



Podcast Transcript

The Cloakroom with Peter Roskam: 37th Annual Legislative Seminar – Congressman Brad Schneider (D-IL)

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Lee: Welcome to “The Cloakroom with Peter Roskam.” Former Congressman Peter Roskam leads BakerHostetler’s Federal Policy team. Through interviews with leading members of Congress, Peter provides an insightful, firsthand view into the latest policy and political debates on Capitol Hill.

In today’s episode, Peter is joined at the 37th Annual Legislative Seminar in Washington D.C., by his BakerHostetler colleague, former Congressman Heath Shuler, and Congressman Brad Schneider, a Democrat from Illinois. Schneider was first elected in 2012 to his suburban Chicago-area district. He serves on the Ways and Means Committee, which has jurisdiction over tax, healthcare and trade policies. Schneider also serves on the Foreign Affairs Committee, where he has been active addressing competitive threats from Russia and China as well as promoting U.S. interests in the Middle East, and in particular the U.S.-Israel relationship.

Peter, Heath and Congressman Carey discussed taxes and U.S. foreign policy.

Let's listen in to "The Cloakroom with Peter Roskam."

Roskam: Thank you for going beyond the call of duty in terms of hobbling here. I hope this is a quick remedy.

Schneider: I'm happy to do it. The one thing I will apologize, my casualness, I can't get my suits over my cast. And all I have found is a fleece sock and it was way too hot to cover my toes.

Roskam: Well, Brad, thank you for coming. I really appreciate it. And you and I were part of the Illinois delegation. You're still there and you represent an area of Chicagoland that is really lovely, the North Shore. The shorthand is it is a how nice for you district and how nice for you.

Schneider: I like to say, I match my district, my priorities, my values match my district like stacked quarters. It is just, it helps.

Roskam: It works. So can you give us a sense, Diana DeGette was here earlier today. She was very bullish on where the Democrats are going in terms of taking over the majority and so forth. Walk us through your current thinking of if the Democrats get the gavel, what are the types of things, set aside oversight of the administration, because that is coming, so for sure, but are there policy things where you say, look, we can actually try and get something done here or there is some overlap in the Venn diagram? Or is it just Mars and Venus right now where it is like, come on, man, I can't even deal with this administration? Where are you?

Schneider: Great question. Let me take the administration out for a second.

Roskam: Okay.

Schneider: And as you all know, in the House, you need 218 votes. In the Senate, it is 51-60 to get to the actual vote. I'll leave the Senate out and just talk about the House for a second. If you think about it, I think in pictures hopefully this makes some sense but you run the whole line of members of Congress from the furthest left to the furthest right and you take a slide rule if you will to say we've got to get to 18 where we are today is that it used to be with the Hastert rule another Illinois member is you had to have a majority of the majority to move something, alright? That meant that 115 on the one side of the middle line but you still had room to try to pick up 113 on the other side at its extreme. Today it is you have to get all of the Republican. And so, that little bar doesn't have a lot of room to maneuver.

If we're going to get anything done in the next Congress, we have to find a way to break that loose and move it as appropriate. The challenge that Speaker Johnson faces is that with such a narrow majority, if the House was fully in place, all seats were filled, it'd be 220, 215, there is no maneuverability on that. And I hope that the Democrats take the majority. We're working to make that is so. It is not going to be much broader than 220, 215 on the other side. And so, either the

extremes on either edge are going to have all the power or we have to find a way to find that common ground.

I know and you were on Ways and Means. I have the privilege of being on Ways and Means. We were a lot younger the last time we had real tax reform that went through. But that was bipartisan tax reform in the 1990s, and it stood the test of time. If we're going to have any legislation that can stand the test of time that is not going to go back and forth with the pendulum swings, it has to cross that middle line and move that lever. And that is what I hope we can achieve in the next Congress. And I also believe that is the only way we can force the president's hand. He is going to use his veto pen. But if we have bipartisan legislation that has Democratic support, Republican support, and the support of the public, we might be able to get some real progress on issues, whether it is tax reform in a responsible way. We can't sustain \$40 trillion of debt. It can be, maybe in this moment we can actually have the real immigration reform that we've been trying to do for three decades.

Roskam: Let me press in on that vision because I think it is a helpful one, that illustration of the continuum. So, it seems like upon reflection, one of the difficulties of the Hastert rule, the Denny Hastert thing that said, I'll get a majority of the majority and then we'll move forward, it was the premise that the rest of the majority would vote for his program. That is not live today. You know what I mean? Now it is, to your point, you've got to get 100% of the majority or 99% of the majority. So, what you're contemplating is to say, look, Jeffries will be our speaker. We're not going to be throwing the speaker out if he looks at us the wrong way. And we're going to be able to put together maybe bills that get more than 218 votes because maybe 300 votes or something. Is there an internal culture within the Democratic caucus that is tolerant of that? Or are you an outlier? Is the Brad Schneider disposition like, hey, you know what I'm saying?

Schneider: Yeah, no, this is where I'm absolutely not an outlier. I chair the New Democrat coalition. Those are the moderate Democrats. And my view, moderate is a style more than a position. But we're 114 now. David Scott passed away. But we're a majority of the Democratic caucus, and I think you start there. I'm going to use Illinois as the example. Is Bob Michael, was he in your seat?

Roskam: No. He is the Abe Lincoln seat, Darin LaHood's seat.

Schneider: So, you have Bob Michael, who his whole career was in the minority, but working to get stuff done. In my seat not immediate predecessor but John Porter had my seat for 20 years. When I came here I'd never run for office before for anything my joke was I ran for a head of household in 1989 and lost and it took a long time to recover. But I came in 2013 and John Porter was one of the first people to take me under his wings. And he is a Republican, I'm a Democrat, but we shared again, you're talking about our district, we shared far more in common than where we disagreed. And I think that is the tradition you see from Illinois to a great extent, but across the country. There was the Tuesday group, now the Republican governance group. I would like to see them in the minority, I have my bias, but in the minority with confidence to stand up and say, this is what

we're fighting for. We're not going to get everything we want, but we're going to get more than if we turned our back and got nothing. And that is what we've been doing in the new Dems is trying to fight on that issue.

Roskam: Let me turn to tariffs. There's been a reluctance on the Republican side for members of Congress to challenge the president on his tariff worldview, even though they're really pretty uptight about it. A lot of them are very, very concerned about it. You're not going to have that restraint, just in terms of being afraid of what Donald Trump is going to do. What would be your tools? How would you approach the tariff question? It is complicated. On the one hand, there is the China tariffs that President Biden kept in place and that there seems to be a growing recognition that, look, this is a competitive power and there is malevolence there and we need to have a bulwark against the types of things that they're doing. On the other hand, like Canada, you know what I'm saying? So how would you approach that?

Schneider: I'm going to answer a different question first. And it is, how do we restore the checks and balances that the founders envisioned? That is the most important thing. And as members of the House, we like to say that we are one of three co-equal branches, only in the sense that Article 1, we come first. So, we're the first of the co-equal branches. We need to get back to that. And that has been power that has been ceded to the executive branch long before we were in politics, long before we were born. We need to start pulling that back. And one of the areas that I think will be clearest to do so is tariffs, the Constitution.

Technically, we were supposed to say the very important, very powerful Ways and Means Committee. That is our contract we signed when we get on the committee. It is the oldest committee. It is the only committee mentioned in the Constitution, and it is where the founders wanted taxing authority to rest with the body that is closest to the voters by design and by intention. We need to take that back and pound the table and say we're doing this because not only is it our prerogative, it is our responsibility to do so and do so, I hope, in a bipartisan way. When President Biden appointed Catherine Tai to be his trade representative, she was staff, Democratic staff in Ways and Means. She was family. So, she got a little more leeway before she started to rub Democrats on the committee wrong. It is like no, this is our committee. These are our prerogatives. We have to take that back.

So, I think on tariffs, there is a place for tariffs if they're used strategically if they're used not to defend a weak position but to punish abuse or illegal actions, whether it is dumping, whether it is, there is a long list of reasons why we would do the 301 tariffs. We can have that debate, we can make that case, and I think we can sell the American people on that, but it really needs to be Congress that does that. They can't be used punitively. They can't be used in a way that the exceptions open the door for an administration to favor, not to pick winners and losers in industry, but to pick winners and losers as who is my friend and what is in it for me. And I think we just have to stand up to that.

Roskam: Let me ask you one other question, then yield to Heath. IRA credits, they've been just all over the place and particularly on the renewable side. What is the plan for like restoration of those or breathing new life into them or restoring them? And where do you think that those credits end up, let's say, in the next five years or so?

Schneider: So, I'll go back, I guess it is five years now when we were working on what originally was Build Back Better and then became an IRA. Ways and Means was tasked, that was again reconciliation. I'd love to see us to get away from reconciliation and back to regular order, but the Ways and Means Committee was tasked with raising the revenue to pay for everything else. And we actually came up with what I think was a decent package that there was debate, there was a chance for comments. We need to get back and have that conversation and see where we can have impact.

I have personal favorite where we talk about the credits, and that is for sustainable aviation fuel. I was listening to today a story. Tesla or Musk is coming out with a semi-electric semi, and it said, but even next year, that will be all news. They're coming out with driverless semi-trucks. So, I said, that scares me. But what scares me more is a battery-powered airplane. I don't feel confident flying to Europe on a battery-powered airplane. We'll always use sustainable fuel. We can use credits to drive the economy to create the incentives that will make a difference and we're seeing with the war in Iran reliance on fossil fuels, energy that can be choked whether it is at the Straits of Hormuz or the Bab el-Mandeb or anywhere else creates a challenge. Medical supplies, we saw with COVID. We need to be thinking of how to use credits to create incentives to drive investments on things that will make us more secure, essentially developing the sustainability, the reliability, and the slack, the resiliency that we need in a world where disruptions are becoming more frequent and more common.

So, I think you'll see that type of conversation. There are a lot of projects that are being, that were started or being shelved, but that may make economic sense in the long-term need that that step up in the beginning. And that is where I think credits can make a difference.

Shuler: Brad, let's turn to healthcare. Site neutral payments as it relates to large hospital systems, where do you see that in the future? Is it, and there obviously been a lot of scrutiny, but do you feel that they, to offset some other priorities, do you think that could be dropped into a must-pass bill?

Schneider: So, we need to get away from is the rob Peter to pay Paul mentality.

Shuler: There we go again, right, Peter?

Schneider: Yeah. It is just, and away from who was the last person in the room to make the case. I'm actually going to use my, so I had foot reconstruction surgery it was major surgery that at the end of the day is probably going to run up a bill of \$100,000 of which about 2,500 is coming to me is my bill is what we think it so far I can't tell you what is involved in that but I now have an opportunity to dig deep

and see. And it was, I was overnight in the hospital and then going back and forth there'll be physical therapy. It is a case study of what everyone is going through or will go through at some point in this country.

The reason healthcare is such a hot issue in the elections, and it has been for so long, is because every one of us knows that we're one step away, pardon the pun, from a health emergency. And thankfully a health emergency no longer puts people into bankruptcy, but the system, the prices keep going up. When I had my first business in 1997, and we started out paying 100% of our employees' health insurance, and by the time we sold the business in 2003, they were sharing, I can't remember if it was five or 10% of that. That was a hard decision. And it was about \$6,000 per year per person. That number has gone way up. In fact, when I first came in 2013, the number was, we were spending \$10,000 a year healthcare per person. That was an easy number to do math. I think that number, it is much higher today.

18% of our economy is going to healthcare. We have to figure out how to bend the cost curb, but you need hospitals. I was meeting with some of the hospital CEOs in my district. Two of them are nurses. And one of them said the only reason you stay in a hospital is because you need nursing care. And I thought that was an interesting point. The cost of maintaining what you need in a hospital is very different than an outpatient surgery.

I had shoulder surgery, I'm an orthopedic mess, I had shoulder surgery in 1988, stayed in the hospital two days with a long scar. Today that surgery is arthroscopic and you're out within an hour, it is outpatient. Probably should, I don't know what the cost would be comparatively, but that is pushing that cost out. What I had on my foot, obviously you need a hospital. If you have cardiac issue, you need a hospital. We need to make sure we're maintaining all of those. I have a trauma one hospital center in my district. That is a different situation than a community hospital, obviously. How do we maintain those costs? And the debates of we'll take it from here, take it from there. There is, an MRI in a hospital is different than an MRI in my doctor's office. The overhead is different. How do we price that? But we shouldn't be punishing anyone and we shouldn't be, ultimately we shouldn't be punishing patients.

Shuler: That is very good. Two of the major subcommittee leadership roles are under a really difficult and challenging primary. Mike Thompson from California, a moderate Democrat. How does the party look at, trying to maintaining that leadership and experience role that they have versus looking at some of the newer generation as that is played out? How do you look at it? How does the party look at it? And how do you defend and keep a Mike Thompson with a tremendous amount of respect on both sides of the aisle and certainly has a tremendous amount...

Schneider: A very loaded question. I'll touch first on Ways and Means and the subcommittees because there is going to be a lot of changes, as you noted. Richie Neal will continue to be the leader. There is no challenge there. He is an amazing chairman and now ranking member. Lloyd Doggett is number two. He is

chair of health. He is retiring, so that seat is going to be open. There is talk that Mike Thompson may move over to that seat. That would open up tax. Danny Davis is as a gavel. He is retiring. And then he's mentioned both Mike Thompson and John Larson are facing primaries. So, you can potentially have a lot of change in that.

The process in Ways and Means would be smooth. On one hand, there is continuity. The people who are next in line have been on the committee a long time. I'm in my fourth term already on the committee and I'm still in the front row. Next year I'll be on the top row. But if the Democrats take the majority, they'll pick up eight seats simply by the flip of the ratio. And then I mentioned there is four retirements, Dwight Evans and Stacey Plaskett. There'll be 12 new Democrats on the Ways and Means Committee next year. And I was saying this earlier, the Ways and Means Committee, and you'll vouch for this, you land on this committee and you are on a vertical learning curve and you basically live on that vertical learning curve the rest of your time on that committee because there is so much going on. There is going to be a lot to learn.

So, that experience is critical. So that having, if there are changes, if Mike Thompson moves to health, he's been on the health committee but I don't know if Linda Sanchez who right now is doing trade would move to something else. You have, I think next in line is Terry Sewell and then Suzan DelBene. You have a lot of shift but there is a lot of experience.

Take it back, pull out the lens a little bit further and the committee chairs across the top. The Democrats do not have term limits. I don't know when the Republicans put them in place, but Republicans have six-year term limits and that creates a lot of dynamism. There is a lot of sense that dynamism is good. That we'd like to see that in the Democratic Party and there is a lot of respect for the tradition and the understanding that in many cases people who are chairs today came in they were the first whatever, they were first of blank to ever serve in Congress, first African-American from their state, first woman, first whatever. They were really trailblazers and so I don't know that there is much appetite in this moment to move to something like what the Republicans have but I think there is discussion that we need to create opportunities for members who come in not to wait. I will be the chair of Ways and Means in 2048 is what it looks like.

Roskam: It is a plan. It is a plan. Let's shift out and go global. You co-chair the Abraham Accords Caucus. You've been a strong supporter of the U.S.-Israeli relationship like I have. Can you give us a foreshadowing, setting personalities aside, setting Prime Minister Netanyahu aside, setting Donald Trump aside, looking at Yair Lapid or whoever it is that is going to be leading Israel in the days and months and years ahead. Where will the Israeli-U.S. relationship be in 10 years? What do you think it is going to look like?

Schneider: Nobody knows. So, I can tell you what I pray for. I think we'll probably land in the same place. I'm a Jewish American raised a Zionist. Went to, lived in Israel 1983, 84 a long time ago, have spent my entire life not just praying for hoping for peace in the Middle East but working for peace in the Middle East. If I could have the

pen and write the future it would be a Middle East where Israelis and Palestinians are living side by side with mutual respect and recognition, stability, security, and peace, and the full region is integrated.

The vision of the Abraham Accords. What I love about the Abraham Accords, and this is Tal Becker's framing, one of the Israeli authors of the Accords, is for the first time, the Abraham Accords codified the ideal that both Israelis and Palestinians belong to the same land. Not that the land belongs to them, but they belong to the land. I think that is the direction we have to go.

If I talk about the debate right now, Israel is going to be an issue. Israel has an election coming up this year. It may be in October as scheduled or any time before, likely sooner, and it'll be a part of the discussion here. My way I describe it, I am unequivocally committed, supportive of a strong U.S.-Israel relationship and the security of the Jewish democratic state of Israel, and I will never turn my back on that. That doesn't mean I don't see or support the aspirations and hopes of the Palestinian people for self-determination and the ability to give their kids the opportunity and promise that Israelis are hoping to give to their kids. And that is the role I think the United States should be playing, can be playing, and by extending that, and the Abraham Accords are the stepping stone to that. We can create the opportunity for a path ultimately to the Palestinians and Israelis living together.

Saudis have to be a part of that. So, if I think over the next 10 years, to bring the Saudis into to bring our allies in the Gulf, so Saudis, UAE, Bahrain, already part of the Abraham Accords, but Qatar and Kuwait, to elevate Jordan, stabilize Jordan, help Egypt, even Syria and Lebanon, U.S. leadership becomes paramount. And we cannot focus on one region. We can't turn our back on what is happening between China and Taiwan. We can't ignore and we shouldn't turn our back on Ukraine. But we have to be able to play in multiple places around the world. I can tell you about Africa, Latin America, and be that role model that the United States historically has been. The tribute often paid to Harry Truman and Marshall, but I think Dwight Eisenhower deserves as much credit for it as anybody of a United States that is working with our allies, only country that can convene in a way that no other country can. And to do it, we need to support NATO, do what we did with NATO to build it for the future, but to do it in the Middle East and do it in other places as well.

Roskam: It is interesting. Just to broaden this out a little bit, your observation, because the subtext of what you were saying is, look, there's been this bipartisan agreement about what the role is of the United States. And that is under real pressure right now. So, I chair the National Endowment for Democracy. We got some of our team here today. And that is a group that was founded by Ronald Reagan, supported by Congress, helping good guys around the world stand up for freedom, really virtuous heroic people. There's been a bipartisan consensus post-Cold War that the United States has a leadership role. And yet, right now, the two ends of the horseshoe are coming together.

On the conservative side, and I don't, it is not really conservative, but you know what I'm saying, there is a group that says, hey, it is too expensive. It is a waste of time. Let's just focus in on the United States and call it a day. On the other side, and this is not a dominant position, but it is emerging. And you're hearing about it at home, I'm sure. It is a group that says, look, the United States is not a good country. And it would be better if the United States just zipped it, didn't say anything, and you have no moral right to tell anybody, to lead anything. It is, you're the problem, United States, you're malevolent. And right now, the center is holding, very solidly the center is holding. And yet, there are these voices on both sides that are more than just grumbling. They're really getting aggressive. And I think that manifests itself in a lot of ways. It will manifest itself in terms of trade policy, in terms of our military deployments and so forth. How do you, do you think I'm right in that analysis?

Schneider: I think you're 100% right.

Roskam: How do you take that in?

Schneider: So let me talk the horseshoe and I'll tell you one thing that will probably be the only thing you remember this conversation. When you hang a horseshoe for good luck, and we always talk about it. You did the things pointing down. You always hang it with the open part pointing up so that the lock doesn't run out of the horseshoe. So, if you go into a ranch, you'll see it that way. But in our politics, it absolutely points down. And we are at a place where not only is it coming that the ends of the horseshoe are merging. And it is, well, you're talking about the two extremes, the America first crowd and the America worst crowd have always been there. I don't remember, but I'm sure it was there in the lead up to World War II. Franklin Roosevelt had to fight that. I do remember as a child in Vietnam, Ronald Reagan, one of his most, I think, historic moments was standing at the Berlin Wall and saying Gorbachev take down this wall. But he also had other things that would be criticized.

The difference today is social media and not social media by itself, but that our adversaries and our enemies are able to use social media to feed and fuel those two ends. And they are the energy that is fusing that. So, I've only been catching little clips. I'm going to jump to a different story. But the tragedy in San Diego of these two teenagers who killed three people at a mosque in San Diego, what I've picked up in just catching news between things is they were 17 and 18, so they're kids, radicalized online, they meet online. And I don't know who it was that radicalized them, but it is pretty safe bet that much of what they were reading and digesting is generated by bots organized by foreign entities, whether it is Russia, Iran, North Korea, it could be anybody, Al-Qaeda. These are the threats we face.

What I think we have to get back to is educating our young people to be back in that center the idea that foreign policy stops at the water's edge. We talked about Illinois folks like Bob Michael and John Porter, Everett Dirksen, Rostenkowski, Abe Lincoln, we've got a long list of important people coming from Illinois but two of the people I grew up admiring the most, I grew up in Colorado not Illinois, but

Scoop Jackson and Howard Baker. Those are people, good friends in the Senate. We need those statesmen again. And unfortunately, we're not seeing that from the administration. We're not seeing that. I was on the Foreign Affairs Committee my first term, really was the term before I got there. You had folks like Howard Berman and on both sides, the aisles were very serious and took it very seriously. And today, so many committees, it becomes the sopping for how do I go viral in social media?

Roskam: Well, Congressman Brad Schneider, you've given great insight and a great perspective, and I really appreciate your taking the time and your friendship. Thank you.

Lee: Thank you, Peter, Heath and Congressman Schneider. If you have any questions for Peter, his full contact information is in the show notes. As always, thanks for listening to BakerHosts and "The Cloakroom with Peter Roskam."

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