

Transcript of telephone interview with Republican presidential candidate Mitt Romney and Blade politics writer Tom Troy.

July 17, 2012

Mitt Romney: Happy to join you again.

Tom Troy: You remember me trying to question you up in Troy, or Livonia, or someplace?

MR: Somewhere up there. We've met before.

TT: I guess you're probably referring to the fact that you're returning to Toledo, having been here in February, and then tomorrow you're going to be in Bowling Green, which is just a half hour south of here.

MR: Exactly. Well, as a guy that was raised in Detroit, Toledo felt like the neighbor next door.

TT: Did you ever come to Toledo when you were living in the area?

MR: Oh yeah, oh yeah. And I actually had a girl who was a friend, not my girlfriend but a girl who was a really good friend, that lived in Elyria which of course is over by Cleveland, so I came down there a good deal. We spent time in Ohio. I did not take advantage of your more relaxed alcohol laws, however, although a number of my classmates at school did.

TT: I didn't grow up in this area, so I wasn't aware of what the laws were at that time.

MR: They had something in Ohio, I forget what they called it, four-fifths? There was some kind of a lower-level alcohol ...

TT: Three-two?

MR: Yeah, three-two, whatever it was, that was allowed to be purchased by younger people, so kids from my school made frequent pilgrimages to Toledo.

TT: Right, that was Cranbrook, of course.

MR: Yeah, yeah, that's my memory. I had other weaknesses. That wasn't one of them.

TT: Did you want me to just ask you questions?

MR: You bet. Go ahead.

TT: We'll start with the main one that's always on our minds here, the auto industry and the [2009] bailout. How would you respond to those who would say that by not supporting taxpayer assistance to General Motors and Chrysler, that you turned your back on an industry that was critical to your personal success as well as family and friends right there in southeast Michigan and Bloomfield Hills where you grew up?

MR: Well, first of all, that's a mis-characterization of my position, that's what I'd tell them. My view is this: that taxpayer assistance to the industry would occur and could occur, but it should only occur following a managed bankruptcy, and at the time that I was writing about this topic [November, 2008] there were two choices, a big check from government going to the companies, or the companies going through a managed bankruptcy, and fortunately my view prevailed, because ultimately the companies did go through bankruptcy. And having done so, they have been able to become more competitive and government resources were helpful and essential to get them back on their feet, and I would have supported those resources as part of a managed bankruptcy process.

TT: Well, there was a big check that went to these companies, \$82 billion. What I remember reading was you supported guarantees and not an outright check or purchase of equity.

MR: You're far more detailed than anything I wrote about at the time I wrote my op-ed piece [in the New York Times]. What I wrote was well before President Obama was even president. This was when the Detroit auto executives flew to Washington, and said they needed to be bailed out. And I said, no, they needed to go through managed bankruptcy, and if they needed help as part of that process, of course that would be appropriate. But the idea of writing them a check as opposed to them going through bankruptcy in my view was not the right course.

TT: Do you then support the action that was taken, the government investment that was made in the auto industry?

MR: My process would have been different. Rather than writing checks for six months, as the government did for approximately \$20 billion, I would have instead moved more rapidly towards a managed bankruptcy, and then I would have worked very carefully to see what additional support was necessary to get the companies on their feet. It would have never crossed my mind to close down the industry. My plan was how best to save the industry, and in my view, going through a managed bankruptcy process was essential to saving the industry. As you may remember, the head of the UAW and many others decried my suggestions, saying you couldn't possibly have them go through bankruptcy. But in fact I was proved right. The companies did have to go through bankruptcy. That was done and they recovered. I would have made them go through bankruptcy first, and then provided taxpayer assistance that was necessary to get them back on their feet.

TT: In the final analysis, do you think it worked out well?

MR: I think it's very positive that the companies have come back stronger. I'm glad that they were saved. I think if we had followed the process that I recommended from the beginning, the taxpayers would have saved tens of billions of dollars. And I'm glad that ultimately the managed bankruptcy process was pursued and used, and feel that's one of the reasons why the industry has come back.

TT: And what's been the reaction there in your former haunts in suburban Detroit to your position on the auto industry?

MR: There's no question in the minds of people who know my passion for U.S.-made automobiles that everything I proposed was to strengthen the companies and keep them from being taken down the drain. My view was the excess costs associated with UAW contracts and retiree costs were going to kill the industry, and that the companies needed to go through bankruptcy to shed unnecessary debt, unnecessary obligations, weighty benefits, and work rules, and to make the companies more competitive. And by the way, there are three sources you could look for my views: the op-ed written in the New York Times, but there was also Meet the Press — I was on with Jennifer Granholm — and I believe there was an interview with Wolf Blitzer [of Cable News Network]. I said, 'I'm happy to provide financial support to these companies, but I want them to go through bankruptcy because they've got to get rid of these excessive liabilities and burdensome costs or we'll be just throwing money into the companies and we'll never see them recover.'

TT: And I don't think you believe that they ever did shed all those liabilities and burdensome costs.

MR: Well, I don't know the final picture of what the extent was of their slimming down through the bankruptcy process. I hope it was effective in making them fully competitive. Time will tell. I do believe that the UAW received a better deal than they would have had the President not put his hand on the scales of justice.

TT: I'd like to ask you about the vice presidential issue. Have you discussed the vice presidency with Rob Portman, Ohio Senator Rob Portman?

MR: I've got nothing for you on the vice presidential front. Nothing. I can't give you timing, people, process. All I can say is it's a process which is under way, and guided by my former chief of staff, Beth Myers. But as to people and timing and so forth, I've got nothing.

TT: OK, all right, but would you acknowledge Rob Portman is one of the people you're looking at?

MR: I've got nothing for you. There are a number of terrific people in our party. Rob Portman is certainly one of them, but as to who is or is not being thoroughly vetted in the process, I just am not going to offer any information.

TT: As the former CEO of Bain Capital, you had many opportunities to grow businesses and create jobs. But in some instances, Bain's investment didn't necessarily work out for the employees and local community. And some would say the Stage stores formerly of Bowling Green would be an example of that. Looking back, do you think Wall Street may have paid too little attention to the impacts of their decisions in the local communities?

MR: I believe that the record of Bain Capital was described in a letter recently sent by the current managers of the firm to their investors. And in that letter, they note that the firm made approximately 350 investments over its life, that 80 percent of those investments grew, and 5 percent of them went bankrupt. I do know that the Obama team will spend all their energy and effort discussing, at great length, those that did not grow. That's the nature of politics. But I also know that every investment with which I'm familiar during my work at Bain Capital tried to grow businesses and make them more successful. And successful, profitable businesses can hire people and grow.

TT: OK. We've seen a lot of very negative advertising in the presidential campaign, and more TV advertising than ever before. Are you concerned that the tone of our TV ad-driven politics will diminish the office of president?

MR: Well, I think when a campaign is dishonest in the ads they run about another candidate, it diminishes the campaign, it diminishes the candidate, and it diminishes the presidency. And I think dishonesty is a line that campaigns cross at their own peril, and to a degree, at the peril of the nation.

TT: You're referring to the claims that you continued as the head of Bain after you left to head up the Olympics?

MR: There are a number of elements in the Obama campaign ads which have been determined by independent fact-checkers to be false and misleading. I think when that's the case, the campaign would be wise to take down the ad.

TT: You may not be aware of this, but there haven't been any Romney ads in the Toledo market, and I wondered whether there was any particular reason for that. I believe they been in Cleveland and Columbus.

MR: The reason is pretty straightforward. And that is, as you know, we had a long primary and spent most of our primary dollars on the primary. The President had no primary, and so he is able to spend his primary dollars across the country, and there are just many places we can't afford to be running ads. So we are massively outspent by a President that had no primary. And we are able to both shift into general election funds after our conventions, and we will be able to be more competitive, and you'll see more of us as that occurs.

TT: You've said you will work to end Obamacare as soon as you are elected, but what solutions do you have in mind that will solve the problems Obamacare is supposed to solve, and that is millions of people without health care, and people with pre-existing conditions being denied health care?

MR: First of all, I will replace Obamacare. And my replacement includes a provision that ensures those with pre-existing conditions that they will be able to receive insurance. I will prohibit insurance companies

from refusing to cover those who have been previously covered, who develop a condition, and then perhaps change jobs or change states and apply for new insurance. So I will deal legislatively with the pre-existing condition question.

Secondly, with regards to health care for those who are uninsured, I would note that states like Ohio do provide health care even today for those who are uninsured. Each state has its own method for caring for those that don't have health insurance. I believe the states are the right place for those alternative solutions to be applied. I will help the states by block-granting to each state the federal Medicaid funds, and allowing states to use these funds in the way they think best to care for their own uninsured.

So my approach is not a federal top-down mandated program, but instead federal dollars going to states and letting states craft their own program.

TT: But you can mandate from the top that you would require coverage for those with pre-existing conditions?

MR: Yes, you can mandate to an insurance company, for instance under insurance company rules, that an insurance company may not deny coverage to someone who has been previously covered on a consistent basis who develops a condition and then perhaps changes jobs or is laid off and comes back later and wants insurance. You can't deny coverage to someone like that. Pre-existing conditions for those previously insured must not lead to someone being unable to get insurance.

TT: I was just getting at whether that's a power that the federal government has, since insurance is regulated by the states.

MR: Currently it's in the Obamacare law, and that aspect of it was not found to be unconstitutional. As a matter of fact, none of the aspects of it were found to be unconstitutional. So I would suggest that requiring insurance companies to continue the insurance of someone with a condition to be under the law.

TT: Would you also require that insurers allow children to remain on their parents' policies until they're 26?

MR: That's already in the marketplace. United Health Care and others are offering that product, so it's voluntary. It does not require federal legislation. It's already in the market.

MR: I've got to run. I've got a thousand people in the next room. I'm just outside Latrobe, Pennsylvania, the home of Arnold Palmer.

TT: And I think they make Rolling Rock beer there, or did.

MR: I think they do.

TT: Governor, thank you so much for your time, and good luck today.

MR: Thanks, appreciate it, Tom.