



# Committee On Finance

Max Baucus, Ranking Member

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## **Statement of U.S. Senator Max Baucus Senate Finance Committee Hearing on Nominations**

Today we are here to consider several nominees: Richard Crowder to be Chief Agricultural Negotiator at USTR, David Spooner to be Assistant Secretary of Commerce for Import Administration, David Bohigian to be Assistant Secretary of Commerce for Market Access and Compliance, Jeffrey Brown to be a member of the Social Security Advisory Board, Vincent Ventimiglia to be Assistant Secretary of Health and Human Services for Legislative Affairs, and Tony Fratto to be the Assistant Secretary for Public Affairs at the Treasury Department.

The nominees to the trade positions come at a pivotal time for American trade policy. Right now, negotiators from the United States and the 148 other members of the World Trade Organization are gathered in Hong Kong to try to make progress in the Doha Round of negotiations. The prospects do not look good. The parties remain far apart on agriculture.

Mr. Crowder, you have your work cut out for you. And that is not only because of the difficulty of getting the European Union, Japan, and India to make deep cuts to their agriculture tariffs.

The American agricultural community was once a bulwark in favor of further trade liberalization. Now, agriculture appears to be cooling to trade. Many farmers and ranchers believe that previous trade agreements have failed to live up to their billing.

Meanwhile, America's decades-old agricultural trade surplus is disappearing. And the administration has pushed for cuts to American agriculture programs.

We have work to do, if we want farmers and ranchers to continue their strong support for trade. We must negotiate good agreements. And we must aggressively enforce the agreements that we already have.

We must also ensure that overall farm support remains at levels that will allow farming and ranching families in Montana and across America to maintain their way of life and continue to produce the safe and affordable food supply upon which we all depend.

That advice is broader than your responsibilities, Mr. Crowder, if you become chief agriculture negotiator. But I believe the chief agriculture negotiator needs to understand these dynamics to do his job.

Mr. Bohigian, you have been nominated to be the Commerce Department's point person on trade enforcement. And Mr. Spooner, you would have responsibility for administering American trade laws to help American companies hurt by trade.

Both of you will be instrumental in maintaining continued support for trade. As with agriculture, support for trade generally will depend upon enforcing the agreements that we already have. And support for trade will depend on making sure that our trading partners play by the rules.

-- see reverse --

Jeffrey Brown has been nominated to fill a slot that is designated for a Republican member of the Social Security Advisory Board. The Social Security Advisory Board is an independent board. Democratic and Republican members work together to produce reports and recommendations relied on by the President, the Social Security Administration, and Congress.

Members of the Board are chosen to serve on the Advisory Board based on their expertise in the field of Social Security. In fact, the authorizing statute requires members of the Board to be chosen based on their “education and experience.”

Jeffrey Brown meets this high standard. He is a professor of finance at the University of Illinois. And he is a former senior economist at the White House Council of Economic Advisors. Mr. Brown is a widely published scholar in the field of Social Security privatization. His work includes articles in academic journals, and op-eds in major newspapers advocating a privatized Social Security system.

I do not agree at all with the privatization policies he supports. But I have tremendous respect for his intellect and experience. He has the ability to be a valuable member of the board.

I am, however, troubled that Mr. Brown is not accompanied by a Democratic nominee today. A Democratic slot remains open on the board. And in order to retain balance on the board, the Democratic position needs to be filled along with the Republican slot that the President has nominated Mr. Brown to fill.

In nominating an individual to fill the Democratic slot on the Social Security Advisory Board, the White House must consult with Democrats in Congress. There are many highly qualified individuals ready to serve on the board in the open Democratic slot. I look forward to working with the White House and the Senate Democratic leader to fill that position as soon as possible.

The White House should also consult with Congress on Medicare, Medicaid, and other Department of Health and Human Services programs. With a budget of more than \$600 billion, HHS needs a strong working relationship with Congress. Congress holds the purse strings for that \$600 billion. Relations between Congress and HHS largely fall to the HHS office of legislation, headed by the Assistant Secretary for Legislative Affairs.

Mr. Ventimiglia, you have spent several years as a Senate staffer. So you know how important it is that Congress has access to timely and accurate information from the agencies that it oversees.

You may also know that that I have been periodically displeased with the level of transparency that HHS has exhibited to Congress. HHS withheld cost estimates during the 2003 Medicare debate. And HHS approved far-reaching Medicaid waivers without public input. HHS has sometimes not upheld its end of the transparency bargain.

And this transparency is critical if we are to correctly administer these important — and expensive — programs.

Earlier this year, I urged HHS to vigorously review the insurance companies offering Medicare Part D, the new drug plan. I urged HHS to approve only those plans meeting the highest standards.

But HHS did not heed that input. Instead, HHS approved 47 plans in my state alone. In some states, the number is twice that. As a result, many seniors are confused by the new Part D benefit.

Mr. Ventimiglia, Congress and the administration will have to work together to fix this confusion. And cooperation by your office will be critical to that end.

Finally, the President has nominated Tony Fratto to be the head of public affairs at the Treasury Department. If confirmed, it will be Mr. Fratto’s job to communicate the mission of the Treasury Department and serve as a liaison with the press. It is not appropriate, however, for Treasury – THROUGH ITS PUBLIC AFFAIRS OFFICE -- to engage in politicking.

In recent years, the Treasury Department has put out statements on the effect of Democratic tax proposals on certain families. This type of messaging crosses the line between outreach and politics. I hope to hear from Mr. Fratto today that the Treasury Department will be more cautious in the future regarding the line between communicating the policy mission of the Department, and issuing political press releases.

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