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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:

We are here today to once again process two of President Obama’s nominations—Dr. Charles Blahous and Dr. Robert Reischauer—to be members of Boards of Trustees of Social Security, Supplementary Medical Insurance, and Federal Hospital Insurance Trust Funds.

For those who might be confused, let me clarify a few things:

Yes, the Finance Committee did vote to report these two nominations to the floor earlier this year.

And, no, there haven’t been any new revelations about the nominees or the positions they’ve been selected to fill.

We’re here today because some of my friends on the other side have opted to utilize some relatively arcane Senate rules in order to commit the nominations to the committee and they have refused to agree to a swift, off-the-floor vote in order to report them a second time.

Now, let me be clear: I don’t begrudge any Senator taking advantage of the rights afforded to them under the rules of the Senate or this committee. However, I’m also not going to pretend that the concerns that have prolonged the process of approving these two nominees are suddenly legitimate.

On June 14, the Washington Post editorial board called this fight “the showdown Democrats don’t need to have.”

Without objection, the text of that editorial will be entered into the record.

As noted in that editorial, Senate Democrats called out several Republican Senators on this committee in their fundraising efforts, saying in one release that they “irresponsibly voted” to report Dr. Blahous’s nomination. Fortunately, all of the Senators who dealt with these claims will continue to be with us as the voters saw through these irresponsible attacks.

All of this demonstrates that the opposition to these nominations – Dr. Blahous in particular – is about one thing and one thing only: Politics. There is no substance here, only partisanship and political talking points.

My friends on the other side have used a four-pronged attack in this debate.

First, they claimed that, as a sitting member of the Social Security Board of Trustees, Dr. Blahous miraculously duped all of the other trustees, most of whom are senior, cabinet-level officials of the Obama Administration, into agreeing to some unspecified assumptions that somehow overstated the financial challenges facing Social Security.

This claim was made on a number of fronts, including an op-ed written by the senior Senator from New York, along with two other Senators who are not on this committee.

Put simply, these allegations of undue influence on the part of Dr. Blahous are completely fabricated and unambiguously false. No substantive evidence has been offered to prove that the recent trustees’ reports utilized new or skewed assumptions, and absolutely no one has been able to credibly explain how Dr. Blahous supposedly orchestrated an effort to do so.

Even the Social Security Chief Actuary, who my colleagues credited as being the lone voice of reason in this manufactured controversy, recently stated that “there has never been a need for the actuarial opinion to state that any assumption or method [used in the trustees’ reports] is unreasonable.”

I expect that we’ll hear these unsubstantiated claims repeated here today, but that won’t make them any less ridiculous.

The second prong of the attack on Dr. Blahous has focused on his employment at the Mercatus Center, which, if you believe some of our colleagues, is a shady outfit bought and paid for by the nefarious Koch Brothers. Dr. Blahous, as the argument goes, is not a real academic, but a cog in a vast right-wing conspiracy to infiltrate the government.

I’m not overselling my friends’ conspiratorial rhetoric here. The article drafted by the Democratic Senators that I referenced earlier was actually titled: “The Koch Brothers Are Trying to Handpick Government Officials. We Have to Stop Them.”

I'm not going to spend much time refuting this particular attack, because, quite frankly, it is absurd on its face. Rather than venture down rabbit hole of debating the funding of particular academic organizations and think tanks, keeping in mind that there are billionaires on the left who also donate funds to these types of entities, I'll simply note that this is a clear ad hominem attack that implies guilt by association without any serious effort to refute anything Mr. Blahous has actually written or said.

The third prong of the attack has been the claim that we are somehow violating a longstanding "tradition" by allowing for the reappointment of public trustees to a second term. Let's keep in mind, however, that the committee has only processed five sets of trustees in the history of the Boards. So, I hope people will maintain some perspective as to what constitutes a "tradition" and what has simply been the course of events over a relatively small number of nominations.

While I disagree with this position, I'm willing to have that debate over the need for fresh perspective on these matters. I will, however, point out that, to my knowledge, no one making this particular argument has introduced legislation to require what some argue are the sorely needed "fresh eyes." Still, if we're going to have that debate, we should also include positions like the Social Security Chief Actuary, which has far greater influence on policy than the trustees and hasn't had a pair of "fresh eyes" in roughly fifteen years.

The final prong of attack against Dr. Blahous has been an attempt to censor his research and writings, and those of anyone else who may share his views.

My colleagues argue that, as a public trustee, Dr. Blahous should refrain from ever writing or commenting on Social Security or Medicare policy or even acknowledge publicly that he is a trustee. They don't propose to apply that same restriction to the other trustees who serve in the President's cabinet and have far more influence on the direction of policy. No, they only want to censor the opinions of public trustees, more specifically the Republican trustees, who, more often than not, tend to be academics who make their living publishing research on these matters.

This is, of course, a blatant effort to chill the public debate over Social Security and Medicare policy, with the apparent hope that anyone daring to challenge the conventional wisdom of my friends on the other side will refrain from expressing their views in order to avoid the kind of public reproach we've seen with Dr. Blahous.

This, too, is absurd, like all of the other lines of attack used against these nominees.

I'm going to be blunt: So far, the debate in the Senate over these two nominees has been beneath us. By all means, let's have a full and fair discussion of policy. Disagree where you want, and vote accordingly. But, I hope we can stick to the facts and not use the committee as an extension of the perpetual campaign cycle.

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