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Pelosi sketches strategy on key issues

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Thursday, January 22, 2009

**(01-22) 04:00 PST Washington - --**

House Speaker Nancy Pelosi, in a post-inauguration interview with Bay Area reporters Wednesday, said she will move far-reaching climate change legislation this year, but opposes - at least for now - the idea of Congress approving another costly bailout for troubled banks.

The San Francisco Democrat, arguably the second most powerful person in Washington, with immense power to shape the legislative agenda, sought to tamp down expectations about how quickly Congress and President Obama will address vexing problems, from a weak economy to an ailing health care system.

"We can't fix it all overnight," she said from her Capitol office overlooking the Mall, "but we have to begin."

Pelosi said one of her favorite moments from Inauguration Day was when Marine One lifted off the Capitol grounds, signifying former President George W. Bush's exit from Washington. "It felt like a 10-pound anvil was lifted off my head," she said.

She also discussed her decision to name her close ally, San Jose Democratic Rep. Zoe Lofgren, to chair the House Ethics Committee, adding another Bay Area member to the top ranks of the House. California now has five committee chairs, more than any other state.

The ethics panel, which is equally divided between Democrats and Republicans, will oversee the investigation into alleged financial improprieties by New York Rep. Charles Rangel, the powerful chairman of the House Ways and Means Committee. Republicans are seeking to capitalize on Rangel's missteps, which could prove politically damaging to Democrats.

Pelosi wouldn't comment on the Rangel investigation, but said she picked Lofgren because "she has a great intellect, she knows the law, she's fair-minded and she commands respect on both sides of the aisle."

The House speaker said the new post will give Lofgren "a bigger platform," including a coveted seat at the table at a weekly meeting of all House committee chairs, where key decisions are often made.

"It's a very important place to be," Pelosi said. "I want more women around that table, and minorities."

Pelosi's power over committee assignments helps explain why Obama needs her to move his agenda. While she has spent recent days lavishing praise on the new president - she called his inaugural speech "wonderful" - she's also been using her media megaphone to signal that she won't always defer to Obama on key policies.

When she appeared on Fox News Sunday and seemed to break with Obama over the repeal of Bush's tax cuts for families making over \$250,000 a year - she wants them revoked right away, he's suggested he'd rather let them expire in 2010 - Politico ran the headline, "Pelosi Draws Her Lines with Obama."

Pelosi sought to downplay the policy rift, suggesting that she and the president may end up on the same page.

"I don't know that he's made that decision," she said. "It's my view that (tax cuts for the wealthy) are big contributors to the national debt."

The speaker disappointed environmentalists when she said earlier this month that she may not bring climate change legislation to the House floor this year because it may lack the votes needed for passage. "I'm not sure this year, because I don't know if we'll be ready," she told Capitol Hill reporters. "We won't go before we're ready."

But in the interview Wednesday, she shifted her stance, saying she plans to move the bill this year. She said she hopes to hold a vote before December, when climate negotiators gather in Copenhagen, Denmark, to work on a successor to the treaty many countries adopted in Kyoto, Japan, in 1997.

"I believe we have to because we see that as a source of revenue," she said, noting that proposed cap-and-trade bills would raise billions of dollars by forcing major emitters to buy credits to release greenhouse gases. "Cap-and-trade is there for a reason. You cap and you trade so you can pay for some of these investments in energy independence and renewables."

Pelosi also addressed the turmoil in financial markets as doubts grow about the stability of U.S. and foreign banks. The United Kingdom just approved a new rescue plan for British banks. Even as the House plans to vote this week on whether to approve the second \$350 billion to prop up financial institutions, there's already talk on Capitol Hill that the Obama administration may need to ask for more money from Congress to assure the viability of major U.S. banks.

Pelosi said she won't talk about another bailout package until the new administration shows it will make good use of the second half of the current \$700 billion financial rescue fund.

"How this next money is spent will determine if more money will be spent down the road," she said.

Pelosi also stopped by a reception Wednesday for San Franciscans who attended the inauguration. As a member of the joint congressional committee that oversaw the event, she expressed her regret that thousands of inaugural ticket-holders never reached their seats or designated standing areas near the Capitol because of long security lines.

"I apologize for that," she said. She noted that her own staffers and their families were among those shut out. "I don't know if my staff will ever forgive me. ... We'll just have to make it up to you the next time."

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This article appeared on page **A - 4** of the San Francisco Chronicle