

NATIONAL PRESS CLUB LUNCHEON WITH GOVERNOR GARY HERBERT

SUBJECT: UTAH GOV. GARY R. HERBERT, NEWLY-APPOINTED CHAIRMAN OF THE NATIONAL GOVERNORS ASSOCIATION, WILL LAY OUT HIS 2015-16 CHAIR'S INITIATIVE, "STATES: FINDING SOLUTIONS, IMPROVING LIVES"

MODERATOR: JOHN HUGHES, PRESIDENT, NATIONAL PRESS CLUB

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JOHN HUGHES: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is John Hughes. I am an editor at Bloomberg's First Word, that's Bloomberg News's breaking news desk here in Washington, and I am President of the National Press Club. Our guest today is Republican Utah Governor Gary Herbert, who is also the Chair of the National Governors Association. But before we talk about him some more, I want to welcome our distinguished head table and introduce them. The head table includes members of the National Press Club, as well as guests of the speaker.

Starting from the audience's right, Toni Cerise, Associate at MOB Advocacy, a state government relations firm. Chris Gentoviso[?], a writer for Working America. Justin Harding, Chief of Staff for the Governor of Utah. Tommy Burr, Washington Correspondent for the Salt Lake Tribune and the Vice-President of the National Press Club. Wilford Clyde, President of Clyde Companies and the Mayor of Springville, Utah. Donna Leinwand Leje, she's the breaking news editor at USA Today. She's a past President of the National Press Club, and she is the Vice-Chair of the Club's Speakers Committee.

Skipping over our speaker for a moment, Matt Mlynarczyk, President of Advocatus Group. And he is the member of the National Press Club Speakers Committee who organized today's event. Thank you, Matt. Lori Chillingworth, she's the Chair of the Salt Lake Chamber. Larry Litman, Executive Editor for State News at the AARP Bulletin

and former President of the National Press Club. Art Swift, Managing Editor and News Director at Gallup.

[applause]

Well, in addition to the people here in the elegant Holman Lounge at the National Press Club, I would also like to welcome our guests listening or watching on CSPAN and Public Radio. You can also follow the action on Twitter. Use the hashtag NPCLive for all of you out there Tweeting. That's NPCLive.

Governor Herbert was sworn in as Utah's 17th Governor in August of 2009. And that was following the resignation of Governor John Huntsman. Herbert had been Huntsman's Lieutenant Governor. Huntsman left the job after he was appointed by President Obama to serve as the United States Ambassador to China.

Herbert was then elected to serve out the remainder of the term in a special election in 2010. And he was reelected to a second term in 2012. As Governor, he has focused on four cornerstones to strengthen Utah's economy. Those are education, energy, jobs, and the ability of states to solve their own problems. Herbert has written that federal action should be limited to those duties and powers delegated to the federal government under the United States Constitution. He also thinks that Congress should favor the preservation of state sovereignty when legislating or regulating activity in the states. Governor Herbert has said that states are more mobile and more adept at solving problems and getting things done in relatively short order while the federal government is just the opposite.

Herbert was appointed Chair of the National Governors Association this summer. His yearlong initiative at the Association is designed to highlight innovative state-based solutions to today's most pressing problems. The effort also aims to improve state and federal collaboration. He hopes that widely sharing these state-based solutions, he will benefit all levels of government. He knows, of course, that there is no better place to share his ideas and solutions than the National Press Club in Washington, D.C.

Ladies and gentlemen, please give a warm welcome to Utah Governor Gary Herbert.

[applause]

GOVERNOR GARY HERBERT: Well thank you, John, for that more than generous introduction. I'm honored to be here with all of you here in this very historic venue and appreciate the opportunity to speak not only on behalf of the people of Utah's Governor, but also on behalf of the National Governors Association, a very significant bipartisan organization. It's really serving the public well, I think, and certainly the Governors of the great state of Utah and the other 49 states and our five territories.

People have asked me, you know, how was it that you were able to get the support of the other 49 Governors to become the Chair of the National Governors Association? I've thought long and hard about that, and I've come to the conclusion that, you know, I'm the only Governor not running for President. [laughter] And that's opened up an opportunity here for me. And I feel it is an opportunity. And I'm grateful to be here with a lot of friends that I know, the Chamber of Commerce, Tommy Burr, who does an excellent job with his reporting, and is the Vice-President here at the National Press Club.

And for those of you I don't know, I'm kind of a Will Rogers guy that a stranger is just a friend I've never met. So I look forward to meeting you and chatting about things that are important to you.

The National Governors Association is a significantly important organization, in that it brings our Governors from our 50 states and our five territories together, where we have an opportunity to network, to really share best practices, and learn about the issues of the day that are impacting our respective states in this country. It's an opportunity for us to learn from each other. People are actually in the trenches doing things and solving problems. And, as I have attended over the past number of years, I leave and go back to Utah able to be a better Governor than I was before the attendance.

So I appreciate the National Governors Association for what it stands for and the significant role that Governors play in our nation. One of the blessings of being the Chair is I have the opportunity to have an initiative. And as John has mentioned, I am very concerned about what I see a lack of balance, a change that's occurred in our country over many years, where I think that the role of the states in comparison to the role of the federal government, are a little bit out of balance and need to be changed and improved.

I know, as we look at some of the challenges that we see in our Washington, D.C. government, and some of the dysfunctionality, I just want to let the people here know, and those who listen and watch, that the states are performing well. They are solving problems. They are addressing the people's needs. And so our initiative, which we've titled, is called "States: Finding Solutions and Improving Lives," I have a card that I've given to all the Governors and anybody who wants to listen and learn about the initiative. And, in fact, for those of you who are here, we will have them available on the table as you go out, if you'd like to pick up a card.

But it is States: Finding Solutions and Improving Lives. And states are doing that. States are, as we know, the laboratories of democracy out there doing very good work in addressing the needs of the people. And states have to find solutions. Governors are leading out, in many ways, with the help of their local government.

And I want to assure you it's not a fluke, it's not just a coincidence, it's how the system was designed to be. When we created this great miracle here of America in our Constitution, the miracle at Philadelphia, that was the beginning of an opportunity to have a relationship between the states and a new centralized, stronger federal

government, which was going to be able to have us have what we needed for the big needs of the overall, and the needs that are unique to the states.

And James Madison, when he was trying to, in fact, encourage the states to ratify the Constitution in his paper called Federalist 45, he said this. The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain with the state governments are numerous and indefinite. So states, you've been used to independence and a little more autonomy under the Articles of Confederation, that will change some with this new stronger federal government. But let me assure you, you're going to be okay, because the powers given to the federal government are few and defined. Powers that remain with the states, numerous and indefinite.

And that kind of mirrors our 10th Amendment of the Constitution, where it says that the powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectfully or to the people. Again, that's how it was designed to be, states having more active and proactive roles in solving problems. States have led forward. And again, we don't have the stagnation that we see in Washington today. We see leaders on both sides of the aisle solving many of the people's problems.

Now my initiative is designed to, in fact, showcase those successes. The people need to understand that things are really working well in the states, and hopefully change the paradigm from the people saying, "Let's have Washington solve all our problems," to say, "Let's first talk to our Governors. Let's talk to our states, to our legislator, to our local communities, and see if we can't address these things a little closer to home."

My initiative has three objectives. One, to enhance or improve our collective state-federal partnerships, which I think needs to happen. We can do better in our relationships as states with the federal government. Two, to highlight some of the state solutions, we're going to try to compile, over the next six to eight months, some of the great success stories, and put them into a book so we have something to document what's taking place, and distribute that to the public for their enlightenment and understanding. So we'll highlight republican, democrat, independent successes are taking place in our states. And also, then, to talk about and share best practices.

So those are the objectives. I think we're going to be able to highlight a lot of things. I think the list is going to be significantly long. The characteristics of these will be that the successes are innovative, probably a new way, we're breaking new ground, new territory, new ways of doing things. They will be relevant to the—to the times, and what we need to find and address today. And also, they'll be good for the public. There was a positive result that comes that the public is embracing. And we'll highlight those and less the Governors submit those suggestions to us as we compile this list.

Let me just take a moment to address the idea of our first objective, which is enhancing and improving a collaborative state-federal partnership. I think we have an

historic opportunity to do that. Again, with the challenges that we face here, and the frustration that the public shows, Congress is at an all-time historic low in its approval rating. Again, it's an opportunity for us to strengthen these state-federal partnerships as envisioned by our founding fathers.

Governors have long held the understanding that there is a significant role, important role for the federal government, but a very significant role for the states too. And so we're concerned, as Governors on both sides of the aisle, of what we see this constant federal overreach into the domains of the states. No Governor, no state likes to have the federal government tell them how and what to do in managing and running their own states. That's not a partisan issue. We all want to, in fact, appreciate the understanding that there's a unique nature and a role for the federal government to play, and they have to work in close harmony relationship with the states.

That was the concept of federalism. And unfortunately, I think we've gotten away from that concept of federalism, the shared coequal responsibilities that we have between the state and the federal government.

Now we support the federal's role. We know that there's some things that the states can't do, protecting the basic rights of all of our citizens is certainly one of the basic roles that we have from the federal government. And many issues that are beyond the capacity of the individual states.

At the same time, we believe that the federal government must recognize that most of the problems are best addressed at that state level. Whatever the issues that we challenge as a population, as a community, as Americans, are better addressed, most times, at the local levels and the state level.

A balance of power between the states and the federal government is not only the right and proper thing to do, but I would submit to you that it is essential to have happen if we're going to address some of the challenges we face as Americans. This is not about ideology. This is about results and getting positive results on behalf of the citizens of this great country.

Federal agencies, we find, are not equipped. Again, the mentality tends to be a one-size-fits-all approach. Uniform standardization. When we as Governors know that the uniqueness of this country and the regions of the states have different cultures, different geographies, different politics, and different ways of doing things. They are not only laboratories of democracy, but little pilot programs that are going on constantly all over this country, which gives us an opportunity to experiment and test theories. And, as we learn from other Governors and other states, we have the chance to emulate, copy, revise, improve or reject, altogether, as individual states. And we see that happening all the time.

Again, let me just give you this stunning fact and statistic. Remember, we talked about James Madison who said, you know, the federal government has few powers that

are significantly defined, the states numerous and indefinite. And let's just look at the comparison of our budgets between the states and the federal government. How you spend your money demonstrates a priority of what you think are important.

And I've done the math here, with the help of the Office of Management and Budget on an NGA here, this stunning fact. If you combine all the budgets of all of the states in the aggregate, we are spending today a collective amount to run our states of \$1.7 trillion dollars, a fairly large number, \$1.7 trillion dollars in all 50 states. As you know, the budget proposal that's being considered before the Congress today is \$3.99 trillion dollars, almost \$4 trillion dollars. So more than double, plus an additional \$500 billion dollars is being spent in Washington, D.C. as opposed to the combined spending of the 50 states. And unless we have some double accounting, we find that the federal taxes that we extract from the states and their citizens that come here to Washington, D.C., and then are redirected back to the states for shared responsibility and additional federal programs, is about a \$500 billion dollar price tag.

And so we don't double account it, you would take that off of the state budgets, which means the state is spending about \$1.2 trillion dollars. So the ratio is really about three times more money being spent and extracted from our taxpayers and the obligation as opposed to the combined 50 states.

Whatever James Madison envisioned when he was talking about few and defined, compared to numerous and indefinite, most people say we've kind of gotten away from that concept. Now it's more complicated than that. I don't want to over-simplify the situation. But it does give us an indication of what I would consider this lack of balance in the concept of federalism.

Now I'm proud to say that we have a lot of successes going on. And for the sake of time, I won't spend a lot of time. I'm anxious to see what's going to be submitted to us by the Governors as we compile this book. But the truth of the matter is, there's a lot of innovation that's going on in many places in this country.

Let me just mention a few very briefly. We all know that it's the challenge that we are having today, again, with the dynamic change in society, particularly when it comes to religious rights and anti-discrimination with the gay community. That's been an emotionally charged thing. I'm proud to see that Utah has taken that issue head-on, and have come together with the gay community and the religious community, and come to a balanced point, and provided an opportunity for us to, in fact, protect religious liberty and also make sure that there's not discrimination to the gay community in housing and employment and other issues. It's not been an easy thing to do, but we were able to do it. It's become a model for many of the other states. I've had many Governors call me and say, "How did you do it in Utah? We want to do it in our state too." Again, an example of coming together and finding unique ways to solve current issues and problems.

The economy, which has been a big issue, and you know, we see examples in Texas, in North Dakota, of innovative ways to, in fact, improve the economy. In Texas,

tort reform, helping us with healthcare costs, and helping us to find affordable ways to produce health and access to good healthcare, and help boost the economy and not be a drag on the economy.

We see in education, we have significant examples in Arkansas, where we're directing monies and Medicaid reform. We were just in New York here recently, and looked at a new school there in New York City, in the great state of New York, called PTECH, where we have a corporate sponsor, IBM, that's stepping forward and saying, "Let's help some of the at-risk kids here from ninth grade, for the next six years, and have them attend this school, get six years of education, graduate, not with just a high school diploma, but with an Associate Degree. And they'll be first in line to get a job at IBM with salaries starting at \$50,000 dollars plus benefits." It's working remarkably well. And again, a new outside-the-box thinking coming from the state of New York on how we can do a better job with education.

Welfare reform. Again, the constant issue of government assistance is a challenge that we address in this country. And I hearken back to 1996, when President Bill Clinton signed a welfare reform bill that revolutionized welfare. That came from the states of Michigan and Wyoming—or excuse me, Wisconsin and Utah, again, led by the Governors and the Governors and the NGA helped the Congress write the bill. Again, a great example of what we can do in states, if we combine our thinking, and help the Congress solve some of the challenges of the day.

One of the areas where I'm proud of in Utah, again, is in our innovation for transportation. Transportation takes a lot of the budget that we have as we build infrastructure in a fast-growing state like Utah and across the country. And how we spend it, by having regulation reform and streamlining the process allows us, in fact, to save money as we build roads.

One of the innovations we've had in Utah is, when we come to intersection and have to build bridges, the traditional way is to have construction going on there, and build a bridge in place there. And it might take six months or a year and have disruption in traffic flow. We found a way to, in fact, build the bridge to the side of the road so it does not disrupt traffic flow. And then, with mechanical devices and transportation, with a little joystick that you hoist and put on your person, it's like a large tractor with a flat platform picture, back that into place, and bolt it down, and put it in place, and do it in less than 24 hours. So what was taking six months or a year to do, now we can do in less than 24 hours. We have people come from not only around the country, but all over the world, to come and observe our Department of Transportation and how we build bridges in a very unique way, saving time and money and something that now is being emulated around the world.

Those are just some examples. We're just really scratching the surface of all the things that are going on. But the point is, that states really are solving problems in innovative ways. And we don't have the dysfunction that we understand that's taking place here in Washington, D.C.

Let me just conclude by saying, I know it's difficult for all of us. I think there's frustration with politics in general that we get things done, is the partisanship too much? Do we just don't have good people running for office? I think in many cases, particularly here in this city, in Washington, it's because we the people are asking them to do more than the Constitution ever understood them to do. We're asking for Washington to do too many things for too many people, when the founders envisioned most of this work was going to be done in the states.

We understand the different roles and we believe that, you know, improving people's lives and finding solutions is not a partisan issue, it should not be. I think the initiative we have here today gives us an opportunity to bring the discussion to the forefront, reset the balance point, and see if we can, in a more collaborative way, work with our federal partners, and really showcase what's being done, and remind the people of America that states are really finding solutions and improving people's lives. And that's going to be a beacon, I think, of bipartisanship. It's going to be a new way for us. And I really do believe that the best hope for America is if we can get this balance back in place, and the states have the appropriate roles envisioned by our founding fathers under our Constitution.

So thank you for being here today. I'm honored to be with you. And you know, the states are doing it. Thank you very much.

[applause]

MR. HUGHES: Thank you so much, Governor. Here in Washington we're talking about a fiscal cliff again, possibly December 11th is the new date. And now, I guess, that's even been moved up. The Treasury Secretary said Congress actually has to act sooner. But there is some question on whether Congress will act, or whether we'll have another shutdown type situation. I was talking with the gentleman on my left about a highway bill, and he was saying how Congress can't seem to get a highway bill done even. What can Congress learn from the sort of lessons that you're talking about? How can Congress bridge those divides and start working together and get that balance?

GOVERNOR HERBERT: Well, it's not going to be easy because of what we've been doing for too many years. We don't seem to believe in balanced budgets. States really do live within their means, don't spend more than they take in, and don't have unreasonable debt, at least the vast majority of us really live with a tight fiscal responsibility and a tight budget. Utah, for example, is a Triple-A bond rating. Our rating is better than the United States.

We need to have people in Congress on both sides of the aisle to understand that they need to be fiscally prudent and live within the budget. And that should be balanced. If that was the case, we wouldn't be facing any kind of a fiscal cliff. It would be we've got a budget. We've got to vote things up or down and come away with a budget and move on.

The fact that we do, instead of having regular order in our Congress, and the fact that we have continuing resolution, which is how we do the budget, is just a formula for failure, and it causes a lot of frustration and anxiety. For us in the states, it gives us a lot of uncertainty. So it's not just harming what's happening here in Washington, D.C., but for the states who we are partners, we don't know whether the money is coming, when it's coming, transportation's a good example. Are they going to reauthorize it or not? And the uncertainty causes us pause on even Medicaid and Medicaid expansion. Is the money going to be there tomorrow? It's here today, but is it going to be there tomorrow?

So again, if we could get people—I know it's been tried, and we've had it proposed a number of times, a balanced budget amendment. There ought to be some ability for leadership and the White House and the Senate and the House, and say, "No more. We're going to have a balanced budget. If we need to cut or slow the rate of growth to the point where, over a period of time, with economic growth, we can balance the budget. We've done it before." But there ought to be an ability to debate issues on the budget, vote them up and down, and get back to regular order. That's the counsel I would give to the Congress.

[applause]

MR. HUGHES: You talked about the need to achieve that state-federal balance. Where in Utah do you think is the best example of achieving that balance, or in example from another state, where you think the balance is achieved in the way you describe?

GOVERNOR HERBERT: Well, I guess I don't know that it's balanced anywhere in the country right now, because I think we're out of balance. There's probably examples of where we've worked very good and very harmoniously, the states and the federal government. So it's not all bad. It just isn't all good.

You know, I come from the west. And some of the challenges we face with working with the federal government, the Department of Interior, and how do we manage our public lands. For example, we have lost an entire industry in lumber. And it's not unique just to Utah, but a number of the western states and others, because we've not been allowed to spray for the bark beetle. Now most of us think that's just commonsense. We have a destructive species here gnawing away at our trees. It kills the forests and leaves them as a fire hazard.

There's a better way to manage that. Sometimes we have areas of wilderness that have undergrowth that grows up. And they want to be able to, in fact, be good stewards of the forest, but yet they can't go in and scarf it out. They can't start a fire. It's wilderness. We have to wait for a lightning strike to come and let it burn, because that would be healthy for the forests. We are in charge. We're the stewards. We ought to allow modifications so that we can, in fact, tend to the forests and the public lands in a more rational way.

One last example, again, we have a Clean Air Act that passed in 1990. We have the unique problem, now, of trying to clean up our air and ozone and other issues that many parts of our country. But for example, in Utah, our industry people are not giving credit when they pay for best available technology, meaning that we're going to process, whether it be natural resource extraction or energy development, they'll spend hundreds of millions of dollars for best available technology, to have a cleaner process, but get no credit for it. They only get credit if we first reach nonattainment.

So the perverse incentive is here to have dirty air before we can get clean air. There's something wrong if that's the rules and regulation we got to play by. We need to bring a little more commonsense to this relationship. And really, it benefits the public if we can do that.

MR. HUGHES: Gay marriage has been a contentious issue in several states. As we recently saw, the county clerk spend time in jail after she refused to issue a license to a gay couple. Yet you say in Utah, you were able to bring religious groups in, bring gay rights groups in, reach some kind of accommodation, understanding. Tell us about what happened in Utah and exactly how that's working there.

GOVERNOR HERBERT: Well, as everybody knows, it's an emotional issue on all sides. It's probably not just both sides, there's different variations of both sides out there. And so how do you bring people together that, in some ways, are diametrically opposed to each other because of religious belief? Most people believe in equal opportunity and nondiscrimination. But they want to be able to worship or express their religious beliefs the way they want to without fear of somebody's calling them a bigot or some other kind of bad name.

And so coming together, at least what happened in Utah, was that we had all parties that came to the table. There has to be a willingness to say, what is the compromise? Can we find it? And if you can get people to come to the table, I think that's certainly the first step that has to happen and say, well let's discuss things in an honest and frank way. We are able to have the leadership with the gay community come. We had the leadership from the different religious persuasions in Utah that came to the table and sat down and said, "We can do better than what we currently have in the marketplace."

I ended up saying to both sides, "Don't bring me one bill that protects religious discrimination and one bill that protects against gay discrimination, because then we'll have competing bills." I said, "If you bring one bill, I'll veto it. But if you'll combine them into one bill, so that both sides are being addressed, I know that what you will bring to me, and getting it passed through the legislature, is something that is a compromise that both sides will feel like that's a step forward."

And that's exactly what happened. The competing interests were combined into one bill and addressed in a very forthright and frank manner. And it was one that probably both sides didn't get everything they wanted, but they got most of what they

wanted. And it's certainly a workable solution for Utah, where we're feeling pretty good about where we're at.

The clerk issue, those who have been tasked to perform marriages, that feel like that's against their religious belief, they've found themselves in kind of a unique place, because some have been elected to those positions as clerks before the law changed. And now they're being compelled to do something that they didn't sign up for. We put an exclusion in there for elected officials that are required to perform marriage with the proviso that, if they don't want to do it, they need to have somebody else in the clerk's office, for example, that will do it, is willing to do it. So if you don't want to do it, we'll let you have a pass. But the clerk's office has to provide a substitute of somebody who would be willing to perform the marriage. Again, so far, that's working out very well. And I think it is a good example and a good model of how people can come together under very difficult circumstances.

MR. HUGHES: You've been trying to push the Utah legislature into an alternative plan for expanding Medicaid. And now there's a new proposal that appears to have received a lukewarm reception in the House. Do you think you can get up enough support among your fellow party members to pass it?

GOVERNOR HERBERT: Well, we just had the passing of Yogi Berra, one of the great philosophers of all time. And I know that Yogi said, "I hate to make predictions, particularly about the future." [laughter] So who knows? I don't know what's going to happen with the legislature. I believe there's an effort there and an attempt to, in fact, find a compromise. I provided to our state my proposal, which was Healthy Utah, designed to in fact have access to those most vulnerable in our society up to 138 percent of poverty, and draw down monies that we've already sent to Washington. The state of Utah, we've sent about \$800 million dollars, plus per year, under the new taxes under the Affordable Care Act. And they come here to Washington, and they don't come back to Utah unless we activate that.

So Healthy Utah was designed to bring those back and to put the money into private insurance and help address those issues in a unique way, with opportunities to give them work help, so that people that are on government assistance are doing it because they're not making enough money. It helps them get a better job with education, skills and training.

Also, I had them increase the copay, which hasn't been increased in Medicaid for many, many, many years. Also, to help redirect them to not go to the emergency room, but to actually go see a doctor. And with private insurance, the doctors will get paid and reimbursed at commercial rates. It's a sound concept. It's a commonsense concept. It's created because of some of the flaws in what I would consider flaws in the Affordable Care Act, coupled with the Supreme Court decision which puts the states in somewhat of a unique situation, and that the taxes are mandatory, but the expansion is voluntary. And how can we reconcile that and respect the tax reserve[?] footing the bill, and get the best bang for the buck?

Some of the legitimate concerns that the legislatures raised, and it's being discussed around the country in all the states, is will the match change? Will the money be there as promised by the federal government? Our government has an \$18 trillion dollar debt. There is some apprehension and angst. Is the Affordable Care Act going to stay? Is it going to be repealed? A lot of those kinds of things are being discussed.

We have benefit that comes back to the providers. And I know that the legislature is trying to find a way for having them participate to help take care of the 10 percent match requirements that will start in Utah and other states in 2020 and 2021. We have a concept, I think, as good that we agreed to, and based on fairness, based on proportionality, it'll be up to the legislature to see if they can take the compromise that we're trying to make from my proposal of Healthy Utah, and if they can get it passed.

And I'm optimistic. I hope to call a special session to have this passed at the latter part of October. I think the leadership in the House and the Senate will find some way to get through. And at least that's my hope.

MR. HUGHES: What would you say to Governors in other states who have yet to expand Medicaid? Are they missing an opportunity? Or does that fit into what you were saying earlier, each state should make up its own mind and they can have a perfectly good reason for not doing it?

GOVERNOR HERBERT: Well, we've talked a little bit about the founding fathers. And one of the founding fathers was Benjamin Franklin. And he said that an ounce of prevention is worth a pound of cure. I take that to mean if we would do it right in the first place, we would not have the problems of having to fix the problem and cure the problem at the end.

Unfortunately, I think the Affordable Care Act, and I think republicans and democrats alike, are disappointed that it has become such a partisan issue. It would have been nice if the Congress, and in the efforts to put forth with good intentions this Affordable Care Act, it had more republican participation.

My disappointment, as a newly elected Governor, was coming to the table and asking the question, when are we going to be invited, as states, to weigh in on this Affordable Care Act? We're going to be at the front lines of this. And I was told, we have not been invited. That was a disappointment to me. I suggest, well we should have invited ourselves. I came on the scene a little bit late in the time, but again, I think that we would have had a better Affordable Care Act if we'd had Governors participate and say, "Let me tell you what's going to happen to my state and why it will be a challenge if we do this. And here are some suggestions to make it better." I think you could have had some—certainly a significant better bipartisan effort if we'd have done that and engaged the states and the Governors.

That being said, we have in the republican side of the legislature, a desire to repeal and replace, repeal and replace it with something else. On the other side, even the President has said, on a number of occasions and others, that we know that the Affordable Care Act can be modified and improved. Well, modify and improve or repeal and replace, if you work on it, can come pretty close together.

There ought to be the ability for us to sit down in a more bipartisan way and say, "How can we in fact improve what we have? Do we have to repeal and replace? Or can we modify and improve?" Again, I think it needs leadership. And there needs to be leadership in the Congress as well as in the White House to, in fact, find resolution. Otherwise, this is going to continue to fester and divide the country, as we see it taking place.

We have states that are saying, "I don't want to engage because I don't trust what's going to happen. There is uncertainty. The debt, will I get the money?" Some just, "I don't support the Affordable Care Act, Obamacare." And politically, it becomes difficult for me to do it because people accuse me of supporting Obamacare, when, in fact I oppose it.

I'm saying we have to deal with the cards we've been dealt. It's the law of the land. And if we can repeal and replace, as the republican side, fine, replace. If we can modify and improve and get to the same point, that's certainly workable. But, until it happens, our taxpayers in the states are spending a lot of money that they get no benefit. Again, I'll start where I began. The requirement to pay the taxes, the new taxes under the Affordable Care Act, are mandatory. Expansion is voluntary. And that's the conundrum that we find ourselves in, in the states.

MR. HUGHES: The federal gasoline tax hasn't been increased since the Clinton administration. How did you get a gasoline tax increase through a republican legislature in a republican state? And how did you also get the legislature to agree to a bond issue to fund the I-15 rebuild? Aren't republicans supposed to be the party of no taxes and little borrowing?

GOVERNOR HERBERT: Well no. We are the party, as I'm speaking as a partisan now, republican party of responsible spending of the taxpayers' dollars, not no taxes. If we had no taxes, there would be no way to run the government. So clearly, how we extract money from the population out there is a key issue. We in Utah are trying to find a very balanced approach. We call it the three-legged stool, with property tax, sales tax and income tax. Every state has a little different mechanism, depending on what their strengths are and what their weaknesses are and what their policy and philosophy is. So what works in Utah may not work in other states. And that's something that they need to find.

We're able to get something done because we have good leadership. And it's not just the Executive Branch, certainly we are a part of that, but we have good leadership in the House and the Senate. We have good leadership in our private sector. We have great

Chamber of Commerce members who say, for us to be successful in business, we have to have an infrastructure that works.

We heard loud and clear from the business community that we've got to have a transportation system that gets us from point A to point B with little discomfort and congestion. And so we've tried to be very proactive when it comes to transportation in the state of Utah. It's an economic benefit for the businesses at large. It's not just an inconvenience thing, it's an economic generator and a facilitator.

We found that, after 18 years of not having any adjustment in the gasoline tax, what we've lost to inflation, the purchasing power, is significant. Compounding the problem is cars and automobiles and trucks are much more efficient. So we have more miles being traveled and less revenue that comes in proportionally, because of more efficiency in our automobiles.

So you've got to make some adjustment just to break even, just to keep where you're at. And that's just to maintain the capacity of built. We happen to be the third fastest growing state in the nation. So that means it's not only just a matter of maintaining, but it's also a matter of increasing capacity.

And I believe in the people. I believe that the people understand the facts. And all the details regarding why do you need to have an increase in the gasoline tax for transportation purposes and economic development. They're smart people. That's part of leadership. You have to explain the details and let the public understand why this is important and let them weigh in on it. And frankly, we had the private sector weighed in very strongly on the fact we need to make an adjustment on transportation, and did so.

It made it easier politically for the legislature to do it with the support of the business community, the chambers of commerce, education, others out there that are stakeholders, to make a commonsense adjustment in our taxation for transportation. And frankly, it's worked, and other than a few extreme voices out there, we have not had really much discussion.

But we've vetted it over a couple of years. It's not something we have sprung on the public. And we were able to, in fact, get the public to weigh in, and they weighed in, and we did it.

MR. HUGHES: We've received a couple questions about the mass shooting in Oregon yesterday. President Barack Obama yesterday responded to the shooting by calling for reasonable gun control, he said, "I've got to have a Congress, and I've got to have state legislatures and Governors who are willing to work with me on this." What can the Governors do to help stem the recurring problem of mass gun violence?

GOVERNOR HERBERT: Well, it is certainly a state issue, as far as the individual laws and regulations we have are not the same in all the states. We are very strong Second Amendment supporters in the state of Utah. We think we have good laws

on the books currently, that fulfill the needs and the appropriate balance that we have for the right to carry a weapon. We can do better, though, I think, when it comes to mental health and screening, background checks, to make sure that those who in fact apply for concealed weapon permits, for example, acquire guns of any kind are fit mentally to be able to handle a gun. We think there's opportunities for us to make awareness and education, not that it's mandatory, but an opportunity for people to know how to handle weapons and what would be the appropriate use of a weapon.

We think there needs to be better education in our schools a big effort we have in our education system is to make sure we don't have bullying that goes on. You know, violence and the outcome of violence starts at a younger age when we see bullying that some contain and not controlled. So teaching good values and good principles is a very significant part of the issue that the President was talking about.

It's not necessary just new rules and regulations, it's changing the culture. My wife, the first lady, who I'm very proud of, has a conference every year. It's called Uplift Families, and it's designed to have families of all kind come in and be taught parenting skills. Again, if we teach our children good values and good principles, they'll grow up to be outstanding citizens and will reduce crime rate and violence. I believe it starts in the home with good teaching and good parenting skills. So that's where I would start. I think that we can actually make a bigger difference, not only in the short term, but in the long term, than creating some kind of new law prohibiting the carrying of weapon.

MR. HUGHES: Governor, you were in the news recently when a federal judge issued an injunction against your order to halt funds for Planned Parenthood of Utah. And you have vowed to fight that ruling. Is it presumptuous to cut funding for Planned Parenthood before there is an investigation into those videos?

GOVERNOR HERBERT: I don't think it's presumptuous, because we know that the parent organization has caused some controversy. Anybody who's seen the videos, no matter how you want to spin it, and say they were done under some kind of guise and some kind of assumption that they were colleagues in medicine and science and we didn't know, and the excuses, that's why I have a moment of candor, of honesty, that should cause us all a little bit of pause.

I do not discount the fact that Planned Parenthood does some good things. But that's not to in fact paint over the concerns we have with what we've viewed on the videos. That being said, the more important issue is make sure that we are able to provide for women's healthcare and whatever form or fashion we think is important in our states. We have 41 different locations in the state of Utah where women's healthcare issues are being addressed. And most all of them provide for mammograms, for example, and Planned Parenthood does not.

So I just believe that we have—It's not a lot of money in the state of Utah, it's less than \$275,000 dollars towards an \$8 million dollar budget that Planned Parenthood has. They've already vowed that we're going to continue as business as usual. I'm just

saying, I think I can take that \$275,000 dollars and make it better for women's health. I can spread it in more convenient locations. I can make it better access for all those issues that we're talking about, that [00:49:23] an organization that's performing abortions. And it takes the controversy out of it. It still provides for women's health. I think it's just a better way to spend the taxpayers' dollars if we're concerned, really, about women's health.

MR. HUGHES: You haven't said which republican candidate you would endorse for President. But tell us what you think about the republican field and the campaign so far. And is Donald Trump helping or hurting the GOP brand?

GOVERNOR HERBERT: Well I don't want Donald Trump calling me ugly or stupid. [laughter] So I'll be very kind. I think it's an interesting time and Presidential elections, it always is, isn't it? And we all say this is the most important election in the history, and maybe every election it becomes the most important election in the history of our country. I think there are great candidates out there that have got a lot of substance and a lot to offer. Every candidate has strengths, and probably every candidate has some weaknesses. And so we'll have to let that kind of filter through the process and see what the public really wants to see in the Oval Office.

I think that some are certainly tying into the frustration that we've talked about a little bit here today of the dysfunctionality here in Washington, D.C. The propensity to kick the can down the road, to not address anything. You know, Congress, the joke is that Congress is good at doing two things. One is nothing, and the second one is overreact. And so again, the low esteem that the public holds for what's taking place here is indicative frustration.

So outside candidates, you know, are able to come and say, "Hey, I'm an outsider. I'm going to come in and clean house. I'm going to sweep up." But I think that resonates with the public. I actually like Governors. That probably wouldn't surprise anybody to think that I have a little bit of a bias towards the Governors, who I think have significant experience. They've actually run something. And they've run something that really is similar to being a President. They're the Executive Branch in their states, they know how the puzzle parts fit together, and why it's important to work with your legislature. How do you represent the people and your business community, and how to put together education, and all those things that sometimes we ask of the President.

So they've already got some internship. They've got some experience. They've had working knowhow. And I think that's nothing but an asset. So I like the Governors that are running. I think they have the experience necessary and have proved their meddle in difficult circumstances. And there, in many ways, can be outsiders too, with experience.

So I'm not prepared to endorse anybody yet. I know most of the candidates. I like them. They're good friends. And I do like the idea of a Governor being in the White House, which, by the way, history shows us, the Americans agree with that. Most of the

Presidents we've had over the last, you know, few generations have been, in fact, the majority Governors.

MR. HUGHES: So some breaking news, according to my colleagues on the head table. Politico is reporting that Congressman Jason Chaffetz of Utah has just announced a campaign for House Speaker. And they wonder if you could react to that news, Governor.

[laughter]

GOVERNOR HERBERT: Well I'm glad to hear that he's running for House Speaker and not for Governor. [laughter] So that's good, good news all around. [laughter] I've known Congressman Chaffetz for a long time. He actually ran, was the campaign manager for Governor John Huntsman and myself as I was running for Lieutenant Governor. So I've known Jason for a long time, very talented guy, personable and articulate. And really is willing to engage in the discussion in a frank manner.

And so you know, having him as the Speaker of the House would be, I think, a blessing for the House. It certainly would be nice for Utah, but more importantly, is what's good for the country. So I hadn't heard about this. I saw him just the other day. And he didn't mention it to me, didn't get my permission. But I say, hey, go Jason.

MR. HUGHES: Well here on the East Coast we're getting pounded by rain. And that's certainly happening today. On the West Coast there are serious concerns about the ongoing drought. What do you think about the future of water in the West? And do you believe the Colorado River Compact needs to be renegotiated?

GOVERNOR HERBERT: Boy, that really is an in depth question. You're getting too much water here on the East Coast and snow, and we're not getting enough in the West. And so we need to put a big pipe, I guess, between the two, and see if we can transport water. In the West, you know, water is the life blood. For us in Utah, you know, we are fast growing. But the only limiting factor to growth in Utah is water.

So we're under a very significant effort right now to, in fact, conserve what we have and make it stretch farther, and develop what we need for the future growth potential over the next 50 years. We've created what's called Your Utah, Your Future, and we've had the people weigh in. We've had the largest grassroots efforts, near 60,000 people have weighed in on our surveys, and helped us with this issue on the growth pressures of Utah and what do you want to see Utah become.

The Colorado Compact, which was put together back in 1922 by the Intermountain states, there's an upper basin and lower basin. Utah happens to be in both basins, parts of it. And if we had to do it over again today, it would probably be different than what was done in 1922. For example, California got a certain guaranteed amount, and the rest of the states got a percentage of the flow. Well flow goes down, your amount

of water volume goes down. Whereas the guarantee keeps continues onto California. So you can see some inherent inequities in the system.

We have some of the—our Native Americans and some of our reservations have access and an ownership in the water, and yet they can't access it. And the challenge of how to make that work for everybody and find the proverbial win-win is an ongoing challenge. That being said, we've had the Colorado River Compact continues to work well.

I don't think anybody wants to see it opened up again, concerned that it might open up a can of worms, and [00:56:33] that the benefit would not want to do it, even those that maybe are getting the short end of the stick would want to. I don't think you can get consensus on it. So I don't think it's going to happen.

That being said, you know, water issues are a big thing in the West, particularly we see this drought that's taking place. It impacts not only our ability to grow, but our resorts, our ski industry in Utah, which has the greatest snow on earth, and it's really true, is impacted. So we're addressing it by conservation and efforts there to make it better for us to use the water that we have.

MR. HUGHES: Before I ask the final question, I want to remind our audience of some upcoming events. Next Wednesday, October 7th, Baltimore Mayor Stephanie Rawlings-Blake will address the National Press Club luncheon. And on Friday, October 9th, Republican Presidential candidate and neurosurgeon Dr. Ben Carson will address a luncheon.

I would now like to present our speaker with the honorary National Press Club mug. [laughter]

GOVERNOR HERBERT: Thank you.

MR. HUGHES: And final question. So if you spend any time with reality TV or pop culture, you'd think Utah is all about Sister Wives and singing Book of Mormon musical missionaries. What would you like the rest of America to know about your state?

GOVERNOR HERBERT: Well, there are the stereotypes for probably every state, and not just unique to Utah, but everybody has their stereotypes. Utah is a wonderful state. It has wonderful people. We speak 130 languages. Very cosmopolitan. Our symphony has been rated as the seventh best in America. We venerate the arts. When Brigham Young and those early pioneers came to the Salt Lake Valley and said, "This is the right place," the first thing they built was not a temple, not a church, people didn't even have houses, they started building a performing arts center and said, "We're going to make the desert not only blossom like a rose here, but also improve people's lives by bringing culture."

And so Utah is not a wild and wooly west kind of a place, although we have parts of that in our history. It's a very cosmopolitan, urbanized area. We have three million people in Utah that are mainly headquartered in about ten regions of the state that are very urbanized. We got a lot of wide open spaces. Our public lands and a lot of natural resources and tourism and travel is growing dramatically in Utah. It's a beautiful place to come and visit.

We have vistas and venues. We have landscapes that are just stunning. And we have people that visit and say, "We need to come back." So, not only do we have great vistas and venues, great people that really are friendly and optimistic and wholesome, but I think all of that combined makes Utah a great place to live, to raise a family, and as Forbes has said four times out of the last five years, the best place to do business.

So we have a lot going for us in Utah. We are a good example. Other states are doing well. Again, I'm just hopeful that the Congress and the people in Washington, D.C. will listen to the states, and let's work together for the good of the Americans.

[applause]

MR. HUGHES: Thank you Governor and thank you in the audience. And I want to remind everyone, if you would like a copy of today's program, or to learn more about the National Press Club, go to the website press.org. Thank you very much. We are adjourned.

(gavel)

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