

Interview With U.S. Senatorial Candidate Mark Amodei
Conducted on January 25, 2010

The Republican: *“Contained within every bill that distributes monies to the states, are sometimes necessary, “strings.” What steps would you take to try to balance out the needs of our state with the apparent marginalization of the 10th Amendment by the federal government?”*

Mr. Amodei: Well, first of all, I'm local control guy. You can look at my 14-year record in the State Assembly and the State Senate for 12 of those 14-years. I worked closely with the people in...and the League of Cities to try to not do a couple of things: one, support unfunded mandates and two, provide the maximum amount of local control, whether it's education, whether it's local government, whether it's law enforcement. I think a very keen understanding of the role of the federal government vs. the state and their rights that are given in the Constitution is something that is necessary and you need to ask yourself on every measure you're asked to vote on, “How does this affect the folks of the State of Nevada, how does this affect the folks...the law enforcement, how does it affect Ron Pierini, the county commission, how does it affect those folks, the GIDs, you have a lot of GIDs in Douglas County, you're talking about the capital of GIDs for the whole state. So when you look at all that, it's like, where is it most efficient to have government involved if they need to be involved in something. And it's my belief, generally, that as a function of government being efficient, you have to recognize where their deficiencies lie. And in most cases it's those people that are...those...those governmental entities that are closest to the people. A lot of our frustration, and I'll conclude with this, a lot of our frustration in Nevada is having folks 2,500 miles away. You don't really know and haven't talked with the stakeholders locally...don't have that day-to-day operational experience that, you know, passing things that come down and affect the way we operate which may have absolutely no benefit or impact to us with those strings. So, get the resources to do the job, and give the responsibility to perform in accordance with some standards, but how that's performed should be the province of the local government and that's kind of been my mantra in the 14-years I've been doing it and will continue to be at the federal level.

The Republican: *“Some call our Constitution “Rigid” and some call it a “living breathing document” Which do you believe it is and why?”*

Mr. Amodei: I've got to tell you, even though with them, over several hundred years ago, that the folks that put that together in terms of defining government's role and what we look to government for from the flexibility that they put in there, I think [unintelligible]...I'm not a guy who, I believe, has ever supported going back and amending it based a modern problem. I believe the tools are in that document to do what the federal government is supposed to do and the first folks got it right. So you say 'rigid' or 'living and breathing'...I don't thing it's rigid in

terms of the way it was drafted, but if living and breathing, I think the tools are in there to continue to do the workman, work-person-like job for the state and local community, but I'm also a guy who'd be very, very hesitant to think that it needs fixing, in terms of new amendments or anything along those lines.

The Republican: *“Give us your reaction to this statement, “The US Government is a government with Limited Powers?”*

Mr. Amodei: As a general proposition, I would agree with that. There are some main things that we look to the United States Government to do...we look to them to set monetary policy, we look to them to provide for the national defense, we look to them to secure our borders, we look to them to establish responsible trade policies with other nations in the world market...things along those lines. But, I don't think we look to them to dictate to us a lot of the stuff that's gone on over the last several decades, actually, in terms of more and more power, trying to be centralized and usurped by the folks in Washington, D.C. For example, their highway policies, even setting the speed limit, things along the lines of educational policies where we've gotten mandates the may not...you know, one size does not fit all...gets back to my previous discussion on sensibility. So, I think you look at those major things in terms of border security, national defense, monetary policy, trade policy, some of those sorts of things, but first and foremost getting back to the government that's closest to the people is the best responsive and when you look at like environmental policies...if there are venues that lend themselves to having overall policy so that we don't have vastly differing things between the states...interstate commerce is an example. I think, you know, that something the federal government can do. But the other thing you have to remember is that in these times, you said today earlier, these times where more and more of the input from states and people in general, if you're ignored for the alleged greater good, is one of the reasons I decided to get involved in this race. [It's]very, very alarming to have people ignoring, having people in positions of policy responsibility ignoring the folks who gave them the job and serving some purpose that is unapparent to those of us who are on the street, everyday folks.

The Republican: *“One of the possible courses of action to reduce healthcare costs is tort reform. Since this subject is very broad and encompassing subject, how would you approach tort reform in the congress, assuming you had the majority support in the Congress?”*

Mr. Amodei: First of all, it's interesting in Nevada, we have tort reform. The legislature, in special session, passed tort reform a few years back during the Kenny Guinn administration. I met a group of doctors, formed the KODIN group, which was Keep Our Doctors In Nevada, and went even beyond that and passed what the law of the land is in Nevada and tort reform there. Limits liability in the terms of potential punitive damages and at the time, we were in pretty bad shape in terms of medical malpractice insurance costs in Nevada and also just the

number of companies writing insurance. So, I'm going to start by saying I've been involved in bringing tort reform to Nevada and it's working, I'm happy to say. As chairman of the Judiciary Committee for three sessions, [at]the beginning of each session, we called the insurance industry in, in front of the Judiciary Committee and said, okay, tell us how things are going after we passed KODIN and tort reform in terms of how many people are in business offering insurance, what are their rates, have the rates gone down as advertised? And you know what, the proof was in the pudding. There are twice as many insurance companies in Nevada soliciting doctor's malpractice insurance business and the rates for most of specialty practice areas that were a concern at the time we passed this have gone down significantly. So you forward to the federal government [side]...I think it's important to say, you know because where the Republicans are "no" people, it's not "no", we're the folks who want to get the policy...so when you talk about tort reform, portability, pre-existing conditions, all those sorts of things, they are things that need to be done. The insurance companies need to have some additional direction in terms of making health insurance more affordable for all of us. I'm one of those guys who writes a check every month to pay for my own health insurance and it's going up. And as everyone gets older it becomes more important. So at the federal level, I think tort reform is entirely appropriate. I am very disappointed that in this latest attempt by the House and the Senate that you couldn't even discuss it and it's America...you should be able to discuss ideas and if you can run...then by gosh you win and if you can't you don't, but to say you can't even discuss it, especially on the heels of some of the lip service that was paid to some of the majority people in leadership and in the administration, and to then actually operate in a way where you didn't even to discuss tort reform, I think was a phenomenal show of disrespect for the people...for the people who sent them there and that's not what our system is built on. Tort reform is entirely appropriate. You set limits on non-economic damages which are those...economic damages are actual medical bills, lost wages, those sorts of things. So beyond that, you set limits on those that make sense base on what the person's station in life is, employment, whether they are retired or not. And maybe also that should be discussed...and can be solved, but you have to be able to talk about it first. So I as a... even though I'm a member of the Bar [Association], I support it based on my experience with what we've done in Nevada.

The Republican: *"In every Congressional session since 1995, AZ representative John Shadegg has introduced the Enumerated Powers Act. In this session of Congress both he and Senator Tom Coburn have introduced bills, HR 450 and S1319. These bills would require that all bills brought before the congress cite where in the Constitution authority for such a bill exists. What would your debating points be on the Enumerated Powers Act if it came the floor of the Senate?"*

Mr. Amodei: Well, off the top of my head, I'd go back to the Constitution and the Founding Fathers. I'd want a federal government that wasn't all-encompassing,

all-powerful... There were certain issues for the federal government, they did a very good job defining those in the Constitution and the founding documents and those are the ones that should be referred to and if they missed something and something needed to be changed, then there is a process for that. And we ought to go through that process, which involves public hearings, vettings, discussions, hearing from everybody, then if you get X number of states to vote for it to amend, then great. But, the reason why, and I'm not familiar with the Arizona gentleman's work, but I am, with Senator Coburn's work from Oklahoma. He's somebody I have a lot of respect for his work. I don't know him, but I like a lot of what he, what he stands for. The reason why those are some excellent bills is because we have usurped under the guise of 'we're from the federal government, we're here to help you'. We've just taken that authority on without really being given that authority and it's time for people to stand up and say [hey] these are the facts, this is the authority you have, then unless you get it under the processes that are available under those same documents, then you don't have it. And I find it the height...I guess one of my debating points would be: I find it the height of hypocrisy to be the person who makes the rules or the entity that makes the rules while you ignore. And it's like, you know, that is just common sensically speaking, if you're in charge of making the rules, you ought to be the first one following.

The Republican: *"Since the Democrat controlled congress took office, it has passed innumerable bills that seriously affect our everyday lives and that of businesses. Assuming you get elected and the congressional majority shifts to the Republican Party, which actions would you take, if any, with regard to the laws passed by the Democrat majority during the last two years?"*

Mr. Amodei: Well, I think you start out by taking a look at the list. Now a lot of those...[unintelligible]...like the House has passed Cap and Trade, but the Senate hasn't taken it up yet. That's one that I think goes to the heart of every, every American in terms of...and you know the problem with them all are is that they've all got some huge tax things attached to them. Where this is ostensibly a policy thing, I disagree with the policy, but then you get to the fiscal area and it's like there's just a ton of [unintelligible] no matter what the tax rates are, I think the federal government, first and foremost, needs to live within its means. When you talk about the policy, whether they are environmental, whether they're international policy, whether it's the healthcare issue, I think you have to, post haste, get back to what you started in terms of monetary policy, understand that taxes are something that are necessary to run government, but that government needs to be a reflection of the people it serves. And that is, you have X amount of money...we are getting along and doing what we have to do and doing more with less. The federal government ought to do that too. And so, when you look at this...but I have to say, I am thrilled that the healthcare stuff appears to be dead in the water. Because that's one where you say, what would you do if you were in, it's just like, listen, that'll take ten years to fix that...it takes ten years to make a

doctor. And when you talk about passing something like that, you already have a shortage of physicians in this country which translates to having rationing of healthcare by a physician because there's more people that need healthcare as my baby-boomer generation continues to get older. It's no secret the older you get the more important healthcare becomes and the more you access it. We already have a shortage of physicians. Numbers were approximately 80,000 more would probably retire as a result of passage of something like this. Even if you got in the first day on January of 2011 and started repealing things, those folks are gone. It would be a catastrophic 10-year window, at least. And yea for the people of Massachusetts, thank you. Yea for hopefully that's still solved although it will be interesting to see what's said in the State of the Union address here in a couple days. But I think it's a post haste proposition to undo anything that increases taxes at the present time. I don't think it's a real, it's not a real complex proposition on the business pays for everything. I don't care if you're a Democrat or a Republican. Business pays for everything. So if you want a healthy federal government income infrastructure, you need a healthy business climate. And what we've got going on right now in terms of where the federal government is intruding into business, now we need some reform, financially. The insurance companies in the health area need somebody to get their attention, in the proper context, but small business is the backbone of America, backbone of employment in America. They're getting no help out of anything that was done under the ostensible indices of bailouts and things along those lines. I think the bailout is a Trojan horse that allows folks who couldn't get their social engineering programs on for the last twenty years, have wrapped them all up in that and called it a bailout. There's no jobs. And by the way, the government doesn't create jobs. I guess that's one of the things that I'm excited about, the potential of maybe being able to do that. There's a lot of work to be done and it's not glamorous work, but it's work that needs to be done and pursued with enthusiasm and intelligence and in constant contact with the folks who gave you the job. With that kind of mix I think it's, hey, we can get through this and get this thing turned around, but you can't got back there with the idea that, now that I'm...and I'm a team player, my 14-years indicate that. I've never held a press conference in 14-years, not because I don't get along with the press, but your job is to do...try to get the policy right. So to be able to do that at the federal level and maybe re-instill some belief in that process and the people in it because people in Nevada right now, I believe, the ones I've been talking to for the last four or five months, they're pretty shaken in terms of their views of where the federal government is here to help or to dictate.

The Republican: *“The 22nd amendment limits the office of president of the United States to two terms. There have been many cases of both representatives and senators holding office for several consecutive terms, even to the point of senility. Do you support a constitutional amendment limiting terms of office for members of Congress to two six year terms for senate and six two year terms for the House?”*

Mr. Amodei: Yes I do. And I won't elaborate much. I think that's a pretty straight - forward answer, which I always like to use when I can. When I started in the legislature in the State Senate, I knew that term limits applied. I supported terms limit at the beginning of that. I've never done anything to waiver from that. I think that there's more than one good person in each district or each state or whatever it is. I think it's a way to promote involvement by other people. The bottom line is these elective offices are public service, I've always said that. People refer to you as politicians or whatever and I remind them that in the Nevada Legislature, we are part-time politicians, but it's probably true...I'll finish with this: one of the reasons that I have never wavered in my support of term limits is I have seen many colleagues, after they're there for a while, it's more about them than who gave them the job. And when that happens, with all due respect to seniority and whatever else, when it becomes more about you than the people you're working for, that's what produces some of the problems at the state level and the federal level.

The Republican: *“Referring to the previous question, would you support an amendment to the U. S. Constitution to require justices of the Supreme Court to be appointed for a 12 year term by the President, with a limit of two terms.”*

Mr. Amodei: You know I hadn't thought about that but I can tell you off the top of my head...you know the Supreme Court process has become pretty phenomenally political in terms of appointments and confirmation by the Senate. But, a 24-year tenure on the Supreme Court doesn't offend me. A potential 24-year tenure, especially since there's not a lot of folks that get appointed at a real young age on that. So, I'll tell you this, it's something that doesn't offend me. Having not given it any thought before, my first impression of it is positive; not something that sounds bad to me. On a similar note, I voted against the provision that's going to be on the ballot for Nevada voters in 2010 to have Supreme Court stand for retention election only instead of the ability to run against other folks. So I think the ability to open up and limit the, if you will, the for-life type of tenure of judges is something that I have opposed. Judges do not need to be political, but they need to be in touch with the folks that they serve. They also serve people just like legislators and governors. So anyhow, that's a topic that doesn't offend me hear about. My initial inclination would be that that's a positive thing.

The Republican: *“ The War Powers Act cedes certain authorities, specifically, ersatz-declaration of war-power, to the president to commit U.S. Forces to conduct warfare. What are your thoughts on the president's power to declare war without a declaration from Congress?”*

Mr. Amodei: I will tell you this, most of my exposure to that has been in the last...in the global warm on terrorism in the Middle East context and I can tell you that I support what's been done by the Executive Branch over the last 15-years, so to the extent that the framework that exists allows decisive action and

leadership to occur in the context of our decisions to commit to put our folks in harms way. I like the way that has been used. I mean there have been dark days, and nobody takes lightly putting people in harms way, but there are times when as a nation when you come up against, for instance in the present circumstance, people who do not want your land, do not want your resources, do not want...people who simple want you to be destroyed and go away. We need the ability to act decisively and with leadership, and when you elect that person, so obviously there's oversight by the Congress...I think decisive leadership and the ability to act decisively in those contexts is paramount. So I support what has been done with the War Powers Act as it is presently constituted.

The Republican: *“There is rising support for the repealing the 17th amendment and returning to the original intent of the Founding Fathers to have state legislatures appoint senators. What would you say to the people who support such action?”*

Mr. Amodei: I wasn't around when they did that, but all the stuff I've read does not give me a lot of confidence in that process. I know the Electoral College is seen as something that has room for improvement. But I can tell you that if I had to choose between the Electoral College and returning that to the state legislature, I'm sticking with the Electoral College.

The Republican: *That's with reference to the president. I'm talking about appointment of senators.*

Mr. Amodei: Oh, you know, same thing. I'm a guy who believes that the people have got to be involved in the process. Same answer applies to that, you've got to know why, especially lately with the way things have gone in Virginia, New Jersey, and Massachusetts. I can't imagine anything that would disenfranchise the public more than saying 'by the way, you don't get to pick whoever you voted for assembly person or your senator.

The Republican: *“Posse Comitatus has been in effect since 1878. This act was intended to prevent use of military forces of the U.S. to enforce state laws after the Civil War. Some think that we should use our forces to seal our borders, both north and south, to prevent movement of illegal aliens as well as fight the drug trade. If you support such action, what sort of amendments to the Posse Comitatus Act would you propose?”*

Mr. Amodei: First of all it would be interesting to take a good, hard look at whether border security is really a civil action or a national security action, because I think that in this day and age we talk about terrorism, drugs, all the stuff that's border related...I think a very strong argument could be made that this is national security related operations and that they should be available for that. So maybe a test case before the Supreme Court would be something that would be, funny as this sounds, a more efficient way to get an answer to that question than going through the whole amendment process to the Constitution. The idea, the general idea of Posse Comitatus, and I'm familiar with it because as a

former military prosecutor and assistant U.S. Attorney on a military installation, that was one of the big things they drilled into you at the Army JAG [Judge advocate General] . We had a whole week of Posse Comitatus. The overall idea of not using the military to enforce civilian rule is a healthy one and it doesn't need to be changed. But when you're talking about borders I would first and foremost go 'wait a minute, this has all sorts of national security implications' in terms of security of the nation. But first and foremost, I would try to go that route in terms of a potential declaratory action or something that would define border security and not violate Posse Comitatus without trying to change the Constitution. But let me tell you this, the real issue there when you talk about immigration anything, people say round them up, don't round them up, give them a pass to citizenship, all those sorts of things. None of that matters until you secure the borders, because once again if operate on facts instead of emotion, which is hard for all of us humans now. But if you operate on facts...let's say for the sake of argument, you could round up 12 million, some people say 20 million, and ship them all back to where they go. The borders are in such a state that they'll all be back in here, or most of them. So before you start talking about what to do with the ones here, in my view, the whole discussion is kind of ridiculous...and say we now have our borders secure, which is a new phenomenon for us. When most of our immigration laws were written, immigration was something that was a steamer coming across the ocean; it wasn't coming across the land borders. That is not the case anymore. We have land borders as well as ocean ports and coastlines that we have to secure. Technology has made that a very challenging proposition, but first and foremost if you want to talk about security and border and immigration. You have to, I believe, and my first attention to the issue would be, how do you secure the borders? Let's have that discussion, let's see what makes sense. You can't spend all the money in the world. We do have budget restrictions that we should take into account, but it's like, 'how do we secure the borders'? Once that's done, then you say okay, now the problem that here, we can deal with that. But it is frustrating to me to watch this discussion and people ignore the obvious first part, which is: until the borders are secured all this other sort of stuff is just kind of fun to talk about, but practically speaking that's got to be priority one.

The Republican: *“What are your thoughts on legislation being a statement of a single issue, having no amendments, much like Nevada’s Questions or California’s Propositions?”*

Mr. Amodei: Well, we have a germaneness rule in the Nevada Legislature that says: no amendments that aren't germane to the overall subject matter of the bill. So you can't have a bill, for instance, that deals with highway funding and turn around and tack something on that has to do with parks or law enforcement issues...I support that. I think that the germaneness requirement is a key thing because if you're watching a bill that is, for instance, an agriculture issue, you know that nothing else agriculture is going to happen some place where it wasn't even an issue before. I think that's appropriate for the process to allow those

people who are tracking issues and they're not to get bushwhacked. That's the purpose of the rule and it ought to be enforced. But amendments in general, as long as they are germane...one of the things I've come to appreciate about the legislative process as opposed to, for instance, the initiative process is: if the discussion produces the need for amendments, many times, which are consensus on the issue, like if you didn't think about this or what about that, then you know we need to have the ability to try, with legislative services at it's core, getting the policy right. So if there are amendments that are germane that come up as result of the testimony, then I'm okay with that. I support amendments as long as they are germane and they are the subject of public hearing. When I ran the Judiciary Committee, if we were going to do an amendment on something, we would notice the hearing on the amendment, which is something you see very seldom and the only reason to do that nobody can come in and say, hey, you slipped one in on us. So, if you had a problem with the amendment, which were required to be germane by the way, then you had the opportunity at hearing to come in say how dumb you thought the idea was or how good it was. I think that's the way the system was intended to work.

The Republican: *"Should the president have line item veto power?"*

Mr. Amodei: Yes, I think so and I'll tell you why. If he's got line item veto and the right number of folks in each house disagree with it, as long as they have the ability to override it, I think that makes the budget process more open, makes it the subject of more specific ability to vote by individual members of Congress and that's the problem with not having it now is a lot of the budget bills go through; if you're not on the budget committee you don't have a lot of input on that. So if the president exercises line item veto, I think it engages and empowers those individual members of Congressmen, which is a healthy thing as opposed to this segment being in charge of basically all of fiscal issues. It's something that I think is healthy when all people you send [to Congress] don't have the ability to some extent to play in fiscal matters because they touch everything.

The Republican: *"Strict Constitutionalists think that most of the cabinet positions and their associated bureaucracies are a drain on our national treasure. Would you support divesting these positions of their mandate power and moving that authority and responsibility to the individual states? Examples: Department of Education and the Department of Energy."*

Mr. Amodei: In those two instances, yes. And the only reason I qualify it is this: I think as a general matter, because we started out the role of the federal government and what the Constitution says. As a general matter, those issues that don't have interstate commerce type of applications, like energy and stuff like that, then yes the states should be in charge of that. Education? Obviously. Like I said, if you give the resources, you give the goals and standards and you say here are your resources, here's what I expect for you. We'll check back; if you need them great and if you don't we're going to be here to talk to you. But

you're, you've got the steering wheel. I think as a general proposition, you talk about cabinet level positions...this department of TSA [Transportation Security Administration] and those are nice people and stuff like that, but we have now a whole new federal government agency or entity that's responsible those areas, and you know, I got to tell you, when you walk through an airport, I think the people who lost on 9/11 were most Americans who travel. What's been done there to ostensibly increase airport security or flying security, that's a lot of money, a lot of inconvenience, and not a lot of efficiency. Not that we don't need to have safety, but I look at one of those areas that looks like were spending a ton of money and it shows and I'm not sure it's a very efficient way to accomplish that objective. And so, clearly, you need to look at all those cabinet level, department and division level entities and go, is this the best way we can be doing it, is this most efficient way we can be doing it? If it isn't then you need to have the courage to go 'we need to pivot to something that makes more sense and in some cases, your example, the Department of Education is one that I think is very clearly, in some cases, that either to be largely scaled back or eliminated.

The Republican: *"This is from your website: We can ease the taxation burden by helping struggling businesses get back on track. I propose a six-month moratorium on payroll taxes along with a one-year 50% reduction in Medicare and Social Security taxes. I also propose a permanent reduction in the corporate tax rate to spur hiring and put paychecks back in the hands of newly hired workers."*
What is the benefit of setting a time limit on payroll and social security tax cuts?

Mr. Aodei: I'll tell you what it is. It's because, the reason for the time limit, it's something I was interested in, is everything you propose to do with the people's money I think you have to prove it. And so the time limit is this: I don't think you can say I'm going to do it forever, I think it will work, but if I do it forever, it's forever. That provides an automatic point where you go back and revisit it. And if it works the way I think most people think it will then you say, okay, we've had a test period and we have proven the thesis that this works as oppose to last year we've come through with some other folks' ideas, but we have no imperial, objective evidence that suggest that anything they've done with that money works. This something where you practice what you preach. Give me that time period, do this, let's go watch how it works, I honestly believe it will work and when it does there ought to be no problem removing that time limit. But, in the idea of not being a hypocrite, but, listen, judge my ideas, if you're going to give me a shot, judge my ideas by the same criteria as everybody else's ideas. Do I think after, year, year-and-a-half that that'll be evidence? Yes! And at that point in time then you go back with the strongest possible evidence as you have current, imperial, objective evidence which bears that out.

The Republican: *"So what your are saying is that you would present such a proposition in just those terms and in those words so that the people who see you proposing this understand what you are trying to accomplish."*

Mr. Aodei: in other words, the bottom...yes. But the bottom line is this: don't take my word for it because I am potentially an elected official. Let's do it, let

everybody watch it, see what happens. If there is a tweak that needs to be done or something like that, fine. If for some reason it doesn't work, then you know what, I'm a responsibility guy, like we not to do this, let's find something else. Do I think it will work? Absolutely! That's why I put it on the website like I did.

The Republican: *“On your website you express the idea that tax reform is an important part of economic recovery, citing the complexity of our current tax code. Is there any specific approach you would take toward tax reform such as the Fair Tax Plan?”*

Mr. Amodei: You know what? I'm very interested in some of the flat tax proposals. You know what, I don't...when you need to...let me put it to you this way. I needed to hire an accountant for the first time in my political life just to comply with FEC requirements. When you have...when you have to incur a bunch of trepidation to fill out your own tax form as an individual, forget the businesses for a minute, because it's become so complex, you know, we've missed something here. And I don't think...you know what, simplification is something that I think is it's own reward and so the flat tax plan gets rid of the game plan and all the things that go along with that. And many people who I consider absolute dyed in the wool, apple pie Americans who are moving offshore just to avoid this very thing in terms of when we say, you know, when this is no longer the best place in the world to be, we've missed something. Because it is the best place in the world to be and the only reason people are doing that is this IRS, present IRS Olympics that I refer to it as, is a big reason. So I'm very interested in the Flat Tax proposal and it's something that I would do everything I could to forward them a) getting a serious discussion on the agenda and a vote to say 'enough of this, what we've been doing.

The Republican: *“This is from your website, ‘Harry Reid and the liberals who control the political process in Washington, DC think they can tax their way to a balanced budget, they can’t.’ How do you square this with your tax increase vote in Nevada in 2003 that raised taxes by \$836 million?”*

Mr. Amodei: First of all, thank you for asking the question. A lot of people, when they talk about 2003, hope there's some tape in there [referring to the capacity of my tape recorder]. 2003 was a year, if you look at all 360 degrees of the issue, I think you'll see, on looking at everything I did in 2003 that...and it's not because I signed a pledge or promised to do whatever, so I went out, found the facts, talked to shareholders, chamber of commerce people whatever and voted accordingly. And here's the whole story of 2003. I voted for taxes in 2003, but it was after we killed the gross receipts provision that came out of the Governor's Task Force. Now I'm not going to take a lot of your time, but I'll take as much time in person as anybody who wants to take it...that's it. That provision would have created the Nevada IRS [and] cost the state multiple millions of dollars to create a new agency. Sound like a federal government problem? And, and, it would have taxed businesses on their receipts, not their income. That didn't get killed in the State

Assembly. That got killed in the State Senate because there were eight of us, nine of us who hung together who said 'we don't care if you run somebody against us, we don't care if you contribute against us in our campaign, this is the wrong policy'. And that was some great Republican and we were even joined by a few Democrats also that hung with us, Denise Matthews and Terry Care come to mind. Where it was...we made our reason for living in 2003: we're not voting for Nevada IRS. It was that group of people that got that pulled out of that tax bill. But that's only part of the story. Whenever you talk about government and what it does with money, there's a lot of people that talk about taxes, very little talk about spending. I was part of a sponsor of the bill in 2003 because it's the usual saw, 'well if you people are "NO", what's your idea?', i.e., if you...how would you raise money if the state needed it without creating a Nevada IRS and taxing gross receipts? I was part of a bill that people said 'well your bill is arguably would have been larger than the other one, which is political spin. Any bill is whatever people vote for in the final numbers. It doesn't come in with "you can't change a number. [unintelligible]. We have it so we'll spend it, which has been our mantra in Nevada in terms of ...talk about needing tax reform, we need budget spending reform as much or more than we tax reform. My bill had...and where did...you may say 'Amodei where did you get that particular provision? From the Nevada Taxpayers Association. So in keeping...in walking the walk and talking the talk, went out and talked to shareholders, Chamber of Commerce members, taxpayers, and it's like 'we need to get a grip on this on this whole budget thing'. Now it didn't get passed, but it was like at least I had thought about it, gave those people who want to say 'well, if you're NO, what's your idea?', some will say 'here's an idea, here's a way to do it.' We had a room tax component in that bill, which, it's a funny thing, you know, the folks on the Strip hated that idea and here we are the last session, the teachers union with the Strip, runs an initiative, and advisory initiative in the two most populace counties and have how earmarked that room tax money, I guess it's okay 60 months later, room tax money, but it excludes 65% of the state budget; it's only for teacher salaries; terrible policy in my view. But once again, that goes back to 2003. Let tell you another thing about 2002 that I'm pretty proud of and that is, I think the fact that we proposed another bill that...where they said that 'well if you're NO, what's your idea?' and we came up...well here's another way to raise the money if you really need that much money, did a lot of damage to this whole thing of you have to vote for gross receipts. I think the existence of that bill saying there are other ways to do this, just for instance, did a lot of damage to what the Governor's Task Force recommended in terms of creating this IRS. But having said all that, looking at what was going on in Nevada in 2003: the economy was very healthy, one of the aspects of the bill that I voted on, was the piece that was by our own Lynn Hettrick, who is not considered to be a guy of average intelligence, very intelligent guy. Real estate transfer tax was a big piece of that bill when you talk about what it raised. The economy was red-hot, real estate growth in Nevada was almost vertical and so at the time it tagged a revenue source to an area that was creating impact to what the State general fund [paid?]. So, you say yea, absolutely I voted for that. But before that vote, we killed the IRS

proposal, we also put into play the discussion of a budget cap, I wish it would have passed. I wonder what kind of shape our budget would be in today? If they'd have passed our room tax, which exports a big piece of...Senator Care had the Legislative Council Bureau before this last session say 'how much money?'. It as about a half-billion dollars, but here's the part that I think is the most important: you can't just talk taxes, you have to talk spending. And so when you talk about 'Amodei when he engaged on this said, "I'll vote for these because I think there is a need for these services and the economy is in such a way that businesses will not leave or not come to Nevada as a result of this and I think time proved that till we ran into this recession which got everybody. But here's the part that I'm proudest of. Fast-forward to 2009. Amodei, you voted for taxes in 2003...yes, I did and there's a...there's kind of a global explanation to why I'll stand by that vote and what else I did in 2003. And now you fast-forward to 2009. I'm the only guy in this race, that when I voted against taxes, I also had the guts to vote against the budget. And I think that's something when people just this single-minded focus on the tax aspect is this: if you vote against taxes and for the budget, where I come from that's called deficit spending. That's saying, hey, there's no money in the checking account, but you've got to keep writing checks. That is, in my view, a curious, curious fiscal policy. And so...and I hadn't signed any pledges or [cost view?] or whatever. It's a common sense-thing which I think is one of my strengths. Wouldn't it make sense and you're not hurting people to do it or whatever, then yea, I'll support that so we can, you know, increase some human services and stuff like that in Nevada? But when you're in the middle of a recession, you don't need to have signed a pledge that says raising taxes is a dumb thing. And by the way, if you're going to vote against the revenues you ought to have the political courage to go 'I'm voting against the spending too'. And I'm not aware of anybody else in this race...once again that's that 14-year record that you can go check...and say this guy's just selling me a bill of goods because he's on the ballot again, but what has he done over the past. I absolutely own that vote, but when you see what else has been done in 2003 and on issues like that, I think on balance that's a pretty responsible fiscal record and I hope people think about that when they evaluate that .