile. And the Democrats, I think, there are not going to be any-- There may be one or two surprises I'm not going to share in this room so that Chris will go back and re-poll. But the answer is, for the most part, given the amount of polling the committees do today, you don't get surprised very often. I think maybe Carol Shea-Porter was a surprise for you last time. If she wins this time, it'll be another surprise, in my opinion. But they are aware of it. They are aware of it. They are giving it the resources.

And so it is tough to pick a seat up from the other party when you have a wide awake incumbent and a wide awake committee against it, particularly for us in this environment.

REP. VAN HOLLEN: Yeah, let me just briefly respond to the seats that Tom mentioned, because this is one of the reasons that a lot of people predicted early on that the Democrats would be on the defense. Because we picked up a lot of seats in some tough areas.

The good news for us is, those incumbents from day one put themselves in strong positions. And so while you've got a lot of close races out there, in each of the one Tom mentioned, I think we're going to have the edge at the end. They're all very competitive seats. As opposed to where the Democrats find themselves, which is really on offense in lots of seats — I mean, I think people who follow this closely know a lot of the races that are on your list. I'll just mention a couple out there that may not be on people's radar screens so much.

Down in Florida's eighth district, that's the Ric Keller seat. Democrats have a candidate, Alan Grayson, and came out of the primary on the Republican side, a very divided primary. We have a good shot at that seat. Colorado four, that's been a seat that was hard-fought last time around, Marilyn's Musgrave's seat. Again, that's a great opportunity for the Democrats to pick up. We have Betsy Markey, terrific candidate. In New York 29, you have a rematch up in New York 29. And I think it wasn't really on people's radar screens so much again. That's Randy Kuhl's seat, rematch with Eric Massa. And I think that one, in these days as we get closer to the election, with all the turmoil in the economy, is another one where voters are going to take a second look at the incumbent and vote for change.

REP. DAVIS: Let me say, I think all three of those seats are competitive seats. In Keller's case, he's running against, not the candidate the DCCC wanted to win, but a different candidate, won the primary. Marilyn Musgrave actually picked up *The Denver Post* endorsement the other day, which I think shocks anybody who has followed that, as it moves around. But these are competitive districts. And all you can say three weeks out is, we're going to both throw everything we can into these districts. Part of it will depend on the candidates and the atmospherics and what that wave is going into election day.

We've seen waves in the last weekend that can knock it-- In '96, I thought we were going to lose the House. But it came back a little bit with Johnny Chung and all of the outside campaign finance problems the administration was having with foreign money coming in. And it brought it back. I'm still convinced that the DUI on President Bush stopped a little bit of a wave we had going into that last

weekend in 2000, the presidential race, and made it closer. So still very volatile, particularly in House races.

I've seen House races move 25 points in ten days. That's how volatile some of these races are. And so, you know, that's why neither one of us are up here making broad predictions on these.

MS. SMITH: Questioner says, how significant is the so-called Bradley factor or subtle race factor which overshadows the Obama campaign? How is that having an effect on Congressional races?

REP. DAVIS III: I would start with that. I think it's a net plus for Democrats, because I think what you are going to see is an enhanced African-American turnout in a lot of these urban districts. And while they're out there voting for Obama, they're going to vote straight across. And I think our members who are in those kind of districts have to recognize that. They're adopting different strategies in terms of how you tackle it. But I think it's a net plus at the Congressional level, frankly.

REP. VAN HOLLEN: Well, let me just pick up on the point of the Obama factor in these Congressional races. I mean, we have benefit in two ways. Obviously there are lots of voters who haven't participated in elections in the past who are coming off of the political sidelines, lot of young people. You see Democratic registration going way up in a lot of these states, in a lot of these Congressional districts that are toss-ups right now.

And then you also have, in at least eight Congressional districts, a much larger turnout in the African-American vote than in the past, which is expected this time around. And so I do believe that the Obama factor is going to help lift all our candidates if we can make sure that voters do what Tom says they will do, which is stay in the booth long enough.

I mean, our challenge is, for those first-time voters who are coming out to say, "I want to vote for Barack Obama for President," is to make sure they do stay in the booth long enough and vote for the Congressional candidates, they don't just vote for Barack Obama and leave the voting booth. And that requires a fair amount of intensive voter education to make sure people, you know, stick around and go right down the ballot.

REP. DAVIS III: Yeah. Let me make one other comment, too. I saw recently that the Dallas Cowboys starting lineup is registered to vote in Nevada (did you all see that?) through ACORN. And I think as we sift through a lot of this registration, that there was some exuberance applied by some of the groups out there. I don't know that if it was just a fraud or a particular exuberance that

will be factored out. But registration numbers don't always translate into turnout numbers, particularly in states like Virginia where you have voter ID laws, Indiana, which is-- their voter ID laws in. So I think that is a factor.

But there is no question there's going to be an enhanced African-American turnout in this, and in districts where that's a factor, that they are unlikely to vote for Obama and come back in significant numbers for Republicans at the Congressional level. That's a fact. Does the Bradley factor apply in the presidential race? I think in some areas, probably so. But I don't know that that will affect the down ticket races.

MS. SMITH: In districts like the one I cover, which is held by a Republican, I would think that a strategy of the NRCC would be to try to keep those new voters who might be voting for Obama from in fact continuing on down the ballot. Does the NRCC or the Republican Party have any strategy for trying to ensure that that happens?

REP. DAVIS III: Well, you're talking about voter suppression. And we would never, ever do anything along that line for the record. I think it's fair to say-- Nah, I think it's fair to say, we're not going to spend any money educating them on what they need to do. But that's what you do in these kind of elections. By the way, you'll also see in some of these areas, particularly in some of the rural areas, you're going to see a huge vote come out in presidential years, in North Carolina and states like that. This is traditional. They will be voting Republican across the board.

I'm just saying in terms of vulnerability of our Congressional candidates, you've got to look at these high African-American voter, urban style districts and recognize that it's not business as usual as a candidate, that you're going to deal with an electorate that is significantly different from what you see in off years. And I just think that's the fact.

MS. SMITH: So both parties, both campaign committees, are you doing anything different or what are you doing differently this year compared to last cycle?

REP. VAN HOLLEN: Well, as I said at the outset, our challenge this time was to figure out a way that we could stay on offense, rather than just circle the wagons and protect our incumbents. Our first piece of that strategy was obviously to take those who'd just been elected from very tough districts. And if you look at the folks who got elected in 2006, most of those won in districts that were carried by George Bush. We are, as Tom said, this cycle, going into even redder territories.

So we spent a lot of time early on putting those incumbents in strong positions. We didn't have to do that in 2006, because our list of vulnerable incumbents at the end of the day was about seven. At the beginning of the election, it was about 12. This time, we started out with about 33, especially after our special elections. And so we have managed to take that list of 33 down in the range of, say, 12 this time around in terms of vulnerable Democrats. That was part of a very deliberate strategy and a lot of work to make sure that they got in those positions. In fact, one of the things that surprised us on the Democratic side was actually the fact that the Republicans were not able to come up with credible candidates in a lot of these districts that George Bush had carried by large margins in the presidential races where we had new members.

And that allowed us to focus our resources on staying on offense. And that's why if you look at the spending by the NRCC right now, a lot of it is on defense. I mean, they're defending a lot of their members whereas the great majority of spending at the DCCC is on offense. And so at the committee, this time around, we had to make a lot of changes to make sure we put those, you know, newly elected folks in a strong position.

We dramatically expanded our field operations and we went in very early. There's a distinction, as you know, between getting out the vote, which you don't have to work on so hard when you're a presidential election, because a lot of people are going to come out to vote anyway, as opposed to a midterm election, it's much harder to get more people to the polls.

So we focused our field efforts early on, on voter persuasion for some of the reasons we've talked about — to make sure that in the clutter of a presidential election, voters were aware of who our candidates were and who they stood for. And we did that on a door-to-door grassroots basis, beginning in April of this year. And we greatly expanded that effort, among other things that we did to prepare for this sort of different dynamic that you see this time.

REP. DAVIS III: You know, I think just on voter registration in general, because the Democrats had this primary that went on and on, the never-ending primary it seemed, they put a lot into voter registration, particularly on the Obama side that our candidates didn't do on that. And that's, again-- What we saw, though, is once you got past that presidential primary race, these folks didn't come out in Congressional primaries and others, where they were bifurcated and they had it separate. And turning them out, you know, it's a huge mobilization effort. Whether they can do that or not, I think just remains to be seen. Certainly the potential is there, but saying it and doing it--

At the NRCC, what we've had to do different is we've had to do more with less, frankly. The resources there, I don't think we've ever been as

out-resourced as we are this year. I was out-spent in 2000. People forget that. Patrick Kennedy was the campaign chairman. They had so many family friends and concerts and things that we were trying to keep up with. We got out-spent. What we've tried to do is save our money for down the home stretch. So where you see a Democratic lead in some of these races today, it's because really the microphone has all been in the hands of one party.

What we want to do is to be able to close. We pay a price for that, because in some cases, the mold has hardened in some of these districts. And maybe our candidates can't come back. But I think what you'll see over the last two to three weeks is you'll see us coming up, being able to get our message out just as well in districts,. I want to emphasize again, that tend to be redder in their nature, that tend to be our territory.

MS. SMITH: We've been talking a little bit about voter registration and got a couple of questions on that. Do you support or oppose mandatory photo ID for voter registrations? And could you explain that?

REP. DAVIS III: Well, I support it. I mean, look, my wife wrote the bill in the Virginia legislature that's now law. Not necessarily a photo ID, but voter ID is important so that you stop fraud. You know, when they passed motor voter, which his before Chris and I came to Congress, there was a provision in there that you were not-- not just not required, not allowed for proof of citizenship when people come to DMVs, to motor. I mean, that's outrageous.

What we want in this country is people that are entitled to vote, should vote. We should defend that to the death. But people who shouldn't vote, for example, the Dallas Cowboys starting lineup, shouldn't be able to vote in every state where you have people out there registering the vote. One Democratic congressman, who will remain nameless, I said, "What's going on in your state?" He said, "Tom," he says, "..we got the votes, we're just looking for the bodies."

I mean, we understand very well what happens with some of these very exuberant organizations in some of these urban areas. And I think that voter ID is a way that protects all of us so that only people who are entitled to vote, can vote. And they should vote. And they shouldn't be suppressed. And we should do everything to encourage them.

In Virginia, you can show a bill from an electric company or something like that. And you can always cast a ballot that can be validated later and put off to the side if it counts if you have no proof on election day or didn't bring your ID with you, so that nobody is excluded. But the type of fraud that we have seen, the fact that you have ACORN and some of these groups under investigation in

Nevada and other places, should lead us to think that we want fair elections. I think we all agree on that.

REP. VAN HOLLEN: Well clearly, we want fair elections and clearly we want elections that are free of fraud. We also want to make sure that everybody who's entitled to vote has the opportunity to participate. So it's clearly warranted to make sure that people are who they say they are. But requiring certain forms of identification, which does have (and it's been proven to have) the effect of preventing U.S. citizens, people who are entitled to vote, from going to the voting booths, especially among the elderly population and among some low income groups. This notion that there are thousands or even hundreds of people out there trying to commit fraud by going to the voting booth is just outrageous.

I mean, the fact of the matter is, it is a Federal-- It's a felony to go out there and fraudulently vote. And the notion that people are going to risk getting thrown in jail to show up to vote in an election illegally has been much hyped by the other side. The effect of requiring more identification than is necessary to establish the true identification of an individual has been shown overwhelmingly to disenfranchise people who are legally entitled to vote.

So yes, you want to make sure people have to have the identities required to prove who they say they are. But mandating one particular form of ID does have a discriminatory effect, largely against the elderly.

MS. SMITH: Congressman Davis, Senator Lindsey Graham was in Indiana yesterday. And he said that the only way that Democrats could win Indiana was to steal the election. Do you think that's true?

REP. DAVIS III: I haven't seen the recent polls. I mean, it might be true. I haven't seen where the polls are in Indiana at this point. I think they are nervous. But Indiana does have a voter ID law at this point. And, you know, Indiana's probably closer than it ought to be at this time, so. I think at the end of the day McCain will carry Indiana. Did I avoid that pretty well.

MS. SMITH: You avoided that, just very graciously. Congressman Van Hollen, how many seats do Democrats really need? I mean, you don't have a filibuster issue. So when is enough, enough?

REP. VAN HOLLEN: We need as many as we can get to-- look, to expand our working majority. I mean, people, you know, look at these votes in Congress when they're on the floor of the House, but they do not always recognize the tremendous amount of work that goes on behind the scenes just to try and put together a working majority on any particular piece of legislation. And, you know, we are looking forward to working with the Obama/Biden

Administration, and to move forward on some of these key issues for our country, on energy policy, on healthcare policy. We need a healthy working majority. And that's why we're going to work hard to try and win every one of those toss-ups that we can. We don't know how many they will be, but I can assure you we're going to be working till election day to try and maximize that majority.

REP. DAVIS III: Let me just say, I think they have enough. I mean, I just will say-- (Laughter.) But let me just focus this. And this is important to understand. The Senate-- The House operates under different rules. So a majority in the House and we've both done it. Both sides have done it; on one vote, the gavel comes down and you can pass anything in the House with a one vote majority. Senate, completely different. In almost every instance, unless you can tie it to a budget resolution, it takes 60 votes. And so you're seeing tremendous amounts of money going into these Senate races. And you say Schumer say, "We need 60"-- Sixty votes, they can control everything, House and Senate.

Let me just give you one perspective. This year for the first time in my memory (and maybe somebody in here remembers it) we passed our appropriation bills for Federal spending (that's hundreds of billions of dollars) through the floor of the House without one amendment being offered. It was written basically in the Speaker's office. No member got to get up on the floor and offer an amendment, strike a piece of pork, make a policy change, or anything else. Came up in lump sum at the end. I mean, that's not democracy.

We never did that during the time we were there. We're talking about every appropriation bill, no amendments offered. When we were in the majority and prior to that when the Democrats in the majority, the appropriation bills were fair game for members to get up and talk about what the priorities were for this government and how we spend our money.

Now you have these things written by a handful of people and they march them down and they vote yes, and nobody even knows what's in the bill. You can't even read it. But that's not democracy. And I will say over the long haul, you may be able to get through it this year. But that's what these super majorities do, is they clog out any kind of dissent at all. And that's really not what this country is about.

MS. SMITH: It's often said that the country is better served to have divided government, to have a Congress of one party, and The White House of another. How do you argue against that, Congressman Van Hollen?

REP. VAN HOLLEN: Well, let me answer that by first picking up on what Tom just said. Because under the old Congress-- And I was there in the minority party for four years. I can assure you that Democrats were locked out.

And one of the things that we have done-- We can certainly do it better, but on the different pieces of legislation to come to the floor, if you look at the statistics, more of them have provided opportunities for Republican and Democratic amendments than under the earlier Congress of Republicans.

And so I think if you-- And if you look at the votes, we got rid of what was-- they called the majority the majority rule. They had a rule, an informal rule in the Republican side in the last Congress that said, unless a majority of the Republican Party supported a particular measure, they would not bring it to the floor, even though it could have passed with a bipartisan vote. We don't have that informal rule and we don't practice that rule.

In terms of the question to divided government, I think at this particular point in our history with all the challenges that we face, the American people should take the opportunity to give the Democrats an opportunity to move forward on these things. And obviously contains huge risks for the Democrats, because we will then have The White House and the Congress at a time of great national challenge, economic challenge, foreign policy challenges. And then we can be held accountable for our decisions. I mean, this will not be an easy time.

But if the American people want to see change on these issues that I talked about, that have been blocked by the veto pen over the last two years, then they will vote to give the party of change an opportunity to move forward. And if they don't like what they see, they'll be able to have a chance in future elections to do something about it. But if you really want to be able to get out of this gridlock and move forward, you would support change across the board, both in The White House and in the Congress in terms of the party who's pushing that agenda.

REP. DAVIS III: Let me say, too, my friend Chris is never-- I mean, Chris is very process-oriented. And I think in terms of making things fair, I wish that he were making these decisions sometimes instead of the people that were.

Having said that, the fact of the matter is, that on appropriate bills, 90% of what you do in government is you take money from one group and you give it to another. And if you exclude the other side from even being able to offer an amendment on that, all we basically do then is we pick up our paycheck and we make up the quorum.

I mean, that's basically what you are made to do. Now let's talk about divided government. Three-fourths of the time over the last 50 years, the American voters have divided government, because frankly, they don't trust either party. I always say that in 1994, I was elected to protect the voters from Bill Clinton. And two years later, they elected Bill Clinton to protect him from me.

That in point of fact, both parties have their wings. The Democrats have a left. We have a right. It makes a lot of Americans uncomfortable.

But Americans don't vote strategically. They'll make that correction in the next midterm, as Chris noted. He said, there is-- You know, when you get a majority sometimes it may mean you may not get the majority the next time. I hope whatever they do when they come in, if they were fortunate enough to get this, this time, that you'll take votes and not be afraid to lose.

Politics isn't just about winning and losing; it's about solving some of the major issues of our time, whether it's energy independence, something we haven't really attacked for 30 years, whether it's looking at American competitiveness around the globe and what are we going to do. How does trade fit into this? I mean, the Colombia Free Trade Agreement has a majority of the House ready to vote for this. It's the speaker that has held this up on procedural bounds. That's a majority of the majority thing on those-- rule on those kind of issues that are very important.

What are we going to do about the retirement of the boomers and what's happening to our entitlement system? To make the kind of choices this country needs, somebody's got to take a tough vote and lose. And both parties have been very risk averse on that. And when you get one party in given the nature, you may pay a price in the midterms. And that's traditionally what happens. So we'll see what happens. But voters will usually make that correction in the next midterm. They don't come out this year and vote strategically.

Last thing I'd say is, I think Bill Clinton became a better President with a Republican Congress, because on the tough decisions, whether it was welfare reform, whether it was the Balanced Budget Act, you had both sides and both perspectives at the table. He recognized we needed to address these issues, they were so significant. And you came out with a decent work product that actually worked until 9/11 and the recession that came in just about that time.

So, you know, I make the plea for people out there who are watching. There's nothing wrong with divided government when it works. And one party unitary government hasn't worked that well. It has the potential to, but we're not a parliamentary system.

MS. SMITH: We're almost out of time. But before I ask the last question, there are a couple of things I want to bring to your attention. First of all, let me remind our members of some upcoming luncheon speakers. On October 23rd, Billy Joel, the Grammy Award winning singer and songwriter (and if you don't have your tickets, sorry, it's sold out). On October 24th, we have the CEO of Sprint. And on November 5th, the day after the election, we'll have Howard

Dean and Mike Duncan, the chairmen respectively of the Democratic and Republican national committees.

Second, I'd like to present our guests with the famous National Press Club mugs that come well under the ethics rule.

REP. VAN HOLLEN: Thank you very much.

REP. DAVIS III: Where are they made? Made in the U.S.A. Made in the U.S.A.

MS. SMITH: And your last question for each of you, who in your party is the most endangered incumbent?

REP. DAVIS III: You want me to name your party and you name--

MS. SMITH: No, no. (Laughter.)

REP. DAVIS III: We're going to fight for every one of our seats. I'm not going to get up here and embarrass any of our members. I can tell you in their party who I think it is. And I think Kanjorski's their most endangered incumbent.

REP. VAN HOLLEN: Well, look — I think that they have a lot of endangered incumbents. In fact, I would-- Let's just say, since Mr. Kanjorski's name has been raised a couple times in this forum, let me just say, he understands he's got a very tough race. He's got a guy running against him who became the darling of right wing on an immigration bashing agenda originally. But I think as the voters look at the choices there, they're going to find that the Republican challenger there has a whole series of problems of his own.

Again, like Tom, I'm not going to single out any one of our members who is in tougher shape than others. But we do have a number of incumbents who are in very competitive races. The good news, as Tom said, is they know it and we know it. And we're all fighting hard. What you don't want to have happen is the day after the election find that you had an incumbent who was vulnerable that was not on your radar screen. And on the other side, what you want to make sure, especially as there are more and more opportunities as you get toward election day (doesn't always happen that way; sometimes the opportunities narrow) that you don't wake up the day after the election and miss an opportunity where a candidate loses by just a few votes. You want to try and identify them early enough that you can get them over the finish line.

MS. SMITH: Thank you very much, both Congressman Davis and Congressman Van Hollen. (Applause.) Thank you for coming today. I'd like to

thank National Press Club staff members, Melinda Cooke, Pat Nelson, JoAnn Booz and Howard Rothman for organizing today's lunch. Also thanks to the Press Club Library for its research.

The video archive of today's luncheon is provided by the Broadcast Operations Center here. Many of our events are aired on XM Satellite Radio and are available on free download on iTunes, as well as on our website. Non-members may purchase transcripts, audio and videotapes by going to archives@Press.org.

Thank you very much. We're adjourned. (Gavel sounds.)

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