



Committee On Finance

Max Baucus, Ranking Member

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**Opening Statement of U.S. Senator Max Baucus (D-Mont.)
Treasury, International Trade Commission,
and Social Security Advisory Board Nominations
Hearing before the Senate Finance Committee**

Washington, DC – The following statement was submitted to the record on behalf of U.S. Senator Max Baucus (D-Mont.), Ranking Democrat on the Senate Finance Committee.

Today we are here to consider the nominations of Anthony Ryan to be Assistant Secretary for Financial Markets, Department of the Treasury; Phillip Swagel to be Assistant Secretary for Economic Policy, U.S. Department of the Treasury; Dean Pinkert to be Member of the U.S. International Trade Commission; Irving Williamson to be Member of the U.S. International Trade Commission; Mark Warshawsky, to be Member of the Social Security Advisory Board, Social Security Administration; and Dana Bilyeu, to be Member of the Social Security Advisory Board, Social Security Administration.

These candidates are all well qualified for the respective positions for which they've been nominated, and I look forward to working with them in the future.

Mr. Ryan has been nominated to be Assistant Secretary for Financial Markets at Treasury. This is the office that manages the issuance of Federal debt. Mr. Ryan has had extensive experience working with all types of financial markets, including those involving the issuance of Federal securities. Therefore, I think he is highly qualified for this position.

Unfortunately, we will once again have to raise the Federal debt limit next year. This year, we had to increase the debt ceiling by \$781 billion, the fourth largest debt limit increase in our nation's history. When added to the three previous increases over the last four years, this Administration's fiscal policies will have resulted in a debt increase of nearly \$3 trillion. The sheer size of these increases demonstrates that this Administration has not been fiscally responsible. We need to do better.

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In view of the fact that we will have to raise the debt ceiling again next year, I note that Treasury officials and I have worked together very closely in the past to raise the debt ceiling when that was required. I look forward to working closely with Mr. Ryan and his colleagues next year, and I am confident that they intend to work closely with us.

Turning to our trade nominees, I have long believed that rigorous enforcement of U.S. trade remedy laws – safeguard, anti-dumping and countervailing duty laws – is critical to maintaining the political will to continue trade liberalization in free trade agreements and in the WTO.

U.S. farmers, workers, and companies must believe that their government will protect their interests in the face of unfair or overwhelming forces in the international market. The U.S. trade remedy laws give the government the tools to do so.

The International Trade Commission is a key player in the administration of those laws, so the nominees before us today will have an important role to play.

Both Mr. Pinkert and Mr. Williamson have long and impressive careers developing and administering U.S. trade policy. I am certain they will make excellent commissioners.

Let me now turn to our Social Security nominees. The Social Security Advisory Board is an independent, bipartisan board created by Congress to advise the President, the Congress, and the Commissioner of Social Security on matters related to the Social Security and Supplemental Security Income, or SSI, programs. Ms. Bilyeu and Dr. Warshawsky have been nominated to serve on this Board.

Dr. Warshawsky is familiar to us. He was previously confirmed by the Senate for the office of Assistant Secretary for Economic Policy at the Department of the Treasury. He left that position earlier this year. While in that position, his responsibilities included serving as the senior advisor to the Secretary of the Treasury on all Social Security financing issues. Dr. Warshawsky has extensive background and experience in Social Security's finances, economics, retirement planning issues, and other public finance issues. I have great respect for his intellect and experience and I think he has the ability to be a valuable member of the board.

Having said that, I note that while at Treasury, Dr. Warshawsky was a part of the White House team that developed the President's plan for the privatization of Social Security. He also gave several speeches while at Treasury supporting the President's privatization proposal. I do not agree with the privatization policies he supports. The President tried to get the Congress to enact these policies in 2005 and the American people rejected his proposals. I hope that the President does not try to resurrect them next year.

Ms. Bilyeu has served as the Executive Officer of the Public Employees Retirement System of Nevada since 2003, and prior to that she served as Operations Officer for that System.

As a result, Ms. Bilyeu has very extensive knowledge of the funding and plan design of retirement systems that are similar in structure to Social Security. She is also very familiar with complex actuarial financing calculations, retirement planning, and disability policy issues. She will be an excellent addition to the Social Security Advisory Board.

Finally, let me turn Dr. Swagel. Dr. Swagel has been nominated to the position of Assistant Secretary of Treasury for Economic Policy, the same position that Dr. Warshawsky held. Dr. Swagel is extremely qualified for this position. He has very extensive experience working on economic issues at the Federal Government level. In addition, he is widely published in highly respected journals in all areas of economic policy and public finance.

In his capacity as Assistant Secretary for Economic Policy, Dr. Swagel will be advising Secretary Paulson on the long-term financing challenges of Social Security and the long-term fiscal problems facing the Federal Government as a whole. Therefore, I would like to offer him this advice.

Social Security privatization has been rejected by the American people. If the Bush Administration wants to work with the Congress on a bipartisan basis, it must agree that Social Security privatization has already been taken off the table – by the American people.

And beyond that, the Administration cannot look at Social Security's long-term financial picture by itself, or even the long-term financial challenges of just Social Security, Medicare, and Medicaid. It must look at the entire long-term Federal budgetary picture, including the need to reduce the tax gap, abusive tax shelters, and corporate tax loopholes. And it must look at discretionary spending too, not just entitlement spending.

I look forward to hearing from all of the nominees today. And I wish them all good luck.

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