



FOR IMMEDIATE RELEASE

June 8, 2016

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Hatch Statement at Finance Committee Executive Session on Social Security and Medicare Trustees Nominations

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today issued the following opening statement at an executive session to consider two Social Security and Medicare Trustees nominations:

Good morning and welcome to this Executive Session to consider pending nominations. Today, the committee will consider the nominations of Dr. Robert D. Reischauer and Dr. Charles P. Blahous to be public trustees on the Social Security and Medicare Boards of Trustees.

There is really no question that both of President Obama’s nominees that are under consideration today are highly qualified. Both have already served full terms as public trustees. And, any reasonable observer would conclude that they have solid reputations as being fair, objective, balanced, and, most important, highly competent.

Sadly, for some, the very idea of being REASONABLE has been abandoned with regard to these nominees, and one of them in particular. To put it bluntly, much of the public noise over these nominations has been downright shameful as a number of people, including some of our colleagues, have politicized the public trustee positions, really beyond all recognition.

I think it’s very important that we be clear about what the public trustees do and, perhaps more importantly, what they don’t do.

In addition to the two public trustees, the boards we’re talking about today consist of the Secretaries of Treasury, Labor, HHS, and the Commissioner of Social Security. The primary purpose of the boards is to produce yearly reports on the operation of the trust funds and their current and future status.

These reports do not include commentary from the trustees on Social Security or Medicare. They do not provide a platform for ANYONE of ANY ideological stripe to enact their

policy views. They are simply objective, dispassionate accounts of what is going with the trust funds.

In the more than three decades that the public trustees have been in place, the process for developing these reports – and, indeed, the reports themselves – have been largely devoid of partisanship or undue influence. As a result, in virtually all corners, the trustee reports are viewed as credible and definitive accounts of the ongoing state of the Medicare and Social Security trust funds.

Apparently, some of my friends on the other side of the aisle would like to change all that. They want to impose political and ideological tests on the nominees and disqualify and censor anyone who doesn't share their views on Social Security and Medicare policy.

We've essentially been told by some of our friends that if a person has ever expressed an opinion about the future of Social Security that is not in support of benefit hikes and higher taxes – even if that opinion was expressed in a non-official capacity and backed up with objective analysis – that person is unfit to be a public trustee.

Even worse, these members are not content to simply vote against a nominee on the basis of this irrational litmus test, they've taken it upon themselves to attack one of the President's current nominees and impugn his character.

During our recent hearing on these nominations, members of the committee systematically went after the Republican nominee for public trustee, saying he was "hyper partisan," even though they lacked any credible evidence that such was the case and despite the overwhelming consensus among experts on Medicare and Social Security, not to mention those in the Obama Administration, to contrary.

They called him "the architect of privatization" of Social Security, simply for having worked in the Bush Administration.

They castigated him for his work as Executive Director of President Bush's Commission to Strengthen Social Security as though any association with that commission was somehow suspect or nefarious. Of course, omitted from these twisted accounts is the fact that one of the co-chairs of that BIPARTISAN commission was none other than Senator Daniel Patrick Moynihan, an almost legendary Senator beloved by Democrats throughout the country.

All of this, of course, predated the nominee's first term as public trustee by many years, a term to which he was nominated and confirmed by a Democrat-controlled Senate without a single vote or voice in opposition on the floor.

Six years ago, he was confirmed by Voice Vote.

Now, however, he is, in the words of some of my colleagues “a fox guarding the henhouse.”
That particular use of clever imagery was repeated in an article that ran in the Huffington Post just yesterday. The article, which referred directly to today’s committee proceedings, was authored by three Democratic Senators, only one of whom sits on this committee.

That same article vilified the nominee as being “an opponent of Social Security,” a product of a vast Koch Brothers conspiracy to destroy the program, and as someone who works for a front-group zealously pursuing an anti-government agenda.

I read that article with some frustration and, frankly, some confusion.

One of the chief claims in the article and the key point of supposed evidence that the nominee is unfit to serve another term was that, in his position as public trustee, he exerted undue influence on the assumptions used in recent Social Security Trustees reports in order to create a misperception about the future insolvency of the program. In making this argument, my colleague’s almost seem to be implying that the public trustee – one of six board members – wrote the reports himself.

Apparently my colleagues forgot – or were somehow unaware – that ALL of other members of the board signed onto the reports in question. To remind my colleagues and the public, the reports were also signed by Treasury Secretary Jack Lew, Labor Secretary Tom Perez, HHS Secretary Sylvia Burwell, and Acting Social Security Commissioner Carolyn Colvin, not to mention the Democratic public trustee whose nomination is also before the committee today.

Are all these high-level Obama Administration officials part of the same Koch conspiracy?

Or, was the nominee so influential and the other CABINET-LEVEL officials on the board – along with their staffs – so powerless, incompetent, and just plain dumb that the public trustee was, through sheer deception and deviousness, able dupe them all into buying off on a set of assumptions – no doubt fed to him directly from the Koch Brothers – in order to undermine Social Security?

He was also apparently so dastardly and cunning that he similarly duped President Obama into nominating him for a second term.

All of this is, of course, absurd. But that, in essence, is what my colleagues would have the public believe.

I’ll ask a rhetorical question: Which of the following scenarios is more likely?

- A) This nominee to what has historically been a non-politicized position is so terrible and skillful in his terribleness that he has co-opted half of the Obama*

Administration – and the President himself – into a vast right-wing conspiracy to bring down Social Security; or
B) *There is something else far more simple going on here.*

People are free to believe Scenario A if they are particularly conspiracy minded. But, there is far more evidence in support of Scenario B.

Case in point, many of the same Senators making these type of arguments have specifically and repeatedly highlighted their attacks on this nominee in their political fundraising efforts. This is roughly in conjunction with President Obama's call for expanding Social Security benefits and the Democrats' presidential frontrunner making Social Security a centerpiece of her campaign.

As we talk about this coordinated political effort, I should note that the Democrat's presidential frontrunner also recently dropped the charge that the Bush administration tried to "privatize" Social Security and "turn it over to Wall Street." And, to that, the Washington Post's fact checker assigned the charge three Pinocchios, meaning it was it false. The Post also made clear that, if anything, it was President Bill Clinton who should be called the architect of privatization of Social Security, not President Bush or anyone who served on his staff, certainly not the current nominee for public trustee.

But, I digress.

Long story short: This firestorm is about politics, pure and simple.

My friends on the other side seem to believe Social Security will be a particularly winning issue for them this year and are more than willing to attack and impugn the character of this nominee and undermine the credibility of the Social Security Board of Trustees in order to make their point.

I think most of us on the Republican side have gotten used to hearing that we are somehow hostile to Social Security. We're accustomed, I think, to the attacks filled with poll-tested and focus-group-approved claims that we want to "slash" or "privatize" Social Security, or "turn it over to Wall Street." It is, unfortunately, par for the course to hear these attacks aimed at Republican politicians every election year.

However, it is, to the best of my knowledge, unprecedented for members to use this type of over-the-top political rhetoric when talking about these public trustees. As I said earlier, the word that comes to my mind is: Shameful.

The facts are clear: Both of these nominees were confirmed on the floor without any opposition for their initial terms as public trustees. Neither of them did anything in their first term that would cause a reasonable person to conclude they were unqualified to serve a second term.

Any statements they've made in their official capacities as public trustees about the current state of the trust funds or their future outlooks were as part of reports signed by the Cabinet officials – from a Democrat administration – that also serve on the boards.

While I know that facts and honesty aren't always the order of the day when we're talking about Social Security and Medicare, particularly in even-numbered years, let's be honest about what is driving this debate. The vast majority of the rhetoric I've heard from my friends on the other side – not to mention from outside advocacy groups – with regard to these nominees hasn't been about "fresh eyes" or term limits. And if my friends on the other side simply want to see term limits for public trustees, then, by all means, they should drop a bill. So far, few of the voices in this debate seem sincerely interested with the structure of the boards of trustees.

Most of the effort has been aimed at attacking one of the nominees and setting up a series of strawman controversies in order to score political points and raise campaign cash in an election year.

But, as I've said before, there is more at stake here than yet another squabble over political talking points. If we politicize the public trustee positions, the trustee reports will almost certainly come to be viewed as political documents. When that happens, they won't be viewed as uniquely serious or even credible.

With their recent arguments, my colleagues are apparently already saying the reports are politically compromised and are not to be trusted, so long as any Republican sits on the board.

That is unfortunate, to say the least. And, if we continue down the path they're trying to set for us, it will mean less transparency, objectivity, and integrity for Social Security and Medicare.

I would ask my colleagues: How on earth do these tactics to undermine the boards of trustees and their reports inspire greater confidence in Social Security among younger workers?

For my part, I'm going to do all I can to keep us from moving in that direction. I urge my colleagues to support these bipartisan nominees, both of whom are highly qualified, and well regarded by the experts in their fields, despite what some of my friends on the other side would have the public believe.

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