Peter G. Peterson Fiscal Summit 2017:

Congressional Leaders: rising Debt and the Legislative Agenda

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Interview with Senator Mark Warner, D-VA

INTERVIEWER: DANA BASH, CNN

In a series of one-on-one interviews, House and Senate Congressional leaders will explore the connection between America’s rising national debt and a crowded legislative agenda. The major areas of reform – including healthcare reform, tax reform, infrastructure, trade and more – all have significant fiscal implications. These timely conversations will center on ways to craft policy solutions that are both fiscally responsible and supportive of economic growth.

This interview with **Senator Mark Warner** (D-VA) was conducted by CNN's **Dana Bash** as part of the [**2017 Fiscal Summit**](https://www.pgpf.org/what-we-are-doing/fiscal-summit).

Other installments in this series include interviews with [**House Democratic Leader Nancy Pelosi (D-CA)**](https://www.pgpf.org/multimedia/congressional-leaders-rising-debt-and-the-legislative-agenda-nancy-pelosi) **and** [**Senator John S. McCain (R-AZ)**](https://www.pgpf.org/multimedia/congressional-leaders-rising-debt-and-the-legislative-agenda-john-mccain)**.**

\* \* \*BEGIN INTERVIEW\* \* \*

DANA BASH, CNN: John McCain. (APPLAUSE) Thank you. Thank you, thank you. (COUGH) And the chairman just-- gave you (TAPE SKIPS) at the beginning that our next guess is right here, the senator from Virginia (APPLAUSE) and, Senator Mark Warner, the top democrat on the Intelligence Committee. Thank you so much.

SEN MARK WARNER, D-VA: How are you? (THROAT CLEAR)

BASH: How are you this morning?

WARNER: Good, although I'd like to, before you even ask the first question, you know, echo what John said at the end. I think we sometimes, in this town, get-- there are so many issues coming at us in so many different directions. But I would echo what John McCain just said at the end. Don't bet against our country. We got a huge number of assets. So we need to remember that, at the end of the day.

BASH: Well, un-- unfortunately, we have--

WARNER: We also have a series of issues.

BASH: Yes, exactly, and-- and some pretty horrific news coming-- from-- from-- from the U.K. And as the top democrat on the Intelligence Committee, is there anything that you can tell us about what we know about the attack?

WARNER: Well, first of all, let me, again, also echo what John said and commend Pete Peterson and Michael Peterson. The fact that they have hung in this long on this issue of-- fiscal responsibility is-- is terribly important. This is an issue that waxes and wanes.

It will wax again shortly with $20 trillion of debt. If we don't come back to that-- we are gonna leave-- that-- that is singularly the most important issue that we could leave our country in a much weaker state, if we don't address that issue.

In terms of the-- the horrific bombing in Manchester, I've not been fully briefed at this point. It does appear, obviously, from the news reports, as-- a terrorist attack. We don't, again, know whether this was a homegrown in the U.K.

And our hearts, obviously, I-- I think about every time (UNINTEL) officials always say, "Thoughts and prayers." It somehow seems insignificant to simply say that at his point, particularly this one, where it was-- it appeared to be teenage girls, for the most part, just-- just awful, horrible--

BASH: ISIS has claimed responsibility.

WARNER: I know ISIS has claimed responsibility. And echoing what others have said, we have to take out Raqqa. We also have to realize that-- the threat is as much on homegrown or, in the U.K., perhaps people returning from the fight. I sometimes worry that, while I support the increase in military spending and rebuild aircraft carriers in Virginia, I know we'll, at some point, get into the questions around Russians, what have you.

But if you look at all the Russians have spent to intervene in the United States elections, what they spent on the French elections to intervene, what the disclosure, the emails against Macron, if you look at what they'll spend in the German elections, where they've already penetrated the Bundestag, what they spent in the Dutch elections, where they hand-counted ballots, you add that all together, and one of the experts we talked to said that's probably less than 3% of the cost of a new aircraft carrier.

So I worry, at times, when we see the power of the use that using the internet and cyber, particularly where terrorists can use that in an asymmetrical way, that we have to both prepare our conventional military. But we also have to be prepared for this new asymmetrical fight, where terrorists can radicalize an individual using tools of communication-- and where nation states can actually try to interfere in our democratic process or steal or secrets--

BASH: Well, let me fol-- let me follow up on that, given the-- the news of the day of the-- of the president's budget-- the full budget going to Congress. Do you think-- I mean, the pr-- John McCain just said it's dead on arrival. And he's not alone-- (LAUGH)

WARNER: Dead on arri-- (THROAT CLEAR)

BASH: --in thinking that.

WARNER: Dead on arrival--

BASH: I'm sure, as a democrat, you agree. But-- but just broadly, do you think that-- h-- how do you think that the U.S. should be spending its money? Or is it more about manpower and training?

WARNER: No, it-- it is about-- it is about spending money on our military and equipping our troops. It's also about having-- appropriate cyber defenses. The Russian military and the-- when the oil revenues went down, cut some of their traditional. But they kept their cyber spending at close to 15%.

We don't spend anything near that on cyber. We've seen the ability-- cyber, we can be attacked in an asymmetrical way. And our very technology excellence, which allows us a higher standard of living, actually makes us more vulnerable-- on-- on the cyber front. It is, to my mind, per-- potentially, the single greatest threat we face in our nation. Because we face nations that-- s-- nation states and terrorists in terms of cyber attacks.

But budget, itself, the budget reflects an America that I don't think this president has any knowledge of. The notion that he will go out, after we still have wide swaths of our country that are struggling from the recession, and dramatically cut food stamps and TANF and-- and student loan support-- other kind of programs that help those who are still in need, to give people like me and you a tax break-- is-- is craziness.

To cut Medicaid $600 billion, which, in effect, is not really a cut but simply a transfer of responsibility to the states, I'm a former governor. I would be outraged at this point-- saying, if you run a responsible Medicaid program, you're gonna be penalized by this new cost shift from the feds to the-- to the states.

I would echo what John has said. We do have to deal with entitlements. I-- I'm-- I'm the first-- I've t-- I've got the scars to bear from that from the old Gang of Six days. But if we're gonna deal with entitlements, we also have to deal with revenues.

The-- you know, the truth is we've got the world's most complicated tax code. We've got the highest nominal rate at 35% on the business side. We have to lower that rate. We have to repatriate dollars. But if you add together state, local, and federal taxes together, Dana-- we sit at 31st outta 34 nations, the-- the all-- all of the OECD.

We are the lowest taxed industrial nation in the world. So we've got the worst tax code, the lowest collection of revenues. And we can't run the enterprise we've got, no matter how they try to cook the books with this budget, on the revenue rate we've got at this point. So we've gotta take on revenues. We've gotta take on-- we've gotta take on entitlement reform.

I'm not sure, out of tax reform itself, we're gonna be able to get to revenue neutrality with the rates we need. I think we may need to look at a new revenue source-- whether it's a VAT or a GST or a carbon tax. Because before, I used to believe that--

BASH: You think, with the republican-led Congress and a republican in the White House--

WARNER: I-- I mean, there-- there's actually some increasing number--

BASH: --that's realistic?

WARNER: --of republican economists who are saying a carbon tax might actually be a more rational way, probably more rational than cap and trade (?). But-- the truth is y-- you can't get the corporate rate down to-- you can never get it to 15%.

But you can't get it to even 20% just with tax reform. Because at the end of the day, I'm not sure that most businesses, as much as they say they want tax reform, are gonna give up interest deduction, are gonna give up some of the major deductions that are where the money are.

So-- it is-- this-- this issue, we may not culminate in this budget season. But-- what the Peterson Foundation is-- is talking about, we have to take on. 'Cause just one other-- I gotta get out-- my points on these things. You know, at $20 trillion in debt, when interest rates, we're starting to see interest rates go back up, for every 100 basis points that interest rates go up, we ad $140 billion, minimum, it's a little bit higher at this point-- of additional debt service payments.

That's more than we spend on Department of Homeland Security and Federal Department of Education combined. And that's-- that's money we get nothing back from. That's just right off the top, before we spend a dollar on the military or the dollar on Social Security or any other items. So this overarching debt that has accumulated for 75 years really is the unseen elephant or donkey in the room, depending on your analogy.

BASH: Let me ask you about one thing that's in the president's budget. And that is to help families with six weeks of national paid leave to be made available to new mothers and fathers. Is this something that-- democrats could actually work with the president on?

WARNER: I think that's-- the president's daughter's proposal. I've not seen the details. But-- again, I think most industrial nations have moved to some level of paid family leave. I think it makes a lotta sense. I'd be anxious to see-- how they're gonna pay for it.

But I'm-- I'm wide open to that. I think most of us would support paid family leave. But if you're gonna start a new p-- program for paid family leave for middle-class and upper-middle-class families at the same time you're chutting-- cutting child support programs for poorer mothers, I'm not sure that's-- necessarily, a fair tradeoff.

BASH: But you know-- I mean, part of the issue in-- in today's politics, and Senator McCain mentioned this, is that everybody is guilty of saying, "No," just 'cause it's a proposal from the other party. And democrats have been very intransigent. It's-- it's their-- it's-- their base wants them to do it. And frankly--

WARNER: Listen, I've--

BASH: --a lot of them, you saw-- saw it worked-- against-- President Obama--

WARNER: Well, we-- we have-- I have seen a little-- it's a little hypocrisy, when you-- when, you know, Mitch McConnell, from day one, said he wasn't gonna work with Barack Obama--

BASH: I'm-- I'm-- yeah, I'm not--

WARNER: And I actually voted for the-- much to the chagrin of-- of-- (SNEEZE) many of my base, voted for most of-- President Trump's appointees. 'Cause I-- as a former governor, I do believe elections matter. And a chief executive oughta get his or her team.

There's some that have been too far out that I've not supported. But I'm-- yeah, I'm wide open to this family and medical leave. But what we've not seen yet is, in any substantial way, an outreach from this administration or the republican leadership on the two issues that are the most important that we're grappling with on the domestic side at this point: healthcare reform or tax reform.

So in healthcare, we've seen, in the House, this jamming with only republicans. We now see a disastrous bill that Senate republicans are running for 'em that would take 24 million people off of healthcare, that would, you know, give folks like me a tax cut-- and folks like you a tax cut. You know--

BASH: I don't think I'm in your category, but thank you--

WARNER: Maybe not, but you're still up-- (LAUGH) you're up high enough that I think you'd-- you'd qualify--

BASH: I work for basic cable. But thank you. (LAUGHTER)

WARNER: And that, we all know, is a challenge. But-- you know-- it really was-- it's a bad bill. And I'm not sure they're gonna get it through, as long as they try to get-- jam these through reconciliation. You would think they would learn one lesson that we didn't learn, when the democrats were in power. When you try to do major policy with only one party, you don't end up with good policy.

BASH: I just-- I just have to challenge you on that. Because first of all, you're totally right. The only successful-- legislation that really affects people's lives has been bipartisan in history, no question. But do you think, in all honesty, that the democrats would work with this White House on anything that has to do with--

WARNER: I think--

BASH: --repealing Obamacare?

WARNER: I think there would be working with fixing Obamacare. We've gotta get-- we're past this kind of-- we-- we've got this repair group and repeal group. If the healthcare-- if the House healthcare plan fails in the Senate, which I hope it will, I think there are a large number of republicans and a large number of democrats who say, "Hey, we gotta fix. Maybe we gotta f-- we gotta find a new terminology between repeal and repair. And maybe we can call it preserve."

I mean, we can dream that up here this morning. But there are a wide group of democrats that would work. Because we realize. I've got-- you know, for-- for the last five years, I've laid out a whole series of areas where I think Obamacare needed to be fixed.

You know, selling insurance across state lines, a cheaper plan, a copper option plan, you know, tryin' to get rid of some of the bureaucracy in the p-- there's a whole series-- get rid of the 30-hour cliff. There's a whole series of proposals that I think a large number of democrats would work with the administration. But they've gotta recognize they can't do it with just their team.

BASH: All right, let's turn to-- what you've been spending a large part of your day job on, and that is (THROAT CLEAR) the Russia investigation. First, the news-- *Washington Post* broke the story. CNN confirmed that President Trump asked DNI director Dan Coats and NSA director Mike Rogers to deny, in public, any evidence of collusion between his campaign and the Russian government.

WARNER: If that's true, it's outrageous.

BASH: Is it true?

WARNER: I don't know if it's true yet. I just saw it break last night. I know I think both Admiral Rogers and-- and-- Dan Coats are going to testify today. I'm sure they'll be asked those questions. I'm gonna wanna ask them, directly, those questions.

I have a lotta faith in both Admiral Rogers and Dan Coats. I'm glad to see that at least reported reports, if it is true, that they refused. But we see a pattern here. We see a pattern of this administration that anybody gets close to this Russia investigation loses their job or ends up in a difficult position.

We go back to Sally Yates, who tried to warn the administration about General Flynn. She gets fired. General Flynn gets fired, because of unreported contacts with Russians. Jeff Sessions has to recuse himself, because of unreported contacts with Russians. In the most-- I-- I said, 10 days ago, and it's amazing to believe it's-- was only 10 days ago, when-- when he fired Director Comey, that this administration could no longer surprise me. It surprised me, when it did that.

The amazing thing to firing Comey, when he was leading the investigation, and then disparaging Comey in front of the Russians, that's outrageous. And I don't care where you stand on the political aisle. This is just not the way an American president should act.

BASH: Let's go--

WARNER: And if this-- if this is true, and again, I-- I-- I-- I feel very strongly that I and Richard Burr, we've committed to taking this investigation all the way to the end. And we're gonna reserve judgement, until we have absolutely all the facts.

But-- this is not the-- if it is true-- we are gonna wanna get-- we are gonna wanna get all the facts. And you keep building this evidence. And this is an administration that says, "There's no there there." They sure as heck aren't acting like there's no there there.

And-- they say, "Th-- this is not important." They may be the only people in America, the White House itself, that doesn't acknowledge the fact that the Russians massively intervened in our elections, and that this is-- is important as anything-- that our Justice Department and F.B.I. and f-- from my m-- from my mind, Congress is doing.

BASH: If the president did ask the DNI and the NSA director to deny anything in public, would that be obstruction of justice?

WARNER: Listen, I went to law school, Dana. But I never practiced a day of law. I'm not gonna weigh in--

BASH: You're only making them. (LAUGH)

WARNER: I'll let-- I'll let smarter lawyers make those decisions. But-- it goes beyond troubling.

BASH: The *Washington Post* also reported that senior White House officials talked to top intelligence officials about in-- intervening with-- with-- the investigation and asking the F.B.I. to stop its investigation into Flynn. Have you been briefed on this?

WARNER: We have not been briefed on that. We are still pursuing, vigorously, and will have more to announce later today, our next steps. We respect anybody's indiv-- right to-- take the Fifth Amendment. But I don't believe that a request for documents and getting documents that may be calendars or visas or-- or items that have already been written and established--

BASH: Now you're talking about Michael Flynn.

WARNER: I'm talkin' about Flynn.

BASH: Can we just go back for one second to the notion of people inside the administration, inside the White House, c-- calling-- the F.B.I.--

WARNER: I-- I haven't-- have not been briefed on-- we're gonna-- we're gonna be sitting down with-- Acting-Director McCabe-- to try to find that out. If-- again, if that is the case, we see a pattern here that, not me, but some lawyer can make a pretty good case-- that-- this goes way beyond inappropriate.

BASH: So back to Flynn, so you mentioned--

WARNER: Flynn-- Flynn is-- we--

BASH: --the fact that he-- he's pleading the Fifth--

WARNER: Flynn tried-- Flynn tried to plead the Fifth. We don't believe that you can take a blanket immunity on the Fifth in terms of documents. We'll-- we'll take some further action today, two sets of options. And as Chairman Burr s-- mentioned yesterday-- we're not taking contempt of Congress off the-- off the table, either.

BASH: Do you personally believe he should be held in contempt?

WARNER: I believe that he should be producing documents that have been already-- already produced. I don't think-- I do think, if you have to create a new document, that would be forced to testify. But if it's an already-established document, I think he needs to turn those over to Congress. And-- then I'm hoping he'll be able to testify at some point. And if he wants to stand and take the Fifth, he'll have that right. But we wanna have the documents--

BASH: So if he doesn't--

WARNER: --when we ask the questions.

BASH: So if he d-- never mind testifying, 'cause that seems to be his-- his right--

WARNER: I know where you're headed. I'm not going to fully answer.

BASH: If he doesn’t produce the documents, will he be held in contempt--

WARNER: We're gonna take-- we're gonna take-- as Chairman Burr said yesterday, we leave all the options on the table. We have a host of other people that we have document requests out to. We have to set the standard right now that this investigation, which has a different goal than the director-- Director Mueller's investigation.

Director Mueller's investigation is a criminal investigation. It has, actually, a higher standard. History has shown that you can have an active congressional invest-- investigation and a criminal investigation going on simultaneously. We have-- there may be a series of cases where there were facts about people having contacts with Russians prior to the campaign and sharing of information that may fall short of legal collusion but still be factual that we would need to report to the American people in terms of our counterintelligence investigation.

BASH: Have you found collusion so far?

WARNER: I'm not gonna-- I'm not gonna weigh in on what we've found or not found t-- so far. But I do know that there's much more to come. And I-- I've said this-- repeatedly. I said it at the beginning of the investigation. I say it, I don't know if I can say it 2X, 5X, or 10X now. This is the most important thing I've ever taken on in my public life.

BASH: Wow. James Comey has agreed to appear before your committee after the Memorial Day recess. Are you confident he's going to be able to speak freely about the conversations he had with the president? Did he assure you that he would?

WARNER: That is my absolute hope. I think Mr. Comey wanted to talk with-- appropriately-- he's very s-- much a straight arrow. He wanted to make sure he talked and checked in with the Mueller investigation before he-- testified before us. But he-- he-- he deserves his chance to-- to present his case to the American people.

He has been disparaged by this president. He's been written about in a memo that-- was not a legal-- not truly a legal document in terms of Acting-Attorney General Rosenstein. He was dismissed without even the courtesy of letting his family or him know ahead of time.

And then, you know, kinda the ultimate insult, the fact that the President of the United States would, in a meeting with the Russians, where it was, again, been reported the president divulged classified information. And we've asked for those transcripts-- where-- to see the-- the director of the F.B.I. disparaged and, in a sense, saying, "Gosh, he's gonna get the pressure off of me now. Because it's, wink, wink, this Russia investigation."

BASH: When you negotiated with-- (THROAT CLEAR) with Mr. Comey, did he make clear he was gonna come, and he's gonna--

WARNER: Mr. Comey--

BASH: --tell all?

WARNER: Mr. Comey wants to tell his side of the story. And I'm glad he's chosen the Senate Intelligence Committee to do that in open session. And if we need a closed session for classified, we'll do that, as well.

BASH: And then you mentioned-- Bob Mueller and the special council. Do you feel-- you feel confident that-- that's not going to impede--

WARNER: I am-- I feel--

BASH: --your work.

WARNER: I strongly urged the-- the appointment of this special prosecutor. 'Cause I felt there were too many people in the chain of command of justice who'd been either affiliated with the Comey firing or had some-- some kind of-- commitment to this administration in terms of-- of-- that potentially could interfere with the Russia investigation.

And as we've seen, it appears, at least, that this administration has been trying to get loyalty oaths from virtually all people up and down the chain of command, which is very disturbing. I think Bob Mueller brings the integrity and the independence to do this job right.

But his effort, which he will take over the existing investigation-- won't interfere with ours. We'll take separate paths. We'll have to de-conflict. So we don't wanna interfere with any of the criminal. But I-- I believe he'll get the resources. And Acting-Director McCabe-- was extraordinarily strong in public testimony last week, saying they've put the resources, the people, the agents. This is a top priority for the F.B.I.

BASH: Okay, we're outta time. I just have to ask you, just big picture, about this investigation. There were time-- there have been times, since you started, where you-- you and your colleagues have been frustrated that it hasn't-- has been going-- hasn't been going fast enough, that you haven't gotten the resources-- that you needed, access to what you needed. How do you feel about it right now?

WARNER: Dana, I'm not a very patient person. And I've never done something like this, you know? But the-- the process of getting the intelligence first, seeing the-- the people who work for some of the bigger names, like Manafort and Stone and-- and-- Flynn-- before you see those people.

Now, we've got a host of other individuals. It feels like, every week, there's-- there's new leads. I feel like the investigation has set its pace. But if, at any point-- we're not getting the resources that we need, I'll be the first to ask for more.

BASH: Well, thank you. And thank you for, you know, talking about this. Because as you and Senator McCain and pretty much everyone else has said, the big issues that the Peterson Foundation and others really f-- focus on, rightly so, the debt, the deficit, and everything that goes along with it, it's hard to-- to keep focused on that when--

WARNER: It is hard to keep it. Because we can kick the can on the debt and deficit. But every day and week we kick the can, we make the problem harder. I mean, it's hard to imagine I work in the only place in America where people last year were, in effect, almost high fiving, 'cause our deficit was only $500 billion in the red.

Any legitimate business would be outta business that way. So the accumulated-- it's not gonna be the annual deficit that, ultimately, cripples us, if we don't take it on. It is that accumulated debt that has been accumulated by democrats and republicans alike for the last 75 years.

We do a great disservice to our kids, if we don't take it down. And the challenges around Medicare and Social Security and the challenges around revenue, we can make incremental changes that phase in over decades. But if we don't start those changes, you know, w-- John mentioned about the Tip O'Neill Social Security deal. That was done. But it was phased in over a 25- or 30-year period. We've gotta do the same thing now. But we've gotta start.

BASH: Senator Mark Warner, thank you--

WARNER: Thank you.

BASH: --so much. Appreciate it. (APPLAUSE)

WARNER: Thank you very much.

BASH: Thank you. Thank you all.

\* \* \*END INTERVIEW\* \* \*