

NATIONAL PRESS CLUB HEADLINERS LUNCHEON WITH REPRESENTATIVE MARK MEADOWS

SUBJECT: THE INNER WORKINGS OF THE HOUSE FREEDOM CAUCUS

MODERATOR: JEFF BALLOU OF THE NATIONAL PRESS CLUB

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JEFF BALLOU: [sounds gavel] Good afternoon, ladies and gentlemen, and welcome to the National Press Club, the world's leading professional organization for journalists where news happens and we are the constitution.

My name is Jeff Ballou, news editor for the Americas with Al Jazeera Media Network, and the 110th president of the National Press Club.

Before we get started, I wanted to remind some of the people here in the audience about some housekeeping things that we have happening here. First of all, to remind you-- and some folks came into the room late-- if you have a smart phone, and we do encourage use of smart phones here at the club. We are, despite our ancient accoutrements, do encourage the 21st century technology. But we would like your phones on silent or vibrate because we also like you to Tweet and to follow along here in the room and, of course, to our viewing audience. And to do that, you would follow us using the handle *@PressClubDC*, using the hashtags *#NPCLive*, or hashtag *#Headliners* using the handle *@PressClubDC*.

And that's for our television, online and radio audiences. Please be aware that today there are members here in the audience who are members of the general public, attendees who are members of the general public, so they're for if you hear any expressions of applause or signs of approval or disapproval. That doesn't necessarily mean it's coming from the working journalists in the room, because we do have some decorum. At least I like to think we do.

Before we get into the rest of the things, I'd like to introduce the head table, and then we will thank some important people who put together today's luncheon. So starting on my

far left, Tamara Hinton, founder and chief strategist of Incommunicado PR, and a member of the National Press Club headliner's team. And this is the team that brings our speakers here into the club on a year round basis. I'm glad to see you're on the head table instead of outside taking your tickets. That's a good thing. Philip Brasher, senior editor at Agri-Pulse Communications; Susannah Luthi, reporter at Inside Health Policy; Ben Williamson, press secretary of the Office of Congressman Mark Meadows; Tim Alberta, national political reporter, Politico Magazine, one of our star softball players on the Press Club softball team; Alyssa Farah, spokeswoman for the House Freedom Caucus.

Skipping over myself, one of our newest members. In fact, we just handed him his card today. Robert Costa, national political reporter for the *Washington Post*, moderator of PBS's "Washington Week" and political analyst for NBC News and MSNBC. Welcome to the club, Bob. Skipping over our speaker for a moment, Matt Mlynarczyk, President of Advocatus Group, and the National Press Club Headliners member who coordinated today's luncheon. Thank you very much, Matt. Mrs. Debbie Meadows, wife of Congressman Meadows; Ellyn Ferguson we've seen lots over the years around Capitol Hill, agriculture and trade reporter at CQ Roll Call. Thank you for joining us today, Ellyn. And Lauren Ashburn, managing editor and anchor of EWTN News Nightly on the Global Catholic Channel. We're missing one person, we'll pick up her, Michelle Hackman, a reporter at the *Wall Street Journal* who's tied up, I think, on a plane, but hopefully will be able to join us at some point for the luncheon. And applaud the members at the dais at this time. Thank you for joining us. [applause]

I'd also like to acknowledge some additional members of the Headliners team who helped organize today's luncheon and prepare me. It's Betsy Fisher Martin, and Lisa Matthews, our chairs; Laurie Rizzo, Heather Forsgren Weaver. I mentioned Tamara before, Tamara helped with today's luncheon as well, and Mark Sheff [?]. And I particularly want to thank our staff liaisons from the Office of Membership Engagement, Lindsay Underwood, and Laura Coker.

Now, the blame for an increasingly partisan and sometimes dysfunctional Congress is spread widely around Washington. One group that seems to always come up in the conversation is the House Freedom Caucus. Is that a fair assessment of the disruption that this group of what's characterized as far right conservative Republicans can cause even within its own conference? Or is it an unfair depiction of lawmakers who say they are trying to give a voice to Americans who feel as Washington does not represent them as the caucus says on its Facebook page.

Today's Headliners Luncheon guest, Representative Mark Meadows of North Carolina's 11th District, which I should add represents in part Asheville, North Carolina, where I have family, incidentally. So I'm going to call my Uncle Joe if I don't like something you're doing, Congressman.

He is Chairman of the House Freedom Caucus and will help us explore those questions about the group. Congressman Meadows has been in Congress since 2013 after working almost three decades as a small business owner and was elected chairman of the

caucus in November 2016. Over the past several years, his caucus has been at the heart of several significant legislative policy and political battles; the government shutdown of 2013, which tied repeal of the Affordable Care Act to government funding, the 2015 vote of no confidence and then-House Speaker John Boehner which is said to have led him to eventually retire from the speakership and leaving Congress.

The Congress has pushed the repeal and replace Affordable Care Act literally dozens of times over the last several years since it was signed into the law, holding wavering Republicans' feet to the fire. However, in spite of that, the Affordable Care Act, as you know, remains the law of the land. So we're going to ask about that a little later. They have urged congressional leadership to raise the debt ceiling in conjunction with deep spending cuts among other demands causing what was known a few years ago, and I remember covering this, the debt ceiling crisis, which kind of got the markets more than a bit upset.

More recently, Congressman Meadows has called for Congress to be more productive and to work through the August recess. Kind of upset some of your colleagues didn't you, on that one? He told the *Washington Post* earlier this month, "There is a real anxiety among the people that I serve on why we're not putting more things on the president's desk. They're tired of excuses." Despite its influence, little is actually known about the House Freedom Caucus. It's known to have about 40 members, but no one knows for sure, maybe you can clear that up for us.

Today, Congressman Meadows will lead us through the inner workings of the group, illuminate its deliberations, explain its philosophy and outline its agenda. And before I bring him up, I just want to remind you, if you have cards on the table, you can send them up at any point during the luncheon through the ends and it'll make its way to me and we'll try to sort them out and I will ask as many questions as time permits that don't repeat themselves, and so forth. With that, I will bring up to the podium House Freedom Caucus Chairman, Mark Meadows. [applause]

REPRESENTATIVE MEADOWS: Thank you. Well, good afternoon. It's great to be with you, and certainly with that introduction I guess there's a whole lot of clarification that needs to be done. But Jeff, thank you for the invitation. Matt, thank you for the logistics that really gives not only a warm reception, but certainly one that is very organized.

So what I'd like to do is take you back to the 1850s very quickly so we can put things in perspective. And so I'd like to take you to the Mississippi River where there was one particular writer who was going up and down on the Mississippi. And that particular writer we now know by the name of Mark Twain. But at that particular time, as he was going up and down the Mississippi River, many people don't really know how he got his name. And so they would throw out a particular marker as they were going up and down the Mississippi, and if the Mississippi River was six feet deep, they would holler back, "Mark one," meaning it was six feet deep. But it was too shallow to go ashore for the men to drink.

But if the depth of the Mississippi was 12 feet deep, they would holler, "Mark twain," and with that, all the men would cheer and they would be excited because they could go

ashore for a night of drinking and beverages. And so it is that Mark Twain decided to pick the name Mark Twain so at the very mention of it, men would cheer.

And so as I get introduced today, I come to you in great humility knowing that as a committed Christian and someone who was never planning to run to be a member of Congress, that I come before you being able to address not only this wonderful crowd, but millions of people watching, perhaps, on television and addressing a group that has a tradition of making sure that journalism has its excellence. And so I just want to thank you, one, for the invitation.

But the other is since men may not cheer with the introduction of my name, I'd like to go on a little bit further and tell you the rest of the story as it relates to the Freedom Caucus. Now, this is the first time, I must confess, that we've ever had a House Freedom Caucus cookie. So, you know, we have a 68 percent name I.D. across the country. Now, for many of you, how many of you think that the Freedom Caucus has been out there for six years, raise your hand? Okay. How many of you think that it's been out there for four years? All right. How many of you think that it's been out there for two years? How many of you didn't vote? All right, most of you.

So actually, the Freedom Caucus is-- I had one Democrat calling the other day who was saying, "Well, for six years you have been out there trying to make sure that things don't get done in Washington, D. C." I said, "Well, that's real interesting because actually we created it a little over two years ago. I got on the phone after a very frustrating time where we had some of the conservative members voting one way, more conservative members voting another way. I got on the phone with Jim Jordan and I said, "We've got to actually be organized. If we're going to carry forward a message for the millions of American people who think that Washington, D. C. has forgotten them, we need to be organized."

And so I love to talk policy. Very rarely will you ever get a reporter who will-- where I will actually agree to talk strategy. So today is one of the few times where I'm going to share a little bit of the Freedom Caucus strategy, the kind of behind the scenes of what actually happens, because there are a lot of interesting thoughts in terms of who we are as a caucus. Now, we do not give out the number of our members and so I've got-- we would have to kill you if we told you.

But I can tell you that as we have Freedom Caucus members, many of them think that we are exactly alike. And yet it's some of the best debate that you'll find on Capitol Hill because as we come together, the three dozen-plus members, come together on-- actually, we'll meet tonight, the first night back, it's generally we meet on the first night of votes, after votes. And so we come together and we actually have debate on some of the policies that we should be having debates on the floor of the House each and every day. And yet, what we found is there's so many times there are speeches that get made on the floor of the House, but there's not a whole lot of debate. There's not a whole lot of going back and forth.

And so as you look at some of our members, they are very different. We have libertarians and what you would say traditional conservatives. We have some who are more

aligned with leadership and some who would never vote for leadership. And yet here we are, I believed that we needed to take a business approach to what we do as conservatives. And so as we embark on setting things up, actually the Freedom Caucus has a set of bylaws. People don't realize that as we came together, we said we need a structure, some rules, so we actually have a set of bylaws. And that structure actually provides for a good foundation to make sure that we're member driven.

One of the complaints we have is that it's not right that just a few members of Congress would be super members of Congress and get to decide everything that happens on Capitol Hill. We believe that it needs to be a bottom up approach and the same goes for the Freedom Caucus.

And so as we looked at that, we said that everybody who brings an idea there gets to take that idea. So I'll give you a prime example. We've got very diverse members, as I mentioned. One of those diverse members is a gentleman from Virginia by the name of Morgan Griffith. So you now at least know two members of the Freedom Caucus.

MR. BALLOU: You going to invite me to the next meeting?

REPRESENTATIVE MEADOWS: Let me just tell you, if your reputation will handle it, we'll invite you to the next meeting, Jeff. But as we look at this, one of the things that we have is that Morgan Griffith, from Virginia, has a certain expertise. He understands the rules pretty well. So he and I try to banter back and forth to find rules that perhaps no one else really understands or have read. Now, they're available to everybody, but it's a matter of just reading what you might have there.

And so since I always believe that you should at least get something as a takeaway from every time that I get to address the press, here's the takeaway today. For the first time in 35 years, 35-plus years, there will be a rule that will be used this week called the Holeman Rule. Now, I understand we're in the Holeman Room, but we're actually using the Holeman Rule, which the Holeman Rule was actually nonexistent since 1983. We put it back in as a way to cut down on some of the federal bureaucracy because it gives us the tool to actually go in and cut the funding without cutting an entire agency.

So this morning, Morgan Griffith put forth an amendment that would be part of the appropriations coming up later this week, if it's ruled in order, that would actually cut the scores for CBO, for the Congressional Budget Office. Now, you can tell that a number of us have been very critical of the Congressional Budget Office. In fact, I think they're the one group that makes a weatherman's ten day forecast look accurate. And so as we see that, we believe that we needed to address it. So this amendment will actually go in using the Holeman Rule that says we're going to reduce their employees by 89, some \$15 million, not a big targeted selection.

But in doing that, what we said is they ought to be aggregators. There's plenty of think tanks that are out there and so we ought to take a score from Heritage, from AEI, from Brookings, from the Urban Institute, and bring them together for a composite score that

would represent a very wide swath of actually think tanks and their abilities. And so we think that that's a pragmatic way to use the private sector and let yet Congress depend on a score that's accurate. So in terms of making news, Jeff, that is something that you can Tweet out because we're going to be debating that this week.

Now, I use that as an example of just the diversity of who we are. So we've got Morgan Griffith, who is not considered a bomb thrower, but also is one who, as we've seen over and over again, is a thoughtful individual. And so as we've gone back and forth over the last 72 hours, we said we could put this out here.

The other thing that is a misnomer is that we all vote in lockstep together. Now, we have in part of our bylaws that if we get to an 80 percent threshold, we will take a position. Now, I say that because getting three dozen people to agree on anything is almost impossible. Getting to 80 percent is extremely difficult. But we have made the decision that if we get to 80 percent, we will take an official position. Which means that we will all vote together with one exception. You get two passes a year-- I mean two passes a Congress-- to vote. So let's say you had something that was very critical to your district. And as we've taken that position and let's take the export/import bank. And you said, "Well, I've got Boeing in my district. I need to be supporting them." You would be able to get a pass up to twice during a congressional calendar and not be kicked out of the group. But outside of that, you're going to actually have to vote with the group.

Now, what the power of this is, is it gives us the power of negation. Now, when I say that, it's when you can stop things from happening, it gives you great power on what things might happen. So it's the power of no. But it's just as critical for us to have the power of yes. And that's one of the things that I think in a unified government, as we've looked together, the American people are tired of gridlock. They want something done. And Jeff mentioned the debt ceiling. I believe that we need to go ahead and get the debt ceiling done right away. We took an official position six weeks ago and said the debt ceiling is coming. It is time that we get it done. It is like a florist being surprised by Valentine's Day. We know it's coming, let's go ahead and deal with it and let's make sure that we do that.

And so as we start to look at that, you will find the Freedom Caucus is pushing more and more and more to make critical decisions, even if they're decisions that we don't like. So there is structure but there's also great flexibility. And I'll share this. Sometimes things are not always as they seem, and so I'll share this personal story from the mountains of North Carolina. We live about 45 minutes away, or we did live about 45 minutes away, from a Wal-Mart. And now you think about how far out we are to be 45 minutes away from a Wal-Mart, we can watch the light change in the wintertime. It goes to blinking so we don't even get the benefit of red, yellow and green.

And so as we see that, we're 45 minutes away. But the priest's wife of the Episcopal Church was actually going down to address the ladies at a gathering. and so she went down the mountain and realized that as she was going down that she didn't have any pantyhose so she pulled in the Wal-Mart parking lot, she jumped out of the car, ran in, got the pantyhose,

came running back out, jumped in the car and got ready to leave and realized there was not a place to put them on between the Wal-Mart and where she was going.

So without getting too graphic, she decided to go ahead and put those on in the front seat of her car. All of a sudden, she got this weird feeling that somebody was looking at her. So sure enough, she looks over her shoulder and there is somebody staring in the window. She opens the door and she says, "What do you want, you pervert?" He says, "I don't know, ma'am, but you're sitting in my car." True story.

So I share that to say that sometimes, things are not always as they seem. And so as we look at this, I want to say that as you read the headlines about the Freedom Caucus, what I'm hopeful of today is to share a little bit more of what is not there.

So there's structure, but yet there's flexibility. I'll give you a prime example. When we called for us to cancel the recess where we said if there's no results, there should be no recess, that happened one particular night at a meeting where we were there that all of a sudden, we were having this meeting and the notice came that we were canceling our Friday votes. Well, we couldn't figure out why we were canceling our Friday votes since we had plenty to do. And so the comment was made, you know, we shouldn't be canceling Friday votes. In fact, if anything, we should be staying here in August.

So, from one comment that was started by a member within the caucus, we took an official position that particular night and actually said, "Let's stay in August." You know what? I bet more than 80 percent of Americans agree that we should stay in in August and get things done. And when you look at that, that's what we're all about, is giving that forgotten man or that forgotten woman a voice on Capitol Hill.

Our reach, many times, goes well beyond the Freedom Caucus. And I share that as we look at the Affordable Care Act. What we knew during the Affordable Care Act is that we had to get it right for the American people and that meant two things. We had to lower premiums and we had to make sure preexisting conditions were taken care of. And if we didn't do those two things, we would have failed. And so as we looked at that, we started going out beyond our members to see if there were other people who felt the same way.

And as they whipped the first vote, we started to realize that not only was there not even close to enough votes but that we needed to get it better. Now, part of that is a process. We're all about process and when you read about the bill that you're about to vote on in Politico for the very first time, there's a problem, right Tim? Now, you don't see a problem with it because you're with Politico.

But when we read about a bill and we see the text for the first time in a publication, you would think that we would be part of that process. So we had a problem with the process, but we also had a problem with the product. And so as we started to look at that, we decided to go on a communication strategy to take our message to where our power really comes from; and the power comes from the people themselves who think that Washington, D. C. has forgotten them and they're just begging for someone to stand up on their behalf.

They're begging for people to say, "I'm tired of the political correctness. Just get something done."

So Alyssa, who's here, came up with a communication strategy. It's amazing, we kept going out-- many of our leadership were talking about what a great bill it was. And all we had to do was just share the facts. And so there was one particular day, as we mentioned, there was three press conferences and an infomercial by our leadership trying to sell a product to the American people that they didn't want to buy. And we thought that it was better to actually sell them something that they want to buy and that actually lowers premiums. So whenever you have the power of the American people on your side, it actually goes real well.

So let me, in the interest of time, shift it to other things. We originally said we wanted a straight repeal. We all voted on it in 2015. We said if it was good enough to send it to President Obama, it surely should be good enough to send it to President Trump and we might as well go ahead and do that. And we couldn't figure out where there was a good argument to not do that. And alongside that, we worked with Senator Rand Paul, Senator Mike Lee, Senator Ted Cruz and others to say, "All right, if we're going to repeal it, let's have a replacement plan there." So Senator Paul, Mark Sanford, had a replacement plan that was going in parallel tracks where we believed that what would happen is we would pass a straight repeal, it would pass the House, it would pass the Senate. And yet in the replacement, we figured it could pass the House and maybe fail in the Senate but the pressure would grow since Democrats would never repeal something that had a name of their previous administration's president. We felt like if we did the hard work of repealing, that we could get some Democrats to help us on the replacement side of it.

As we've seen, when you conflate the two and bring them together, it makes it much more difficult. I am still optimistic that we will have a motion to proceed tomorrow out of the Senate where they will actually go on and start to debate this. But I can tell you that it was in no small part to a lot of other people that actually got involved in the negotiations to try to at least get something from the House to the Senate. You know, a real shout out to Congressman Tom MacArthur, who was part of the Tuesday group that actually was willing to meet and take great political risk to meet with someone who is seen as much more conservative to try to get something, a strategy.

Here's what we did. We actually kept our members closely informed throughout that entire debate. It was happening over the Easter break, and as we were looking at that, we were holding conference calls and letting them know what was happening. They empowered a number of us to negotiate on their behalf, realizing that the final product would not be perfect. And we have embarked and tried to say that on any given situation, we will offer two solutions. Because we've been accused of saying it's our way or the highway. And so whether it's with the debt ceiling or whether it's with the budget or anything else, we are trying to make sure that we give at least two alternatives for a solution.

So when you hear that it is our way or the highway, know that today you heard this and I would challenge it. Reporters here in the room, ask us, "What are your two ways to

solve this particular situation?" And if we can't articulate that, I would let you remind me of this conversation and we'll make sure we have two results.

So let me close by saying this. We have the greatest country in the world. We have a free press that is literally to be admired from around the globe. We have men and women who have fought and died for his country. Many of them have shed blood to make sure that those freedoms are preserved. It is that freedom that we can all applaud but is never more obvious to me than when Debbie and I were on the hills in Normandy to see the white stars and white crosses all across that hill, for people who fought many times for countries that would never say thank you for a people that might even today not say thank you.

But it's a reminder that that's what makes American unique. We're willing to put forth sacrifices for the cause of freedom, whether it's the freedom of the press or any of the others that are enumerated in our founding documents. And I just want to say thank you for allowing me the chance to be here and it is an honor to represent the Freedom Caucus, a very diverse group, but one that I'm humbled to serve for a temporary basis as their chairman. God bless you, thank you so much for allowing me to come. [applause]

MR. BALLOU: The questions we're getting are pretty much all over the map, so we're going to try to get through these as quickly as we can. Because they've come from email, they've come from cards, previous-- anyway, let's get right to it. You talked about trying to pass healthcare. What are you going to do if the motion to proceed in the Senate fails and, for example, how damaging is it going to be to vulnerable members like Congressman MacArthur, who walked the plank and voted for the House bill? We'll start there.

REPRESENTATIVE MEADOWS: Well, obviously any time you pass anything in the House and it doesn't go anywhere in the Senate, we're used to that. And sadly, we're used to that. But I think this is a unique situation, Jeff, in that where we are with this is that a motion to proceed and ultimately getting something out of the Senate is a must. It is not something we can fail at. And primarily, it's because a number of us have campaigned on it for a number of years. It's something that the president has campaigned on.

And so what I would say is just like when they put the fork in it and said it was done in the House, that it was over with the time that the bill was pulled on that infamous Friday afternoon, we have to stay engaged. I can tell you that the upper chamber, you have people from all different perspectives trying to work to do that. I've had conversations with Ted Cruz and Mike Lee and Pat Toomey and Lindsey Graham and everybody in between as we look at that trying to come up with solutions.

So they need to stay engaged. I believe if they don't do the motion to proceed this week, then what they need to do is actually make sure that we stay in in August until ultimately the pressure of going home becomes so great that they come to some kind of compromise.

MR. BALLOU: More healthcare questions. In October 2013, there was a government shutdown because you and your caucus members insisted on tying Affordable Care Act repeal to funding the government. Was the effort worth it, especially since the debt ceiling was raised, the government was funded and the ACA still is the law of the land?

REPRESENTATIVE MEADOWS: Okay. So let me just be clear so that the Freedom Caucus does not get blamed for the 2013 shutdown. They weren't in existence then. I was, but they weren't there. And so a lot of people, again, conflate the two. They bring them together and say that the Freedom Caucus was there. I did lead a letter, there was another letter in the Senate--

MR. BALLOU: To be fair, some of the same members, Jim Jordan, yourself, were in that group that was giving Speaker Boehner a very hard time. I remember, I was there.

REPRESENTATIVE MEADOWS: Yeah. Well, you were there. There was some 60 people on that letter. And so if all 60 people could be in the Freedom Caucus, I would welcome that today. But as we look at that, to be fair, did it accomplish the result that we hoped to accomplish? The answer is no. We believed that the Affordable Care Act was not ready to roll out. We believed that the website wouldn't work. We believed that ultimately, premiums wouldn't go down. We also believed that if you had your healthcare that you wouldn't necessarily be able to keep it.

So when we found all of those things, a lot of the things-- and I can tell you, I was on the House floor close to midnight dealing with one of the administration's congressional liaison saying, "Certainly, just a six month delay would be more prudent instead of trying to roll out something that's not ready." And yet, they had made a decision that that was a go/no go point. So in doing a shutdown, did it produce the results? The answer obviously is no. Could we have found another way to leverage it? Perhaps so.

MR. BALLOU: We're going to come back to healthcare, it was a quickie. Two years ago this week, you filed a motion to vacate the chair, as I indicated in my opening remarks, which triggered a series of events that led to the departure of then-Speaker John Boehner. Do you regret that decision in any way given that now Freedom Caucus members complain that Speaker Ryan has not represented much of an improvement.

REPRESENTATIVE MEADOWS: Well, it was actually two years ago today this coming Friday. It was my birthday, July the 28th, which is this Friday. I'm reminded of that. Do I regret that? The answer is no, I don't regret that. It was really a function of, again, empowering the people, empowering members of Congress. And when you do that, I can tell you that the original resolution had some 40 different points. We ended up with five, I believe, nonpartisan points that talked about empowering members of Congress.

You know, the truth to the matter is there's 435 members of Congress that represent 435 very different districts. Gerry Connolly's district is the 11th District of Virginia. Mine's the 11th District of North Carolina. We have a deal. His is so different than my deal and he is so much more to the left, his district, than mine is to the right that if he gets a primary

opponent, I'm going to come in and endorse his primary opponent and say that Gerry is far too liberal for me to work with. Likewise, he's going to come to North Carolina, if I get a primary opponent and say I'm far too conservative to work with.

But it's all about empowering those members. And when you do not allow 435 members representing very different districts to carry on the will of the people, we're making a mistake. And so whether that is with the current speaker or a future speaker or a past speaker, it is very critical that we allow everyone's voice to be heard.

MR. BALLOU: Okay. I got this question about ten different ways via emails on here. I realize the Freedom Caucus is a relatively recent creation, as I indicated earlier, some of the same members have been grouped together in various configurations. And those members helped to drive a number of votes to try to appeal the Affordable Care Act. And there's a sort of criticism that's been coming in, it's like why didn't you have your plan together if you had all that time, all those attempts over and over and over again? It seems like there's so much happening, so many conflicts, so much debate that would have thought to have been resolved behind closed doors as you were making these attempts to repeal the ACA.

REPRESENTATIVE MEADOWS: So I guess the question is why didn't we have a plan?

MR. BALLOU: Yeah?

REPRESENTATIVE MEADOWS: Well, I can tell you in the first 30 days of this new administration, there was one group who did have a plan. It was the Freedom Caucus. We actually put out a repeal and replacement plan because we felt like it was important. We've been talking about this for seven years. You can't win anything without a plan. And the other part of that that is critically important is that you can't care about who gets the credit. Truman, that was one of his favorite quotes, and Ronald Reagan used to say, "You know, it's amazing what you can accomplish when you don't care who gets the credit." Well, this town is all about getting credit. It's all about me, it's all about I did it.

I'm here to tell you that smarter people than me came up with a plan that we rolled out. Now, it didn't get accepted by our leadership, but I don't know why we didn't have something sitting on the president's desk on January 20th. We should have been prepared, we should have been there to do that. Is that a criticism that is fair? Without a doubt. And that's what I'm saying. It's time that we take action, whether it's this or anything else that we're dealing with.

MR. BALLOU: But to follow up, the knock was not that it just wasn't-- a plan wasn't ready in January. That you didn't see a plan time after time after time over the course of several years to debate then as opposed to when you got a new president?

REPRESENTATIVE MEADOWS: Well, I think the political reality of that is the understanding that President Obama would have signed something into law and actually

would have been to be disingenuous to suggest that he was going to do that. So perhaps a replacement plan was not seen as important as trying to push that. And the American people needed to see what a replacement is all about. But that's a fair assessment.

MR. BALLOU: Now we're going to get into some policy minutiae. With the additional Medicare payroll tax and the 3.8 percent net income investment tax, both levied on individuals earning more than \$200,000 a year, and \$250,000 for a married couple, will that survive? It was formed from the Affordable Care Act, it's essentially a tax. You guys don't really like taxes, so--

REPRESENTATIVE MEADOWS: Do you like taxes?

MR. BALLOU: Oh, you know, I have to pay my fair share, of course, but less.

REPRESENTATIVE MEADOWS: What's your fair share? Just all of it?

MR. BALLOU: Well, we can debate that. But this came from the Affordable Care Act. Will it survive the final Republican version of a healthcare bill? Do you like it, do you not like it? Why, why not?

REPRESENTATIVE MEADOWS: Great question. So I got asked this question by some reporters when I was walking through the halls the other day. They said, "What about the tax," those two taxes that you mentioned. "It's generally considered a tax on the rich. Are you going to give them a break and take healthcare from the poor?" And I think the answer to that is no, we're not going to take healthcare from the poor and give the rich a tax break. And that being said, you know, we were for repealing all the taxes. We don't think it's good to tax the poor or the rich. In fact, we think the less taxes that you get to pay, you're better, Jeff, at spending your money than I am spending your money. If you don't believe that, give me your wallet, I'll show you how I can spend your money.

MR. BALLOU: I can do that myself, thanks.

REPRESENTATIVE MEADOWS: But you should be empowered to spend your money. And we believe the more money that we put back in your pocket, the better off you are to spend your own money. And that being said, would we allow that to be a deal breaker to stop us from finding a replacement? And I went on record to say, "Listen, as a freedom caucus, we believe we need to repeal all the taxes." That being said, if there's a pay for that we have to figure out a way to do a safety net to make sure that it's paid for, those are two taxes that perhaps could stay in as we look at that going forward.

MR. BALLOU: You push transparency of the process during the AHCA practice, the bill. But no hearings were held on Medicaid per capital caps provision, which would be significant entitlement reform passed to reconciliation. Think that was a good move?

REPRESENTATIVE MEADOWS: You know, the hearings-- actually, we had a whole lot of hearings in the previous Congress. There have been none in this Congress as

we've looked at that. Part of that is is we believe that the hearings we had in a previous Congress should suffice when we look at both the positives and the negatives.

I can tell you I had in my committee, Oversight Government Reform Committee, I had the infamous Jonathan Gruber. And Jonathan Gruber, you know, if you-- well, you all know that he was the guy that basically said the American people are too stupid and that's why we actually got the Affordable Care Act. But we also found out other things in that testimony that there were a whole lot of things that Jonathan Gruber put forth that weren't exactly-- well, they didn't pass the muster, let's put it that way.

And so we had a number of hearings, certainly the Ways and Means and Energy and Commerce had had hearings in previous committees. But let's face it, the resistance to a replacement bill is not because we haven't had hearings. The resistance is primarily political. It is also practical from a standpoint-- everybody can think of the preexisting condition that some member of their family might have to make sure that they're taken care of, and that's why we've been very consistent on lowering premiums and taking care of those preexisting conditions. Should we have hearings? Without a doubt. I believe that we should have hearings on a number of things, even now, and some that may not be as welcomed as others.

MR. BALLOU: That begs the question, you talk about hearings and transparency, that was a demand, not just from other members of your party, but also from Democrats. You talk about trying to work together in terms of politically polarized environments, in some respects. Is there a way for you to lead the Freedom Caucus into a discussion for a bipartisan solution to try to do something that's sort of out of the box that is a win/win for the American people? Realizing you have a position, maybe the Progressive Caucus and the Democrats have a position. The Tuesday Group has its position, and so forth. You think there's a way to sort of do something-- a new way forward that brings everybody to the table instead of the criticisms that, "Well, this bill was done in the dark and this bill isn't met here," and da, da, da, and so forth

REPRESENTATIVE MEADOWS: The answer is possibly. I don't want to be Pollyanna about it. When you come to Washington, D. C., I think the thing that surprised me the most was that I felt like when I got here that if you had a good idea and you went out and convinced enough of your colleagues, both Democrat and Republican, that it was a good idea that all of a sudden it would percolate to the top and it would pass and become law.

MR. BALLOU: Surprise.

REPRESENTATIVE MEADOWS: I mean, nothing could be further from the truth. So that was a big disappointment to me as a business guy where you only look at the results as really counting. When we look at that, Jeff, I think the real question becomes can we find some common ground together where we actually look at that? If we repeal the Affordable Care Act first, I think you do get Democrats on board. You don't necessarily get a more conservative piece of legislation. In fact, if anything, I don't think you do get a conservative piece of legislation. I think you pass a straight repeal. I think the conservatives

are kind of left out and what you do is get more moderate Republicans teaming up with enough Democrats to put a replacement plan in place.

But I don't see that as long as there's a repeal. I think Democrats feel like they passed this and it's kind of like an octopus. You know, its tentacles reach into just about every aspect of government and life and pulling that out is difficult. So if you repealed it, could you find some bipartisan solutions? I think so. We've been working with some-- actually, I went to five different Democrats and said, "All right, assuming that we repeal it, you tell me what the five most important things are that you would put in a replacement." And I got some real meaningful input from Democrats that probably would not want me to say who they are here on a live mic.

MR. BALLOU: Going to another subject for a minute, we'll come back to healthcare, agriculture. The House Ag Committee helps to move a new farm bill later this year, or in 2018, but many of your colleagues blocked passage of the last House farm bill until the nutrition title was removed. Would members of the House Freedom Caucus permit a farm bill to pass the House if it includes the nutrition title or does not cut the cost of SNAP sufficiently?

REPRESENTATIVE MEADOWS: Well, I think we've taken official position on this. I'm one of the few that actually voted for the last farm bill. You might imagine that--

MR. BALLOU: Oh, your district?

REPRESENTATIVE MEADOWS: Yeah, the number one economic driver in my district is ag, and so again, you vote your district. And that's a novel concept. You know, it's interesting. We go and we say, "Well, we're not going to vote the party, we're going to vote the people that we represent." And when you do that, good things happen. But that being said, is when you look at nutrition, actually it got pulled apart and then it got put back together, as you know, and it ended up passing. We believe that there should be a work requirement for able-bodied adults with nondependent children, that we got to put the value back in work once again and it is not fair to the American taxpayer for us to continue to give benefits if someone could work.

And in Maine, it's a prime example. I met with Governor LePage. They put in a 20 hour work requirement. Now, that's not a real high bar. Twenty hours and you could volunteer, you could get education credit for it or you could work and they found that over 80 percent of the people got off of SNAP when they did that. Now, the interesting thing is they also found that the five places that use most of the SNAP benefits in Maine were not in Maine. One of them was Kissimmee, Florida. The other was Las Vegas, Nevada. Now, that's a problem when you're having a safety net for Maine. It's a long commute from those two places.

And so we believe that we need to put a work requirement. That's what we have taken an official position on. And as we do that, we think that we can find some common ground on the other part of the safety net.

MR. BALLOU: Thank you. Sorry to go all over the map, spending bills. Will the border wall be in the spending bill? What are the odds of a government shutdown this fall?

REPRESENTATIVE MEADOWS: I think the odds of a government shutdown are very minimal when it comes to that. I do think that the funding of the border wall will happen. The president has made it part of his campaign. There's two reasons for that. It's not just securing the southern border. If you're going to do anything on immigration, whether it's reforming the legal immigration process, you have to secure your southern border. Even some of the most moderate members of the GOP are sitting there looking and saying, "Well, part of a five step process is to secure the southern border." So the president's committed to that, we're committed to helping him there and whether it becomes something that we shut the government down over, I don't see that happening. I do find a way that we will find at least a billion or so dollars to make sure that we start the wall.

MR. BALLOU: Back into technical questions on the farm bill. Net farm income has declined 50 percent since the last farm bill was enacted. And yet the farm bill is savings four times as much as was expected at the time of passage, according to CBO. Since farm bill passage, other enacted legislation pushed deficit spending \$650 billion higher. Wouldn't you agree that the farm bill reforms are working and they deserve to be continued and supported?

REPRESENTATIVE MEADOWS: Well, the answer is some of them may be working and some of them could continue. I guess this is from my good friend over at Agri-Pulse, giving me these kind of detailed questions as he's got that. But I can say this. That, you know, you got to take every piece of legislation. I've got a novel idea. I actually read the legislation that I vote on, you know? And if more of us actually did that, you know, instead of just taking the talking points and debating the talking points-- because that's what a lot of people do. I can tell you, the Affordable Care Act was never on my bucket list to get-- I now have a Ph.D. in healthcare policy from reading and reading and reading and listening. Because there's an element of truth in every argument. And if you just realize that, when everybody's making an argument, even if it's 180 degrees opposite of yours, if you listen for the truth in it, you can sometimes get to a point where you see that.

So in that, are there some good things in the farm bill? Yes. You know, the less government involvement that we have, generally, the better off we are. I found that one of the-- probably the only thing that the government does extremely well is defend our country. Outside of that, everything is suspect.

MR. BALLOU: Are you for Medicaid expansion? And this is sort of a tied question. In terms of your vision of healthcare legislatively, how much would Medicare be cut by in terms of billions of dollars? What's an acceptable figure, if any?

REPRESENTATIVE MEADOWS: Well, you know, really there's two different functions. One is Medicaid or Medicare? Is the question Medicare?

MR. BALLOU: Medicaid.

REPRESENTATIVE MEADOWS: Okay, all right. So Medicaid, I'm from a non-expansion state. We didn't expand. We felt like a lot of the expansion actually has the potential harm of those who actually need Medicaid. In fact, we're seeing that in some states. But they're actually moving dollars away from those that are truly needing the help for some that are able body and quite frankly should work. We believe there should be a mandatory work requirement and so if we kept it at 138 percent of poverty, where it is now, and put a mandatory work requirement on there, I could even see leaving it at that. Because then it gets back to the very basic of what we're doing.

You know, we've got over-- well over a thousand jobs. In fact, I use that figure because I know it is a conservative figure, of jobs that we could fill tomorrow in western North Carolina if they would do two things: pass a drug test and show up to work. Now, that's a low bar. We've got to put the value back in it and if we don't start looking at federal policy that empowers people to actually not only get out of the cycle of poverty, but to understand that that value of work is probably the thing that gets them out of poverty quicker than anything else, we need to make sure that we're not an enabler.

MR. BALLOU: Well, some people think that's not necessary. Most people are honest people and would show up to work anyway. Why mandate that?

REPRESENTATIVE MEADOWS: Oh no, I'm not saying that we mandate showing up to work. I'm just saying--

MR. BALLOU: Because I'm talking about in terms of the work requirement.

REPRESENTATIVE MEADOWS: I'm just saying that we've got a thousand jobs. Well, because if you're going to-- if I'm going to use your money to give someone else a benefit, then I need to be responsible with taking your benefit and making sure it's going to the most needy of the needy. And if there's someone who could work and chooses not to and doesn't have children, then I don't know that they should be entitled to a safety net as much as the mom with two kids that you understand why, perhaps, she can't work or doesn't work. I think that as we look at that, we got to make sure that we provide a safety net.

We're a compassionate nation. We want-- some of the most generous people are the people who will take money out of their pocket to give to people in need. And yet at the same time, we have this sense of fairness that says, "Boy, if you're taking advantage of me, that's not right." And so sometimes we need to make sure that we put in the standard to make sure that we have that.

MR. BALLOU: House appropriations. House Republicans have proposed \$26.7 billion in spending more than the president requested in agriculture, defense, energy, water and the legislative branch. And you said we don't have an agreement on top line numbers, not in agreement with the Senate. And further, that you expect to have to pass a continuing resolution in September to keep the government funded for at least part of fiscal year 2018.

So whose numbers get past the president's desk at the end of the day, his or yours and what does this look like?

REPRESENTATIVE MEADOWS: Well, I think we've already gone beyond the budget that was put out by the administration. So, obviously we're negotiating this week on 12 appropriations bill that would have non-defense discretionary at 511 billion, and then defense at-- actually, it's 621 billion plus 10 billion in OCO. Now, the problem with that is we're starting to teach our children how to count, billion one, billion two, billion three. And eventually, you run into real money. I fully expect that those numbers are not where we'll end up. We'll actually end up much higher than that on non-defense discretionary. And that's my whole point. If we're going to do that, let's look at some offsets on the mandatory spending side of things. If we're going to increase by a hundred billion today, how much do we save over the next ten years to offset that?

MR. BALLOU: Speaking of spending bills, do you believe in a minibus, omnibus? Some people are pushing to push a package of these bills out in one fell swoop. How big or how small can you tolerate?

REPRESENTATIVE MEADOWS: Well, I believe that we need to go back to regular order, which means that you actually pass 12 appropriations bill, you send them over-- this is a recent phenomena when we've done these CRs. Originally, a CR was only for a week or two while we were still negotiating to get there. Now, they're three months, year. We've got to get back to 12 appropriations bills, let the appropriators do their business. The real stumbling block, again, is the Senate. But it's not just the Senate, it's differences in our own conference.

So specifically, would I be for the minibus or the 12 appropriations bills that's in an omnibus right now? I'm for the 12 appropriations bills that are in the omnibus primarily because the appropriators have done their business as if they were passing individual bills. And so they have a lot of conservative riders in there and so we would support that. I would support that.

MR. BALLOU: Taxes. What does an acceptable tax reform package look like to you? I'll pick one example. Congresswoman Kristi Noem is trying to navigate an online sales tax. Freedom Caucus is not a big fan of taxes, anyway, but it looks like some of your members are willing to at least take a look at that. Is the Freedom Caucus sort of shifting its position in terms of the taxes in this arena? Two parter: what is tax reform like, and would you back this specific tax of online sales?

REPRESENTATIVE MEADOWS: Did Kristi Noem send you this question?

MR. BALLOU: I don't know the Congresswoman.

REPRESENTATIVE MEADOWS: No, I'm kidding. Kristi actually came to the Freedom Caucus. That's one of the other things that you might not realize. We get a lot of people that are now coming to the Freedom Caucus to talk about their idea and say can we

support it. Then found that it's a very deliberative body. And with this online sales tax, it's a matter of fairness. It's not a matter of a new tax, as much as it is do you support brick and mortar? Do you look at online? There are very different views, and I would say that there is zero chance that we could get an 80 percent threshold for or against it, just showing the diversity of our group right now.

But as we look at that, what we're trying to do is give her an idea, as well as Chairman Hensarling on flood insurance, on how many nos and how many yeses there are with that. And a lot of it just depends on where your district is, and as we look at that. So are we changing on taxes, because I want to make sure I don't make news there. The answer is no, we're not changing on taxes.

MR. BALLOU: I tried to slip that in.

REPRESENTATIVE MEADOWS: You were pretty good there at slipping it in. We're not changing on taxes. We believe that less taxes are good for the economy. We believe that we need to be very aggressive with a tax cut. And we also believe that we need to make a decision now. This is, again, one of those things that it's not a fine wine. It doesn't improve with time. Let's go ahead and make a decision and get it done.

MR. BALLOU: Quick, like carbon tax? Yes or no?

REPRESENTATIVE MEADOWS: I'm not in favor of a carbon tax. But I am listening to some of-- again, looking for the element of truth. I had some of my Democrat colleagues that are trying to share that. I even have one staffer who thinks that it has merit, so I'm at least willing to listen.

MR. BALLOU: Transportation infrastructure. If you're trying to reduce taxes, but taxes need to fund bridges, roads, so forth, what's the acceptable transportation package in terms of taxes versus what you would not like to have go forward?

REPRESENTATIVE MEADOWS: Well, we've got two or three-- the Highway Trust Fund has two different vectors that are going the wrong way. Cars are becoming more fuel efficient so they're driving less miles and so you get less revenue from a gas tax. And so those vectors are going like that where there's no way that it could adequately do that. At the same time, toll roads, you know, I'm not a big fan of toll roads. All you have to do is drive between D.C. and New York and figure out what the problem is. I mean, if any of you have ever done that, just get your wallet out and get ready to continue to pay over and over again.

So here's what we can do. We can do public/private partnerships with part of it. We can look at the gas tax and the Highway Trust Fund for another part. I actually cosponsored a piece of legislation from John Delaney, who's a Democrat from Maryland who looked at an infrastructure bay [?], looking at some of the repatriation of earnings coming from abroad to look at another facility to make sure that we have that. I think it's a combination of all of those as we put forth to look at funding the \$1 trillion in infrastructure that the president's committed to making happen.

MR. BALLOU: Before I ask you the last question, going to do what we normally do, it's tradition. We give you the National Press Club mug. I know, it's wonderful and it's valuable. Lots of coffee to get you going in the morning.

REPRESENTATIVE MEADOWS: I am extremely grateful. Hopefully, Lord willing, this is the closest to a mug shot that I will ever get. But, we'll do that.

MR. BALLOU: Last question. I understand there are several types of barbecue. You come from a barbecue-rich state. What's your favorite and why?

REPRESENTATIVE MEADOWS: Well, I can tell you, it's not Texas barbecue. So, we have five different types of barbecue in North Carolina. It all depends on what area of the state you are. I'm actually from the western part, so we don't look at vinegar as being the barbecue of choice. We actually have more of the red sweeter type of barbecue sauce.

But my personal favorite is a mustard barbecue which will throw everybody off and that will make news. How about that?

MR. BALLOU: Just by way of closing out, our next Headliners luncheon is General Mark Milley, Army Chief of Staff two days from now. You can log onto www.Press.org for more information on these and other programs that we hold here at the National Press Club. Until that, thank you, we are adjourned. [Sounds gavel.] [applause]

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