



Committee On Finance

Max Baucus, Chairman

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SOCIAL SECURITY NOMINEE WILL ‘STAY OUT’ ON PRIVATIZATION

Finance Chairman says any proposal for carve-out accounts still a ‘non-starter’

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) obtained a formal commitment from the President’s nominee to head the Social Security Administration to “stay out” of any new debates over private accounts in the retirement security program. In response to Baucus’s questions at a confirmation hearing today, Michael J. Astrue said that he would serve as an “honest broker and supplier of information” for Congress on Social Security issues. Baucus has indicated his willingness to work together with the White House on Social Security issues, but says that the American people have taken the idea of privatizing Social Security off the negotiating table.

“The President has suggested private accounts [in Social Security], and that did not really get very far in Congress or with American people. What are your thoughts on private accounts?” Baucus asked. **“I’m obviously interested in your personal views, but I will advise you that I think it’s a nonstarter in any serious discussion to find long-term solutions.”**

“For me, I see the value in what I think is the consensus between the executive branch and the legislative branch in having a very neutral commissioner who is an honest broker and supplier of information,” said Astrue. **“My intention is ... to stay out of that debate and I will honor that.”**

A White House proposal to privatize Social Security would have diverted, or “carved out,” payroll taxes from the benefit pool into private savings accounts. That plan would have shortened Social Security’s ability to pay full benefits by 11 years, forced \$5 trillion in borrowing over 20 years, and caused deep cuts in benefits for future retirees. Baucus said today that discussions on the future of Social Security must now focus on solutions that will work without cutting benefits or raising taxes. He also said that Social Security needs full administrative funding now, to function properly for beneficiaries and reduce current backlogs. Currently, it can take as long as four years for Social Security disability applicants to have their claims approved.

Astrue has been nominated for a six-year term as Social Security Commissioner. His testimony, and a webcast of today’s hearing, can be found on the Finance Committee website at <http://finance.senate.gov/sitepages/hearings.htm>. The Finance Committee is expected to formally consider Astrue’s nomination in a business meeting next week.

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