



For Immediate Release
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**FINANCE CHAIRMAN, SENATE COLLEAGUES SAY LIMITS ON
EXECUTIVE COMPENSATION MUST BE UPHELD
AMID CHANGES TO FINANCIAL RESCUE PROGRAM**

*Baucus provision limits 'golden parachutes' for top executives
of companies receiving government aid*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) was joined by Senator Jay Rockefeller (D-WV), Senator John Kerry (D-MA), Senator Blanche Lincoln (D-AR), Senator Ken Salazar (D-CO), Senator Ron Wyden (D-OR), Senator Olympia Snowe (R-Maine), Senator Maria Cantwell (D-WA), and Senator Charles Schumer (D-NY) in calling on Treasury Secretary Henry Paulson to ensure that provisions to limit executive compensation are maintained regardless of changes made to the financial rescue program last week and in the future. In a letter sent today, the Senators indicated that they expect full transparency in the program and compliance with all taxpayer safeguards included in the Emergency Economic Stabilization Act of 2008 (EESA), which was signed into law early last month.

“Congress was deliberate in giving Treasury some latitude to make changes to the program as details of the crisis emerged. But we were also deliberate in crafting a law that makes sure that taxpayers are protected. It’s unconscionable that a company would be allowed to pay multi-million dollar bonuses after receiving a government handout when millions of Americans are struggling every day just to get by,” said Baucus. **“I insisted that this bill prevent companies from lavishing executives with golden parachutes and curb executive compensation overall, and I meant it. American taxpayer dollars will not be used to reward the firms and individuals that helped get us into this mess in the first place. I expect full compliance from Treasury with both the letter and spirit of the law as it carries out this program.”**

The full text of the Senator’s letter follows here:

The Honorable Henry Paulson, Jr.
Secretary
U.S. Department of Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

Dear Mr. Secretary:

We are writing to you regarding the executive compensation provisions in the Emergency Economic Stabilization Act of 2008 (EESA). The language of the EESA legislation gave Treasury great latitude in carrying out the intent of the rescue package. In particular, EESA authorized Treasury to develop guidance regarding the implementation of the

executive compensation provisions which were a critical part of the legislation. We appreciate Treasury's quick work in developing and issuing guidance outlining the implementation of the executive compensation provisions that were so important in the development of the legislation.

We continue to be extremely interested in the implementation of EESA, particularly the limits on executive compensation for senior executives of institutions that benefit from the program. In light of Wednesday's announcement that the troubled asset auctions, to which many of the tax executive compensation provisions applied, will not be implemented, and the potential for further changes in the approach, we want to convey our concern that the executive compensation provisions continue to be a priority in the implementation of EESA.

We expect that the Treasury, in implementing EESA, will carry out both the letter and the spirit of the law and the accompanying guidance. We also expect continued transparency throughout the process – on behalf of both Treasury and the companies involved in the rescue program.

We look forward to continuing to work with Treasury to ensure that EESA is implemented as intended.

Thank you for your prompt attention and cooperation in this matter.

Sincerely,

Max Baucus

Jay Rockefeller

John Kerry

Blanche Lincoln

Ken Salazar

Ron Wyden

Olympia Snowe

Maria Cantwell

Chuck Schumer

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