

**RADIO NEWS CONFERENCE
AUGUST 4, 2006**

Participants:

Tom Busselburg, Davis County Clipper
Bruce Mehew, K SVC/KCYG
Jennie Christensen, KVNU

Topics discussed:

1. Data Security/ID Theft
2. Oil and Gas Leases/Environmental Obstruction
3. Conflict in Middle East/Hezbollah and Israel
4. Minimum Wage/Death Tax
5. Washington County Land Bill
6. Immigration Bill/Status
7. Fidel Castro/Regime Change in Cuba
8. New Orleans Trip/Homeland Security
9. Sen. Lieberman Race

Davis County Clipper: This is probably an issue that hasn't been huge in the news lately, but Utah state Senator Carlene Walker yesterday was talking in a meeting about the identity theft issue and has worked very hard on that issue. She said that she has been meeting with your office and other members of the delegation in Washington and she referred to your database breach bill. I wondered if you could maybe explain that and maybe explain the status. Apparently, there are five bills before Congress this year and what's happening with that.

Senator Bennett: It has to do with a breach with the credit rating agencies. They have data on your credit report and if somebody breaks into their database and gets information that could be damaging to you, what do we do about it? What kind of notification and what kind of remediation? All of those kinds of issues. Interestingly enough, within Congress you said there are five bills going. My bill will make number six.

Within the Congress, there are different jurisdictions before different committees. The Judiciary Committee has a bill. I'm on the Banking Committee and that is the one that's looking at my bill. On the House side, there are three bills. Now, what will happen is that once the Banking Committee bill is reported, Senate leadership will look at the whole issue and decide which bill or which parts of which bills to take to the floor. It's not particularly contentious. My bill is co-sponsored by two Democrats -- across party lines, very bipartisan kind of effort.

What we're trying to do is create a national standard of the way you handle one of these breaches. In other words, if a rating agency has a problem in its database, how do they respond, how do they notify people who may be at risk and what level of risk should trigger a response? In other words, if there is a technical breach that has no risk but it's going to get damaged, should everybody be told there was a technical breach or should the level of risk say no harm, no foul? Nobody is at risk here. We've fixed it, this one we don't have to report. Setting that threshold becomes an interesting challenge and we think we've set it at the proper place at the federal level in my bill, but we will be holding a hearing on that when we come back in September. It is a very real issue. Carlene Walker's done great work there in the state of Utah and I've talked to her about it and we hope that we can come up with the right kind of answer on that one. Let's go to Bruce Mehew in Richfield.

KSVC/KCYG: First of all, we'd like to thank you for being instrumental in getting the \$150,000 to the Richfield Airport. The City Council's been working really hard on expanding that airport with the growth we're getting here.

The question that we had with the Gulf of Mexico Energy Spending Bill -- I believe that just happened recently. We were concerned with oil and gas leases in our area, as well as out in the eastern part of the state, where I believe there was a federal judge that ruled against having the oil and gas companies drilling in that Green River area. I guess the concern that we have is how much of an effect do we really have or the environmentalists really have on stopping the gas and oil leases in case it starts affecting us down here? Is there legislation in place that if there are frivolous lawsuits that come into play from environmentalists, will they end up having to pay for their own court costs, so to speak, instead of just keeping things locked up in court?

Senator Bennett: You're talking about what the British court system calls "loser pays." Frankly, there will not be any legislation setting in motion loser pays provision. The American tradition is not the same. There are a lot of people who think it should be given the power of the trial lawyers. Within the Congress, that particular provision is not going to change.

Now, what happened is that the court found that the BLM violated NEPA on 20 lease sale parcels by not considering a no-action alternative and the court reversed the BLM's actions and then remanded the whole thing back to the agency for consideration under the court's guidelines. Whether they can remedy this and issue the leases at some point in the future or whether this is a final action, I frankly don't know and I'm not sure that they know. We're taking a good look at the opinion and its impact on oil and gas leases in Utah.

We've seen the Legacy Highway -- that's one that you don't know that much about in Richfield -- up along the Wasatch Front, lawsuits were brought saying that proper procedures weren't followed and in the end, the procedures were followed and the Legacy Highway is still being built, it is just two years late and \$200 million of increased costs later. We hope that's not going to be the case here. That it slows things down and raises costs but in the end, they go ahead. We'll just have to wait and see an analysis of the opinion and what it might mean. Jennie in Logan.

KVNU: I'm just wondering what you feel the role of the U.S. should be in the war between Israel and the Hezbollah.

Senator Bennett: That's a very difficult one and you have a tradition of raising the difficult ones that we have to address and we have to deal with. There are many views as to what's behind Hezbollah's attack on Israel. One of them is that this is the first time that Israel has been attacked, not for anything Israel has done, but because Israel is an ally of the United States. Israel did nothing to provoke this attack. Hezbollah is assumed to be supplied by Iran. The Iranians put 12,000 missiles in southern Lebanon in the

hands of Hezbollah so they would be capable of making this kind of attack. The Israelis are receiving missiles dropped into Israeli territory now at the rate of 100 a day and their death toll is very, very high as a result of that.

Now, there are some who say the United States should tell Israel to stop hitting back. The United States is not going to do that and, frankly, I don't think they would want to do that. What would we do if missiles were being lobbed over the border into Arizona? Would we say, "Let's show restraint in going after where the missiles came?" That having been said, there are some things that the Israelis have done that, from a tactical military standpoint, make some sense but from a political point of view, have caused them to lose face and lose friends around the world. I think the secretary of state has conveyed to the Israelis our great concern that they should keep in mind not only the tactical impact of what will be necessary to stop the missiles from coming into Israel, but also the world opinion impact of some of the things they're doing. Some of the bridges have been bombed, some of the locations that have been bombed, you can justify them if you're only concern is the military value. But sometimes you say, "Military value set aside, maybe we shouldn't do this." For example, in the Second World War, the United States did not bomb the Imperial Palace in Tokyo. There were some areas that were set off limits. You could make a tactical case and it might have made sense to do it, but, for world opinion purposes, we didn't do it. I think the Israelis are beginning to understand that and the United States secretary of state is doing what she can to help them understand that.

Beyond that, I think the thing that we should be doing and aren't doing is trying to marshal the world opinion in the form of a U.N. resolution to deal with the role of the Iranians. Iran is clearly flexing her muscles in the region and making it clear as best she can to all of her neighbors that Iran wants to be the permanent power in the region and is willing to do anything to demonstrate that she's the dominant power -- willing to attack Israel, willing to offend the United States, willing to set off this conflict that is causing hundreds, if not thousands, of deaths. The world needs to condemn Iran for that action and we're doing what we can through world forum, United Nations and NATO, and European Union conversations to see that some kind of appropriate condemnation, followed by significant sanctions, can be put on Iran. Iran could stop this if she wanted to. Iran is responsible for starting it in the first place and that's ultimately the place where the primary pressure should be put. We're back in Davis County with Tom Busselburg.

Davis County Clipper: The minimum wage bill has been in the news of late and it did not, of course, pass the Senate. It's apparently been tied to some changes that could take place with the estate tax. I was wondering what your view on this – if it is a political maneuver as some news reports are spinning it or just what your feelings on the underpinnings of this are.

Senator Bennett: Of course it's a political maneuver. Let's be open and honest about that. The Democrats keep saying to us the most important thing that can happen in the economy is to raise the minimum wage. Frankly, I don't think that's right for a variety of reasons. The number of workers who are working at minimum wage level right now is

one percent or two percent. Something in that very, very low area. And if you raise the minimum wage, chances are that some of them will lose their jobs. I'm never sure why they're better off being unemployed at a \$7.00 an hour rate than having a job at \$5.50 per hour rate. But, nonetheless, the vast majority is already earning above the minimum wage, so raising the minimum wage is symbolic rather than a real boost to the economy. But, it's important to the Democrats for whatever reason and they want to raise the minimum wage.

A majority of members of the Senate want to reform the death tax. But the Democrats are making sure that won't happen because they need 60 votes to shut down a filibuster and we always get tantalizingly close. We have 55 Republicans. The Democrats will give us an extra four votes so we'll have 59. Some Republicans will drop off and a Democrat will come on because they want to take credit back home for being in favor of reforming the estate tax, but they won't let it happen. So the decision was made. They keep saying, "The minimum wage is so important." Let's tie the two of them together and see if minimum wage is greater than their opposition to the estate tax. And it turns out it wasn't. It turns out we got 58 votes last night. You say, "No, the number is smaller than that. That's because Senator Frist changed his vote and voted against the bill, and that means that under the Senate rules, having voted on the prevailing side, he is entitled to make the motion to reconsider. He has made the motion to reconsider and that means we're going to bring it back and give them another chance in September. If the minimum wage is so important, let a majority of the Senate work its will because there is a clear and wide majority of senators who want to deal with the estate tax. Let that majority work its will on the estate tax and if you do, we Republicans, including those of us who think that raising the minimum wage is not a good idea, will give you the minimum wage.

But sure, it's a political maneuver. We're in a political business and we're trying to smoke the Democrats out to see just how sincere they are in their insistence that the minimum wage is so important. We're willing to say, "Since we look at the economy and say that it probably won't make that much difference, we'll give it to you in return for reforming the death tax." The majority of the Senate wants to do that and so far they're saying no. We go to Bruce.

KSVC/KCYQ: Thanks again, senator. The Bennett-Matheson land bill in Washington County -- just wanted a little update on that. Sometimes we hear a little bit about that and then it's dropped off and we don't hear anything else. How is that shaping up since that's one of the largest areas in the state that's really growing?

Senator Bennett: I'm encouraged. It's got a tough hurdle -- a series of hurdles to clear -- but it's moving forward fairly nicely. There are groups who have been opposed to any kind of action in this area in the past who are coming around privately and saying, "We think this is probably the best way to solve this," and I say, "Will you say this publicly? A lot of them say no.

The most important thing is not what they say publicly, but what they say to the members of the committee who will have to vote on it. If they send the signals to the

members of the committee, who would otherwise be opposed, that this is a good thing to do and we don't want to say so publicly because it might offend some of our constituents, some of our members, but privately we think Bennett and Matheson have done a good job here. They're beginning to do that and we expect there will be a formal hearing held in September when we get back. The committee has then said that we think we can move this bill fairly quickly after the hearing because they say, "As we look at the details, you've lined it up pretty well and solved most of the problems."

Now, there are still full-page ads being run. There are groups rallying for protests. One of the interesting things is that whenever these protests and letters to the editor and efforts to stir up public opinion occur, within our offices we see how much public opinion it really stirs up. So far, the answer is none. Aside from the groups that are making major public efforts to try to stir up Utahns to be opposed to this bill, we don't get that many phone calls. Maybe I'll stimulate them with this comment on the air but we don't get that many phone calls and neither does Congressman Matheson. And the phone calls that we do get we can identify from people who are connected to one of these groups.

I'm getting good response from my Democratic colleagues who are looking at this and the committee staff -- both House and Senate -- that have looked at it have said they think it's a good bill. We're getting support and help from Congressman Bishop and Congressman Cannon who are very, very helpful and I'm cautiously optimistic that we'll be able to get this done. If we don't, then as you say, Washington County is one of the fastest growing parts of the state and one of the fastest growing parts of the nation and we will not have an orderly process for dealing with any of the progress. That's what we're trying to create - an orderly process that will see to it that growth is accommodated and at the same time, the conservation values of those lands can be preserved intelligently.

Let me make one last comment about a specific request that has been made. Some of the groups that are opposing the bill are saying, "You're just giving into the developers because you are taking land that is currently in a wilderness study area and you are selling it. And you're selling off our heritage to the developers." They should know, and we've told them again and again, we would take 92 percent of the land that is currently designated as a wilderness study area and designate it wilderness. People should understand that it's not wilderness now. It's a wilderness study area and it's being managed as wilderness, but only Congress can make it wilderness and we would make 92 percent of that land wilderness. Well, why not 100? Because we've gone to the land managers and we've said, "What is the best way to manage this wilderness?" They've said, "We can't manage this last 8 percent as wilderness. It looked good when it was drawn on the map, but when you get down to managing the land it doesn't lend itself to being managed as wilderness." We take that out of the wilderness designation. They said it will make their job a whole lot easier and make the wilderness land safer so that we don't have to waste resources and efforts trying to manage that 8 percent. We didn't consult with the developers as to what land they wanted. We consulted with the

land managers and we are responding to that. I apologize for the length of the answer but I appreciate the question because it is a very big issue. All right Jennie.

Senator Bennett: Is there any chance that an immigration bill will be passed before this session of Congress ends?

Senator Bennett: I would have said no a month ago, but there are signs that people are moving together a little bit more. The House members are beginning to realize that with their emphasis on securing the border, they have ignored the impact that an intelligent guest worker program would have on helping to make the border more secure. If you have a way to bring in chamber maids and agriculture workers properly documented to work during the season, you make it easier for the border patrol to focus on terrorist and drug dealers, criminals, the kinds of people we really want to keep out. So, as the House moves toward saying, "Maybe some kinds of guest worker program tied to securing the border makes sense," the Senate managers are saying, "We're willing to talk to you about phasing in some of the things we want in a comprehensive program and focusing on securing the border first." Conversations towards getting some kind of resolution are beginning to happen. I wouldn't bet a lot of money on getting this through before the election, but I'm encouraged by the signs that I see -- there is now a possibility. Tom in Davis County.

Davis County Clipper: Senator, what are you seeing with your intelligence sources as far as what is really happening with Fidel Castro and whether there will be any actual transfer of power?

Senator Bennett: I have no idea. I was with the president the day the announcement was made and the president indicated that there had been no advance warning by any intelligence information that Castro might be ill. So, quite understandably, nobody was prepared with any kind of contingency plan. Now, you're getting all kinds of rumors out of Cuba. He's fine, he's going to take power back, he's in a coma, he's really dead -- anywhere in between. We really don't know, but the assumption is that if Castro is really gone, there will be a fairly significant change and whether his brother Raul stays as the head or just is an interim until somebody else steps forward -- somebody younger and one hopes easier to deal with -- there's a whole question. Are we going to see a wave of immigration out of Cuba? Are we going to see a wave of immigration back to Cuba, out of Florida? Nobody knows. All I can tell you is stay tuned. I'm watching with great interest. I think most Americans are. At the moment, the answer is no, I don't have any of that information that I could share with you. Bruce.

K SVC: Thanks, senator. Recently, you were in New Orleans inspecting the levees down there. What was the purpose of that trip and does that help to work on things here in Utah in case we have any natural disasters? We realize we're not that close to the ocean.

Senator Bennett: We don't have any levee problems with the Great Salt Lake except we did a few decades ago have flooding problems and we built the pumps.

It's always good to see it on the ground and I told the folks in New Orleans I was supporting federal funds to help them rebuild because I supported federal funds to help Utah rebuild after the floods in southern Utah and I can't be hypocritical and say I want it for my state and not for any other.

One of the interesting things that came out of Katrina was the energy bill to which you refer. Katrina roared through the Gulf and produced great devastation on the land. But, one of the things that people noticed was that the offshore drilling rigs that were hit by Katrina did not leak. There were no breaches. There were no leaks of gas and oil into the Gulf of Mexico as a result of the hurricane hitting the offshore drilling rigs. That made it possible for us to pass the bill that we did pass to say that there should be more offshore drilling in the Gulf and tap into that enormous reservoir of natural gas that is there. The bill that we wrote provides for state royalties, which means that Louisiana will get money out of the royalties that come from the oil and gas fields that will be developed now as a result of the bill we passed.

One of the things that was clear in my visit to New Orleans was that they have a bigger problem than just repairing the city. They have degradation that has come as a result of hurricanes and other problems out in the Gulf that have made them even more vulnerable. They can reverse some of the degradation from the royalties that will come from that bill. It was a very interesting thing to see and understand and let's hope that something good comes out of it as a result of the bill we've passed. Jennie, you get the last one.

KVNU: How do you think Joe Lieberman's primary will turn out next week?

Senator Bennett: Well, I haven't talked to Joe, but I've talked to a number of senators who have a strong interest in that and they're predicting that he will lose. Now, the next question is if he loses the primary and is no longer the Democratic nominee, can he win as an Independent and the polls all say yes. Lieberman is popular enough in Connecticut that if he runs as an Independent, he gets reelected. I've had some political consultants up there say no. The Democrats will stay home rather than vote for Lieberman if he's not the Democrat. If they can't stomach the Democrat that will win, they'll stay home. Too bad we don't have a really strong Republican candidate.

Someone said to me, "You can replace him under Connecticut law. He could withdraw and the Republicans could name somebody else." In other words, we could do a Torricelli. You remember how Senator Torricelli withdrew in the last 30 days? This fellow said, "You could do a Torricelli and have a strong Republican candidate. You could elect a Republican." We don't expect that. I think that if Lieberman is defeated in the primary, he runs as an Independent and he wins as an Independent. But that's one of the things that makes politics such a fascinating game. You never know how it's going to turn out. There's a real possibility that we could see everything turn upside down in Connecticut. I think this is a real shame. I like Joe Lieberman. I think he's a very responsible senator. I think he's being attacked because he's a man of conscience and says what he believes. I think of all of the reasons to attack him, that's the last.