

**NOMINATIONS OF IRA SHAPIRO, JOHN D.
HAWKE, JR., LINDA L. ROBERTSON,
STEPHEN G. KELLISON, AND MARILYN MOON**

HEARING

BEFORE THE

COMMITTEE ON FINANCE

UNITED STATES SENATE

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

ON THE

NOMINATIONS OF

IRA SHAPIRO, FOR RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SENIOR COUNSEL AND NEGOTIATOR IN THE OFFICE OF THE U.S. TRADE REPRESENTATIVE; JOHN D. HAWKE, JR., TO BE UNDER SECRETARY FOR DOMESTIC FINANCE, U.S. TREASURY; LINDA L. ROBERTSON, TO BE A DEPUTY UNDER SECRETARY FOR LEGISLATIVE AFFAIRS, U.S. TREASURY; STEPHEN G. KELLISON AND MARILYN MOON, TO BE MEMBERS OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND THE FEDERAL DISABILITY INSURANCE TRUST FUND, FOR A TERM OF FOUR YEARS

JUNE 8, 1995



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NOMINATIONS OF IRA SHAPIRO, JOHN D. HAWKE, JR., LINDA L. ROBERTSON, STEPHEN G. KELLISON, AND MARILYN MOON

THURSDAY, JUNE 8, 1995

**U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.**

The hearing was convened, pursuant to notice, at 12:19 p.m. in room SD-215, Dirksen Senate Office Building, Hon. Bob Packwood (chairman of the committee) presiding.

Also present: Senators Roth, Chafee, Hatch, D'Amato, Murkowski, Nickles, Moynihan, Baucus, Bradley, Pryor, Rockefeller, Graham, and Moseley-Braun.

OPENING STATEMENT OF HON. BOB PACKWOOD, A U.S. SENATOR FROM OREGON, CHAIRMAN, COMMITTEE ON FINANCE

The CHAIRMAN. Do we have all of the nominees here? You can put them all up at once if you want. We will take them in order of protocol. I hate to say this to Mr. Hawke, but Ambassadors rank higher than Under Secretaries of the Treasury.

So, we will take Ira Shapiro, first, then Mr. Hawke, then Ms. Robertson, then Mr. Kellison, and Dr. Moon.

Senator MOYNIHAN. Mr. Chairman, if they were all at the table—

The CHAIRMAN. Well, we can take Ira, first.

Senator MOYNIHAN. Ambassador.

The CHAIRMAN. Ambassador. That is right.

Senator MOYNIHAN. I wanted to put that in.

The CHAIRMAN. Mr. Rockefeller had a lot of difficult questions he wanted to ask you, and he has left them all.

Mr. SHAPIRO. Well, I am sorry to miss those, Mr. Chairman.

The CHAIRMAN. Go right ahead, Ira.

STATEMENT OF IRA SHAPIRO, NOMINATED FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SENIOR COUNSEL AND NEGOTIATOR IN THE OFFICE OF THE U.S. TRADE REPRESENTATIVE

Mr. SHAPIRO. Mr. Chairman, Senators, I want to just express my appreciation to the committee for being here today. I am deeply grateful to the President, and of course to my friend at the USTR, Mickey Kantor, for recommending me for Ambassadorial rank and giving me responsibility at USTR for two of our most important bilateral trade relationships, Japan and Canada.

But I would also like to use the opportunity to thank them for the confidence they have placed in me over the past 28 months. The President and Ambassador Kantor have allowed me to contribute significantly to what has been a tumultuous and historic period for U.S. trade law and policy, and they have also given me the opportunity to work with some of the most committed and capable public servants imaginable, the political appointees and the career staff at USTR.

I would also like to say it is a particular privilege for me to come before these committees, the Foreign Relations Committee, which retains some jurisdiction, and the Senate. Despite the natural desire we all have to cling to some semblance of youth, I can say with pride today that I am actually in my fourth decade of working in the Senate and with the Senate.

It was by coincidence, Mr. Chairman, 26 years ago on this date that I actually graduated college. My wife and I graduated from Brandeis, and I drove down to Washington that day to begin an internship the next day with one of the greatest Senators who ever served here, Senator Moynihan's and Senator D'Amato's predecessor, Senator Javitz of New York.

Like any newcomer that summer, Mr. Chairman, I paid a great deal of attention to the new Senators. One of them, Missouri's Tom Eagleton, later became my boss, my friend, and a mentor. Another of them, of course, the Senator from Oregon, I got to work with a quarter of a century later on the NAFTA and the GATT.

Oliver Wendell Holmes once wrote about those who were young during the Civil War, "In our youth, to our great good fortune, our hearts were touched with fire." I am afraid my career was shaped by my experiences in the summer over a quarter of a century ago.

I decided that I would like to try to work in the Senate and make public service my career based on that summer. I came back, worked here for Senator Nelson of Wisconsin, Senator Eagleton, and actually Senators Ribicoff and Byrd as well, before Jay Rockefeller picked me to be his Chief of Staff.

Mr. Chairman, I would like to say that I have been very lucky. The people that I have worked with and for, and I say including the wonderful group on this committee that I worked with on NAFTA and GATT, including Senators and the staff led by Brad and Marcia, have made it really impossible for me to be cynical or discouraged about the political process that often leaves others frustrated and disillusioned.

I know of no higher calling than public service, and it is the highest honor to represent the United States in the international arena. If the Senate chooses to confirm me, I hope I can always justify your confidence in me.

The CHAIRMAN. Thank you, Ira. I have two quick questions. One, the sanctions on the Japanese luxury cars, which I think will probably lose in the World Trade Organization, but that is neither here nor there. What effect do you think it is going to have on employment on ports that are importing these cars; has the administration run any figures on it?

Mr. SHAPIRO. Senator, we chose the sanctions carefully with the intention of minimizing the effect on U.S. employment. Certainly there will be some disruption if those sanctions go into effect, but

it is our view that they were the sanctions best tailored to minimize effect on employment, and also the sanctions best tailored to bring about the chance of a serious negotiation and a negotiated resolution before they go into effect, which is our goal, and remains our goal.

The CHAIRMAN. Just as an aside, 25,000 Lexuses and Honda Acura luxury cars were imported through the port of Portland last year. But the administration wants to lose all those jobs.

Second, and this is interesting—

Senator MOYNIHAN. For which we had all of those electoral votes.

The CHAIRMAN. Well, there are only, unfortunately, seven.

Mr. SHAPIRO. Well, Senator, I guess I would say, since the subject came up, we do not want to lose any jobs and we do not want to adversely affect anyone, but we have been looking for a serious negotiation about a problem that has dogged us and our predecessors for 20 years.

There is nothing I can say to you about U.S.-Japan relations that you have not thought about, but we do have a concern about a loss of jobs that has occurred over the years in the United States as a result of the unbalanced trading relationship.

The CHAIRMAN. Let me ask you a question. Interestingly, Senator Cohen mentioned this to me, and Senator Dole, and it is one that would be of interest to me anyway, and it is softwood lumber. Just as a quick background, historically Canada and the United States have sold lumber differently off of public forests. In the United States we sell it on a competitive bid.

In Canada, for years they have sold it on what they called a cutting cycle. It was not competitively bid so the price that you paid for the raw product in Canada was significantly less than you paid here. The labor costs were about the same. We have argued for years that it is a subsidy, and they have argued for years, go to our system of selling timber if you want to. That is the way we choose to do it.

In any event, we have had several hearings before the Binational Trade Commission, and we have lost them both. Now, apparently, according to Senator Cohen, a situation has now arisen in Maine, in addition, and Senator Dole also wants to ask the question. So, in view of the continuing harm that is being caused, what do you see coming out of these negotiations with Canada?

Mr. SHAPIRO. As the committee knows, late last year, after we had lost the case in the extraordinary challenge proceeding, the U.S. and Canada agreed to enter into a consultative process with the hope of getting beyond the litigation that has characterized the situation for 10-12 years, as you and Senator Baucus know, and has not gotten us a successful result.

Frankly, I am not in a position to guarantee that the consultative process is going to give us the result we need. But we met in May at the government level, we had the Federal Government of Canada and the Provinces, and we have also had industry representatives there.

We have a meeting in July that is going to get into the serious policy issues and the different approaches that we take to these issues. I think we have to give the consultative process some limited

time to see if it can bear fruit because, frankly, litigation did not solve this problem for the last 10 or 12 years.

I am acutely aware, not only of the differences of approach in Canada and the United States, but I am acutely aware that the economic conditions at the moment are deteriorating for the U.S. softwood lumber industry. So, this is a situation where we are trying to work on a solution that will, in the long term, continue moving the Canadians toward a more market-oriented system.

The CHAIRMAN. Senator Moynihan?

Senator MOYNIHAN. Mr. Chairman, on the same general subject, in May Senator D'Amato and I wrote to Ambassador Kantor concerning a Section 301 petition which was filed by the Kodak Company with respect to the Japanese market. Kodak has been a pre-eminent supplier of film and photographic products for over 100 years. It has 43 percent of the market share in Europe, 44 percent in the rest of the world, and 6.9 percent in Japan. We are going to hear from you about this, are we not?

Mr. SHAPIRO. Senator, we have until July 2nd to review the petition and decide whether to initiate an investigation, and we are looking at it very carefully. I do not want to prejudge the issue because it is obviously Ambassador Kantor's decision, but I do think the Kodak petition, as I have read it, paints a very compelling picture of a combination of government barriers and private action that have made the market extremely difficult for even the most competitive U.S. producer.

As you know, Senator, after Japan had committed to certain liberalization measures to its trading partners, the petition alleges that various counter-liberalization steps were taken for the purpose of keeping Kodak out, so we are looking at it very seriously.

Senator MOYNIHAN. Just one last thing. In March, the Chairman and I sent a letter expressing strong support for the idea that the new World Trade Organization might have its headquarters here in Washington, as does the World Bank, as does the International Monetary Fund, the three institutions that came out of the Bretton Woods process. We never had the courtesy of a response from the President. Could you assure me that the President knows that we sent him the letter?

Mr. SHAPIRO. Senator Moynihan, in view of the relationship I have always tried to have with the committee, I would think the President knows about the letter. I cannot fully assure you, but I believe he knows.

Senator MOYNIHAN. Would you just inquire?

Mr. SHAPIRO. I would like to inquire.

Senator MOYNIHAN. I thank you very much, sir.

[The prepared statement of Mr. Shapiro appears in the appendix.]

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Roth.

Senator CHAFEE. Mr. Chairman, can I break in one minute?

The CHAIRMAN. Yes.

Senator CHAFEE. I have to go. Obviously, I am supportive of Mr. Shapiro and want to thank him for coming up to Rhode Island when we were doing the NAFTA situation. Also, I have a constituent matter I would like to raise with you later on; I think you are

familiar with it. You have my proxy in favor of Mr. Hawke, Ms. Robertson, and the other proxy likewise.

The CHAIRMAN. Thank you.

Senator Roth.

Senator ROTH. Well, I think we are very lucky to have someone, Mr. Shapiro, with your talent and dedication at the USTR, and I wish you well. You certainly are going to have your hands full, with Japan and Canada, as I understand, being in your bailiwick.

I have a couple of quick questions I would like to ask you. As Chairman of Governmental Affairs, have the responsibility of looking at ways of reducing government. It is my understanding that when your nomination was first submitted to the committee that you were going to continue as General Counsel as well as an Ambassador. It is my understanding that you will likely be relinquishing the General Counsel.

Does the USTR have the budget to afford another senior level official to fill the General Counsel position, especially in light of the fact that the USTR's fiscal year 1996 budget request provides for the same level of funding as fiscal year 1995 and reduces employment by two full-time employees? Is there another senior level slot at the USTR that will or could be eliminated to compensate for what is essentially the creation of a fourth deputy?

Mr. SHAPIRO. Senator, I would say, first, when I first consulted with the committee staff on this and I was asked the question of whether I would continue as General Counsel, I believe I indicated that it had not yet been resolved, and what we were going to try to do is see on the interim basis how it worked for me to do both jobs. It did not take too long to conclude that both jobs, Japan and Canada on the one hand and the General Counsel's job on the other hand, were both full-time positions. I think we would benefit from treating them that way.

I am advised that we do have the budget to accommodate this. I guess the larger question is whether another senior person is needed. I think Ambassador Kantor's view, after looking at it fairly closely, is that the two deputies that we have had have performed extraordinarily in the first 2 years, but we are engaged in large issues almost everywhere in the world and there was a sense that they were stretched thin and it would be important to have a third person at that level who could negotiate with his counterparts in other countries.

Senator ROTH. Well, as you know, I think there is a need for major restructuring of our trade apparatus because of its importance. At the same time, it does bother me that we do seem through the years, it does not make any difference which party is in the White House, to have a creep in the number of high positions. So, I am concerned about that.

But I would like to turn if I could, quickly, to another question of particular interest to a number of States, including my State of Delaware, that relates to the poultry industry. It is my understanding that the NAFTA Commission met yesterday in Canada. I wonder if we could be supplied with a list of the agenda items that were covered at this meeting.

It is my understanding that our dispute with Canada over its NAFTA illegal tariffs on poultry and dairy was on the agenda, and

that now we have 30 days to resolve the dispute. If we do not resolve it successfully, the next step in the process would be to request a dispute settlement panel. Would you support taking the next step as soon as the 30 days expire?

Mr. SHAPIRO. Senator, the commission did, as you say, meet yesterday. We did raise the issues of poultry, dairy, and eggs, and we have moved to the 30-day period, as you indicated. We do support going ahead with a dispute settlement panel on this.

We share the view that you and Senator Pryor and others have expressed, that the Canadians are simply wrong in their interpretation that they can convert quotas to tariffs, impose large tariffs because of the Uruguay Round. We regard that as contrary to their NAFTA obligations not to raise tariffs and, indeed, to phase out tariffs. So, we do support going ahead.

Senator ROTH. Well, I appreciate very much that answer and I want to continue working with you on this. Mr. Chairman, I am pleased to support this nomination as well as the others, and would ask that you so hold my proxy.

The CHAIRMAN. Thank you. It is appreciated.

Senator ROTH. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Baucus.

Senator BAUCUS. Thank you, Mr. Chairman.

Mr. Shapiro, I first want to commend you and the USTR for doing, I think, a great job. This is a tough time in this post-Cold War era; the rules of the game are much different. I think that economic issues are much more important, much more complex, difficult to understand and deal with, and I just think you are doing a very good job.

Mr. SHAPIRO. Thank you, Senator.

Senator BAUCUS. I want to follow up on the point made by the Senator from New York with respect to Kodak. I, too, have written a letter. I am quite concerned about Japanese practice with respect to Kodak. Fortunately, we changed Section 301 to make it more clear that other countries do not have to be totally supportive of the anti-competitive practice in order for 301 to be available, and I am glad we made that change.

Second, I would like you to pay a lot of attention to extending the U.S.-Canadian wheat agreement. As you know, a little over a year ago Canada deluged the United States with 2.74 million metric tons of wheat, which was more than twice the average annual amount of wheat that comes down from Canada.

We reached an agreement with Canada whereby Canada now agrees to limit its exports to about 1.5 million tons. That agreement expires in September. It is critical, in order to maintain stability in the U.S. market, that that agreement be extended, at least for another year. I would like you to pay very close attention to that.

The third point is with softwood lumber, the point raised by Senator Packwood. It is outrageous, frankly, that we have not achieved a satisfactory agreement with Canada with respect to Canadian exports of softwood lumber. I think it is not really accurate to say we have different systems; of course we have different systems. It is accurate to say that we do put timber up for competitive bidding—

timber on our public lands—and the Canadians do not. Almost all Canadian land is crown land, it is owned by the Provinces.

I can remember that not too many years ago it was clear the Canadians would find out what the price of softwood lumber would be in different parts of the United States, sectioned off into quadrants.

They would go to, say, southeastern United States and see what U.S. lumber is selling for, and they would back it off by about 5-10 percent, calculate the freight rate, all the way back up into Canada, the mill costs, the labor costs, the rate of return to the company, and harvest costs, etc. and they would set the stumpage on crown land just low enough to enable everybody all down the chain to get their fair share; totally uncompetitive and obviously a direct subsidy.

Unfortunately, when we try and negotiate with the Canadians they are very nationalistic about it. On the binational panel, for example, conflicts of interest go to the Extraordinary Challenge Committee. Each side votes its own way.

Now, I know that there are consultations coming up in July, and I urge you to find whatever ways that are legal and ethical to find a solution here, because it is outrageous. I remember a couple of years ago, it was 30 percent. That was what the subsidy amounted to, 30 percent.

Industry finally agreed to the 15 percent tariff that the Canadians had proposed. I thought that was a sell-out, frankly. They should have gone for more. But, anyway, this is getting pretty serious again and I urge you to push very strongly to get this result.

Mr. SHAPIRO. Senator, as I mentioned to you before, I met with the representatives of the Coalition on Softwood Lumber, including representatives from Montana, just last week. I know how serious the economic situation is.

Part of what we have been hoping in this consultative process is that our concerns, to some extent, coincide with certain pressures on the Canadians to go toward the direction of a more market-oriented system. I do not want to overstate that, but they have got fiscal pressures of their own in the Provinces as well.

They also recognize that we have amended our CVD laws to deal with this question more explicitly, but we are going to do our best to try to negotiate a solution that is an improvement over the unacceptable situation that is governed.

Senator BAUCUS. Thank you. I urge you all the luck in the world to get this solved.

Mr. SHAPIRO. Thank you.

The CHAIRMAN. Senator Moseley-Braun.

Senator MOSELEY-BRAUN. Thank you very much.

Mr. Shapiro, at the outset I want to congratulate you, and USTR generally, for the emphasis that you put on not only free trade, but fair trade. It is certainly a welcome change of approach and one that this administration, frankly, has distinguished itself with and certainly has had a consistent aspect of support for job creation here at home, which is obviously bottom line and important.

In that vein, though, as we move toward GATT, on the one hand, and NAFTA as well—which, as you know, I supported both of those trade agreements—at the same time there is always that law of

unintended consequences. And one of the unintended consequences, or at least I think unintended consequences, of the NAFTA agreement was the situation that the Caribbean countries find themselves in. In that regard, the USTR has apparently agreed, on behalf of some American interests, to file a 301 action having to do with bananas, and the whole issue of whether or not the Lome Agreement is challenged, thereby.

Now, the Caribbean economies are very fragile, and they have always been friends and they have always been supporters of the United States, and we have always had a supportive and interactive arrangement with the Caribbean nations.

It seems to me, getting back to that law of unintended consequences, that the Caribbean countries have wound up with almost the worst of both possible worlds in regards to the way that the USTR has approached both the NAFTA decision on the one hand, and this Lome Agreement 301 decision on the other.

Could you comment on that and suggest a way out, that we can resolve the issue of Caribbean nations—again, they have fragile economies—and what they will be able to do with regard to banana imports, as well as obviously protecting the interests of domestic growers and importers?

Mr. SHAPIRO. Senator, we have been supportive, as you know, of an interim trade program which was designed for the purpose of making up to, or compensating, some of the Caribbean nations for the adverse effects that NAFTA had on them, and we have been supportive of that legislation.

The bananas case is a very difficult case and, frankly, one that I have not been working on. It has been sort of outside my portfolio. But we have been trying very hard to deal with discriminatory practices of the European union with respect to their banana regime.

We are very much aware of the effect that it has in the Caribbean, but in this case I would feel more comfortable if I could ask one of the deputies at USTR and our Europe people, as well as the Latin America people, to talk to you about it.

Senator MOSELEY-BRAUN. I would appreciate that. Again, it was just one of those, again, unintended consequences and I just thought, since this will be under your new portfolio, right?

Mr. SHAPIRO. Well, actually not. The new portfolio is essentially responsibility for Japan and Canada.

Senator MOSELEY-BRAUN. All right.

Mr. SHAPIRO. But we are doing a lot of work on it, and I would like to have them talk to you.

Senator MOSELEY-BRAUN. Well, I would appreciate that. Thank you very much.

I have no further questions, Mr. Chairman.

The CHAIRMAN. Ira, do you have anybody to introduce with you today or did you come by yourself?

Mr. SHAPIRO. Mr. Chairman, you are clearly more thoughtful than I tend to be. [Laughter.]

I must have been so excited for the hearing to start. I actually have a small contingent; my whole family. My wife.

The CHAIRMAN. Why do you not introduce them one at a time?

Mr. SHAPIRO. Nancy Shapiro, my wife, over there.

The CHAIRMAN. Welcome.

Senator MOYNIHAN. Welcome.

Mr. SHAPIRO. My daughter, Susanna.

The CHAIRMAN. Susanna.

Mr. SHAPIRO. Where are the rest of those guys? My son, Brian, is over here. My father-in-law and mother-in-law, Al and Lucille Sherman; my sister-in-law, Martha Sherman, and our close friend, Joel White. I appreciate your extending us that courtesy, Mr. Chairman, even when I failed to recognize them here. [Laughter.]

The CHAIRMAN. I am sure you will hear more about that tonight. [Laughter.]

Senator MOYNIHAN. I suggest you take them out for a great lunch.

The CHAIRMAN. Thank you very much, Ira. We appreciate it.

Mr. SHAPIRO. Thank you, Senator.

The CHAIRMAN. You know we are going to have to refer your nomination over to Foreign Relations for a brief period of time because they have asked, as you are an Ambassador, to have a shot at you.

Mr. SHAPIRO. Yes, sir.

The CHAIRMAN. All right. We will give everybody about 30 seconds who is with Ira—maybe it takes longer than that—to clear the room out.

Now, Mr. Hawke, you can come up while we are decimating the room. I see you have Mr. Fitzpatrick with you. Do you have anybody else?

Mr. HAWKE. Yes, I do, Mr. Chairman. I have got my daughter, Caitlin, a New Yorker.

The CHAIRMAN. Which one is Caitlin?

Mr. HAWKE. She is a representative of the Pasteur Foundation in New York.

The CHAIRMAN. Good.

Mr. HAWKE. And my son, Daniel, who is a Washington lawyer.

The CHAIRMAN. Good. Who is Daniel with?

Mr. HAWKE. The firm of Tucker, Flyer & Lewis.

The CHAIRMAN. Good. Good to have you with us.

Why do you not go right ahead, Mr. Hawke? Your background is well-known to us. I do not know where we would find anybody with a more extraordinary background than yours for the position that you have been suggested for.

STATEMENT OF JOHN D. HAWKE, JR., NOMINATED TO BE UNDER SECRETARY FOR DOMESTIC FINANCE, U.S. TREASURY

Mr. HAWKE. That is very generous, Mr. Chairman. I appreciate having the opportunity to appear before the committee today. I am honored. I especially want to thank you, Chairman Packwood, for allowing my nomination to come up in such a timely fashion.

The prospect of serving in President Clinton's Administration and participating in the important work of this distinguished committee is enormously exciting and challenging, and I am particularly grateful to Secretary Rubin and Deputy Secretary Newman for their strong support and the confidence that they have reposed in me.

They have assembled, as you know, a tremendously talented group of people at the Treasury Department. It is my earnest hope that I will be able to make a contribution to their efforts.

Since my time at the Federal Reserve 20 years ago, it has been my hope that I would be able, some day, to return to government service. I am profoundly grateful to the President for making that hope come true.

I am especially pleased to have the opportunity to serve at the Department of Treasury. Treasury is at the epicenter of some of the most critical issues that we face today. The Under Secretary for Domestic Finance will have an important responsibility with respect to many of these issues, particularly those dealing with the health, efficiency, and competitiveness of our system of financial institutions.

We have before us not only the challenge of energizing the financial services system of the 21st century, but also the imposing responsibility of assuring that American taxpayers will never again be called upon to shoulder the burden of losses suffered by that system.

While I have had the good fortune to be able to learn something of these issues during my career, I approach the challenge of the Under Secretary's position with great humility. Even a lifetime of experience cannot prepare one fully to deal with the subtleties and the complexities of the issues on our agenda today.

But I can pledge to the committee that I will devote my full energies to the task and I look forward to working with this and the other committees of the Congress as we jointly try to serve the public's interest in finding effective means of dealing with these issues.

It has been a privilege for me to appear before you today, and I would be pleased to respond to any questions the committee has.

[The prepared statement of Mr. Hawke appears in the appendix.]

The CHAIRMAN. What is your current estimate as to when the debt ceiling runs out?

Mr. HAWKE. The present estimate, Mr. Chairman, I think, is that it will be some time in late September or October.

The CHAIRMAN. The reason I ask, I can just see, Pat, what is going to happen. About the time we are thinking about reconciliation, out will come the debt ceiling and everything that has not conceivably been passed on something is going to be offered on the debt ceiling. The administration, I assume, will come, as all administrations do, and plead for a clean bill. And there will be a tendency to want to put things on it the administration hates and then say, now, Mr. President, you can sign this or let the credit to the country go to hell.

Usually we relent and give them a clean debt ceiling, but I would remind Mr. Hawke, very unintentional on my part, we ended up with Gramm-Rudman on the debt ceiling in 1985, which is how I got into the negotiations on it.

I did not know anything about it, but I was Chairman, and it was attached to the debt ceiling. Chairman Rostenkowski and I were negotiating it. And Senator Gramm was not on the conference, but he was right outside the door as we were negotiating.

Senator Moynihan, do you have any questions of Mr. Hawke?

Senator MOYNIHAN. I certainly do not. I wish him well. We might, just as a courtesy to the Secretary, make this year an exception, but I do not think we will do that.

Senator D'Amato is particularly pleased that a young man from Rockville Centre has risen to such eminence.

The CHAIRMAN. From where?

Senator MOYNIHAN. From Rockville Centre on Long Island in Nassau County. I would certainly like to associate myself with it. Congratulations to you, sir.

Mr. HAWKE. Thank you, Senator Moynihan.

The CHAIRMAN. Senator Moseley-Braun.

Senator MOSELEY-BRAUN. Thank you, Mr. Chairman.

I actually do have some questions for Mr. Hawke. In the first instance, I think the Chairman is correct, your credentials obviously speak very highly for you and go before you in a very constructive and positive way. However, I am concerned and I hope you can allay my concerns today, Mr. Hawke. Your nomination is for Under Secretary of Domestic Finance, but I am very concerned about how you see the relationship of financial institutions with poor communities in this country, either inner city communities or rural poor communities.

In that vein, I was again taken by an article that you wrote for the American Banker back in January of 1993 in which you talked about the Community Reinvestment Act, which, right now, is the only thing we have to see to it that poor communities get financial services, particularly bank services, and it was hailed at the time.

Admittedly, CRA has some problems, but it was hailed at the time and has continued to be the only avenue that we have in place to provide capital of any sort to communities that have been finance-starved, if you will, communities in which you cannot get money for loans to start businesses, or fix up houses, or whatever. CRA is the only thing we have had that has opened up the door.

Yet, in your article of the 5th of January of 1993 you said, "As a consequence, CRA has become a form of government sanctioned blackmail," by going on to say, "the community action groups could extract tribute from banks in order under the CRA."

That statement and others here having to do with Community Reinvestment really concern me greatly, and I would like for you to allay my fears, given the fact, again, you are going to be the Under Secretary for Domestic Finance and it is so important that we end the regime that has red-lined and kept poor communities from having access to capital, because obviously that has all kinds of other economic as well as social ramifications.

I would like to explore with you what you meant by that and whether or not you see us moving or having the potential of correcting the deficit of investment that these poor communities have suffered.

Mr. HAWKE. Senator Moseley-Braun, I am pleased to have the opportunity to address that question. First, let me say, quite frankly, that I was wrong in using such intemperate language in that article several years ago. I think it unfairly denigrated the conscientious efforts that community groups had been making to carry out the purposes of the Community Reinvestment Act.

Second, I would like to say that I think there have been a number of developments since that time that indicate that I had a somewhat myopic view of what was really happening in that arena.

The new regulations that were announced just a month or so ago by the banking agencies, which I fully support, were adopted after a very extensive rule making process in which literally thousands of participants made their views known.

Those regulations have addressed a great many of the difficulties that I saw with the CRA, that I commented on in that article, and that others have pointed to. We at Treasury certainly hope that those new regulations are going to be given an opportunity to function, and I think that they will go a long way in not only carrying out the purposes of CRA, but in allaying some of the concerns that bankers and others had about the way CRA was being administered. The new regulations really put the focus on performance rather than process, and it was really process that I was critical of in that piece.

Third, the data that have come to my attention indicate that the community groups that have been so active in enforcing CRA have been enormously successful in achieving the results of that act.

One of the estimates that I have seen was that, over the period that CRA has been enforced largely by the actions of community groups, it has been responsible for channeling upward of \$60 billion into low- and middle-income neighborhoods.

Governor Lindsay, of the Federal Reserve, said CRA is responsible for \$4-\$6 billion a year in credit to low- and middle-income neighborhoods, and I think those are enormously impressive numbers and are a tribute to the effectiveness of this process.

Finally, I would like to say that the administration is 100 percent committed to the rigorous defense of CRA and the pursuit of its objectives. I fully share those objectives, I fully share the administration's commitment to equal credit opportunity and fair lending, and hope to be an important part of the process by which those objectives are realized.

Senator MOSELEY-BRAUN. Thank you so much for making me feel much better about it.

Now, next question. Last year, I had authored legislation that called for a comprehensive review of the United States financial services industry and it was part of the Interstate Banking bill that was enacted last year.

They still have not appointed the panel and I just would like your commitment, if and when you are confirmed, if you would make it a high priority to see to it that the panel gets established and confirmed.

It seems to me to be so important in these changing times for us to have some group within the administration, within the government, to start looking at the state of financial services, and, again, access issues, as well as other structural issues.

Mr. HAWKE. I completely agree, and I can give you a brief status report. The members of the commission have been selected. The vetting process is just about completed. We are looking forward to holding the first meeting of the commission in July. We are about to put out a Federal Register notice inviting public comment generally on the topics that are covered by the study.

We are in the process of selecting a special forum of users and user groups to give us input from the user side, and we have been in touch with the other agencies with which we are required to consult in the process of the study. I can assure you that I will make it one of my priorities, and I am particularly dedicated to getting that report back by the end of the year, which is the deadline for the submission.

Senator MOSELEY-BRAUN. Thank you very much, Mr. Hawke.

Thank you, Mr. Chairman.

The CHAIRMAN. I have no more questions, Mr. Hawke. You are welcome to stay, or you can go if you want while we quiz thoroughly Ms. Robertson.

Senator MOYNIHAN. It might be a scene you would wish to avoid. [Laughter.]

Mr. HAWKE. Ms. Robertson has the office right next to mine, and I am sure I will hear the results.

Mr. Chairman, thank you very much.

The CHAIRMAN. Thank you very much for your patience in sitting through while we had the other panel.

Mr. HAWKE. I appreciate the opportunity to be here.

The CHAIRMAN. Good to see you.

Linda is known well to this committee, as Ira was, and we have worked with her off and on in many capacities during the years, including the excellent work she did over at Ways and Means when she was over there, and now the job she has had as assistant to the position you are assumed to be the full-time person for, and I cannot think of anybody I would rather have continuing to come and tell us of the merits of Treasury legislation than you, Linda Robertson.

STATEMENT OF LINDA L. ROBERTSON, NOMINATED TO BE A DEPUTY UNDER SECRETARY FOR LEGISLATIVE AFFAIRS, U.S. TREASURY

Ms. ROBERTSON. Mr. Chairman, Senator Moynihan, Senator Moseley-Braun, good afternoon. I appreciate the opportunity to appear before you today, and for your willingness to schedule this hearing so quickly. In no small measure, Lindy Paull and Lawrence O'Donnell also deserve a special thanks.

As you mentioned, having served my entire professional career working in some manner with the tax writing committees, it is an honor that my nomination is before the Committee on Finance.

Although Oklahoma is my home, the two tax committees are a close second. While I am on the subject of Oklahoma, I will not make Ira's mistake. I am fortunate that my mother has joined me today from Oklahoma, Joanne Robertson.

The CHAIRMAN. Mrs. Robertson, wave your hand. We are delighted to have you with us. You should be very proud. Your daughter has done extraordinary work for a good many years. It does not surprise you, I am sure. Or maybe it does surprise you. I do not know. [Laughter.]

Ms. ROBERTSON. I am also joined by a number of my colleagues from Treasury, and Washington, in general. I also want to thank Senator Nickles for his statement.

I am most grateful that President Clinton has nominated me and Secretary Rubin has selected me for this position. Two years ago when I had the honor of joining this administration, I thought I had a very good knowledge of the Treasury Department. Well, frankly, I was wrong.

I knew that we had significant responsibility for tax, trade, many of the entitlement programs, and, in fact, most of the economic issues facing our country today. What I did not fully understand is Treasury's enormous role in the area of Federal law enforcement, financial institutions' policy, and international assistance programs, among other important tasks.

As Deputy Assistant Secretary, I have been fortunate to be able to learn something of these issues. In addition, it is from this position that I have come to recognize that the Assistant Secretary's primary purpose is to ensure that your views are both known and fully understood by the department and the administration.

At the same time, it is equally important that I, in a timely way, ensure that you understand the department's views and perspective on many issues. In this task, I will have no trouble because Secretary Rubin fully agrees with this commitment to the Congress.

I only have to recall his wise words from his nomination statement where he said, "I am a pragmatic and I believe that differences can usually be resolved, not always but usually, by being straightforward and focusing on substance." With this guidepost, I will always try to be responsive to the committee and to Congress.

Furthermore, I will do my best to bring the kind of commitment that the previous Assistant Secretary, Dr. Michael Levy, has exemplified.

Senator MOYNIHAN. We see Dr. Levy over your shoulder. He will always be there. [Laughter.]

Ms. ROBERTSON. My security blanket. Almost all of you know Michael. You not only know of his great wisdom and skill, but you also know of his love for the legislative process. While I may never match his ability to kibbitz about political philosophy, I unequivocally can promise you that I will share his deep respect for the institution of Congress.

Thank you. I am anxious to answer any questions.

[The prepared statement and biographical of Ms. Robertson appears in the appendix.]

The CHAIRMAN. Linda, I do not have any questions. I know you so well, especially from your days on Jim Jones' staff when we were such close friends. In fact, I talked with him the last time he was in town. I am just delighted to have you in this position.

Pat?

Senator MOYNIHAN. As are we all.

Ms. ROBERTSON. Thank you.

Senator MOSELEY-BRAUN. Congratulations.

The CHAIRMAN. Ms. Robertson, good to have you with us.

Ms. ROBERTSON. Thank you, Mr. Chairman.

The CHAIRMAN. You bet.

Now, again, we will give just a little bit of time for anybody who wants to leave. Then we will take Mr. Kellison and Ms. Moon, as the Public Trustees for Social Security and Medicare.

Mr. Kellison, Dr. Moon, welcome. Why do you not start, Mr. Kellison?

STATEMENT OF STEPHEN G. KELLISON, NOMINATED TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND THE FEDERAL DISABILITY INSURANCE TRUST FUND, FOR A TERM OF FOUR YEARS

Mr. KELLISON. Thank you, Senator Packwood and Senator Moynihan. I am very pleased to be before this committee today, and would like to express my appreciation to the President for nominating me for one of the two positions as Public Trustee for the Social Security and Medicare trust funds.

It is a distinct pleasure for me to appear before you today to discuss my qualifications for this position and to express my strong commitment to fulfill the responsibilities as a Public Trustee to the best of my ability, should I be confirmed by the Senate.

The Public Trustees have a unique role in connection with Social Security and Medicare, our Nation's largest and most significant social insurance programs. These programs affect the economic well-being of millions of Americans and involve a social contract across generations.

The Public Trustees have a responsibility to assure that accurate, objective, and understandable information about the current and future operation and financial condition of these programs is made available to policy makers, and ultimately to the American public.

I believe that my broad background and experience in business, academia, professional associations, and consulting would enable me to serve effectively as a Public Trustee. I have had a lifelong interest in Social Security issues and have had extensive experience with related employee benefit and insurance programs.

More specifically, I served as chairman of the Technical Panel of Actuaries and Economists to the 1991 Advisory Council on Social Security, which addressed OASDI financing issues. A number of recommendations of this panel have been incorporated into the Trustees Reports in recent years.

I also served on two successor panels to the 1991 Advisory Council, the first of which addressed Medicare projections, and the second of which addressed the broader issues of the future of income security and health care financing.

In addition, within the actuarial profession I have served on the governing boards of both the Society of Actuaries and the American Academy of Actuaries. I had the very valuable experience of serving on the Committee on Social Insurance of the American Academy of Actuaries during the period that Bob Myers chaired the committee, and had the unique privilege of succeeding him in that position.

The two prior Public Trustees, Stan Ross and David Walker, established an outstanding record as Public Trustees. If confirmed, I would intend to build on the framework and precedents which they established for this position.

I am committed to working together with the other trustees in ensuring the integrity and sound management of the trust funds,

and in providing objective and reliable information about the financial condition of these programs to the Congress and to the American public. We have an important mission to build public confidence that commitments to this and future generations will be met.

I look forward to working with the members of this committee, if confirmed as a Public Trustee, and would be happy to answer any questions that you might have.

Thank you.

[The prepared statement and biographical of Mr. Kellison appear in the appendix.]

The CHAIRMAN. Dr. Moon?

STATEMENT OF MARILYN MOON, NOMINATED TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND THE FEDERAL DISABILITY INSURANCE TRUST FUND, FOR A TERM OF FOUR YEARS

Dr. MOON. Thank you. It is also a pleasure for me to be here this afternoon. I was very honored to be nominated by the President for one of the two positions as a Public Trustee, and I appreciate the opportunity to appear before you here today.

I did bring my husband with me today for a little moral support; Douglas Gomery, who is an expert on the media and is a professor at the University of Maryland.

The CHAIRMAN. On the media?

Dr. MOON. That is right.

The CHAIRMAN. We might want to ask him a lot of questions. [Laughter.]

Dr. MOON. I am sure he would be happy to appear before you as well.

I am currently a Senior Fellow at the Urban Institute in Washington, DC, where I do research mainly on health issues, with a particular emphasis on Medicare. I began my career and received tenure in the Department of Economics at the University of Wisconsin, Milwaukee.

I came to Washington in 1981, and I have worked at the Congressional Budget Office, at the Public Policy Institute of the American Association of Retired Persons, and as a consultant to the U.S. Bipartisan Commission on Comprehensive Health Care. I also write an occasional column on health care coverage issues for The Washington Post.

I am an economist, and most of my research has centered on issues of aging, income, and health problems in the United States. I have written extensively on these issues in various books and articles, and a common theme of this research has been to examine the impact of public programs on the well-being of older Americans. Consequently, I have developed a deep respect and support for the Social Security and Medicare programs we have in the United States.

And, while I have my own personal views about changes that will be necessary in these programs over time, my role as a Public Trustee would not focus on these issues, but rather on the long-term status of the trust funds. I believe that the appropriate role

for a Public Trustee is to serve as the public's representative, to assure that the projections contained in the report are as honest and clear as possible.

The challenges facing these programs in the future will require a candid and serious debate concerning how to protect them for the future. To have such a debate, all sides need to have reliable data concerning the financial status of the trust funds.

This role is a serious one, requiring that the Public Trustees carefully restrict their role to informing the Congress and the public about the status of those trust funds. I applaud the efforts of the previous trustees, who acted together to serve as honest brokers, and I hope that Stephen Kellison and I could do the same.

A second critical role for the Public Trustees is to help educate Americans concerning the status of these trust funds over the long-run. The previous Public Trustees also made important advances here, and I think this is, again, an area where Stephen Kellison and I can work together to try to help in this important effort.

If confirmed, I will do my best to achieve these goals as a means for supporting the future of Social Security and Medicare and I would be happy to answer any of your questions.

[The prepared statement and biographical of Dr. Moon appear in the appendix.]

The CHAIRMAN. Doctor, let me ask you, and then Mr. Kellison, about the Consumer Price Index, or the cost of living. We have had three hearings. I think we have had all the experts in this country that are very knowledgeable on this subject. We have had none that say that it is understated. There has been a range of 0.2 to 0.4 to 2.5.

Senator MOYNIHAN. The Consumer Price Index, as a measure of the cost of living.

The CHAIRMAN. Of the cost of living. That is a better way to phrase it.

What are your views on it?

Dr. MOON. Well, this is a tough question to ask because this is one that I cannot easily duck and say that it is only a policy issue, because it obviously affects the trust funds and the projections of the trust funds as well.

I agree with the experts that say the CPI is likely to be somewhat overstated. It is also my understanding that this is a very tough nut to crack. There are a lot of technical problems in improving the measure, and in worrying about how to do that in a consistent and reasonable fashion over time.

This may be a good example of an area where the Public Trustees could have a forum or a workshop and deal with some of the experts to think about what to recommend to the actuaries in making assumptions in this area.

The CHAIRMAN. Actually, it is technical, and how you measure it in the future is difficult if you are going to keep current. What most of them have said is, there is just a tremendous over-indexing that we did not correct until 1983 because of housing costs, and we were talking about new housing costs and mortgage, and most people do not buy new houses every year, and most people were not paying the high interest rates that we had in 1979, 1980, and 1981.

So, the change was made in 1983, but it was not adjusted downward for the over-indexing. That is pretty much a given fact now. That is a past measurement. That is the reason it is over-estimated. They all agree to that. How do you account for quality differences? How do you measure immediately if the price of beef goes up, if somebody changes to chicken whose price has not changed? Their cost of living has not gone up, although the price index has gone up. Those are difficult things to measure, but not as to what happened prior to 1983.

Dr. MOON. I am more aware of health care issues, and I know how difficult it is to measure quality changes in that area as well.

The CHAIRMAN. Mr. Kellison?

Mr. KELLISON. I would agree very much with what Dr. Moon has said. I am not an economist by profession and have not studied the CPI in depth, but I would certainly say that the overwhelming percentage of the economists who have looked at this do suggest that there is some degree of over-indexing going on. There does seem to be some range in the estimates, but I think that, clearly, the index that we would use in Social Security should be a representative and fair index for what the rate of inflation really is.

One of the key variables in Social Security, as you know, in driving the costs of it, is the real wage growth, which would be, in essence, the difference between wage growth in dollars and offset by the rate of inflation.

That is a key determinant of the fiscal condition of the system. We do need to have an accurate measurement for indexing, both for that purpose, as well as indexing the benefits after retirement.

So this is clearly a subject that should be studied carefully, and if the index needs adjustment for Social Security and if the Public Trustees could play a role in encouraging that, I certainly would be inclined to do that.

The CHAIRMAN. Dr. Moon, I want to ask you about your article, where you say it is "disingenuous to suggest that Medicare will soon be bankrupt." You say, "For example, no one argues that we cannot pay defense contractors simply because we are running a Federal deficit."

Now, that is true. We pay them out of general funds. And to the extent that our general fund pot never runs out, I suppose we are not bankrupt, or to the extent we can borrow money and people will always loan us money, we are not bankrupt.

But for years we have paid Medicare in a certain fashion. We have collected a payroll tax and we have paid partly out of a trust fund. That part is going bankrupt. And unless we find some way to say, fine, it is sort of like Part B, we will pay it out of the general fund, or raise the payroll tax, or change the benefit structure, it will be bankrupt, in the normal sense of the word, absent some alternative method of payment.

Do you have any suggestions?

Dr. MOON. Well, let me make it very clear that I do not mean to suggest that this is not a serious issue, nor did I mean to suggest that this is not a serious issue, nor did I mean to suggest that this is not an issue that deserves careful attention or to make light of the trust funds and the role of the dedicated tax that supports the Medicare program.

Rather, the point I was trying to make was that, when people talk about the issue of bankruptcy in 2002, it implies that the doors will be shuttered and no benefits will be paid. That is not likely to be the way things would happen. Instead, just as in 1983 when the Social Security system was in trouble, we did things to protect that program so that it could continue to pay benefits, we will certainly protect Medicare.

The CHAIRMAN. Well, I understand that. But the law says if the fund is depleted, if it is not taking in more money than it pays out, you cannot pay the benefits. So, I just need to know what you think you might suggest. We are going to have to change. We are going to have to either raise the taxes, trim the benefits, or take money from general funds, or something. But the way the law is currently—

Senator MOYNIHAN. If you cannot pay everything, you still pay some of the bills.

The CHAIRMAN. "You cannot pay hospital insurance benefits if the HI trust fund are depleted."

Dr. MOON. Yes. That is my understanding as well. What I was trying to say there is, when people talk about the problems of the Medicare system we need to think about this as a long-term problem and not one that suddenly, in the year 2002 will result in the end of the program.

But, in fact, I like the analogy that Martha Phillips of the Concord Coalition made the other day: it is less the wolf at the door than the termites in the basement.

This is a long-term problem, it is of enormous concern, but it is not one where it is appropriate to think we can wait until 2002 and close the program's doors. I was trying to deal in that comment with striking the right balance between scaring people unnecessarily and making people aware that there are serious problems in this system.

I agree with you that there will need to be changes. I suspect that we are going to need to look very seriously at a whole range of changes. I think that benefit cuts need to be looked at, and I think that we need to look at the financing side of the program. These are very serious issues that are going to need to be considered over time.

The CHAIRMAN. Mr. Kellison?

Mr. KELLISON. I think the problems facing the Medicare system are very significant and they do need to start being dealt with in the very immediate future. As we know, the HI fund is scheduled to run out around 2002. The SMI fund is technically solvent on an actuarial basis, but only because there are general revenues.

The CHAIRMAN. That assumes that the government is technically solvent.

Mr. KELLISON. Yes. But the problem in the SMI case is the fact that costs continue to escalate much more rapidly than the economy as a whole. So, there are problems for both trust funds and they are very significant, both in the short-run with an immediate decline in the trust fund that is imminent, and in the long-run, there the problem largely being driven by demographics.

There are no easy solutions to the problem. I think that our role as Public Trustees is to try to bring the best evidence and informa-

tion and data to understand these problems to give you, as policy makers, the best tools to deal with them. I think they are significant enough that virtually every option needs to be looked at in some fashion and be on the table for consideration.

The CHAIRMAN. Senator Moynihan?

Senator MOYNIHAN. Thank you, Mr. Chairman. May I say, what a serendipitous occasion this is. Mr. Kellison succeeded Bob Myers at the actuaries' subcommittee on this issue. Sixty-one years ago, said Bob Myers arrived in Washington to serve as an assistant to Edwin Witte, a member of the Committee on Economic Security. The Committee, chaired by Frances Perkins, developed the proposals for the Social Security Act in 1935. So, here we have it all before us, this continuity.

The CHAIRMAN. Well, may Mr. Kellison be with us in 61 years. [Laughter.]

Senator MOYNIHAN. May I just say to the trustees designate here, I would just hope for a somewhat more proactive role. The trustees have been very passive, and it is all very well for Dr. Moon to say, do not panic over Medicare closing its doors, but a majority of non-retired adults do not believe they will receive Social Security. If they do not think it is going to be there, they are not going to miss it if it is taken away.

The trustees have never been in any way engaged with this, neither has the Social Security Administration. We still have that paste board Social Security card from 1935; they will not change it. Finally, we have got them sending out personal earnings benefit statements. It only took 15 years.

This Senator will not be, and I cannot imagine our Chairman would be, disturbed to find that you are making suggestions beyond projections Roman I, Roman II, and Roman III. That is all.

Congratulations to you.

The CHAIRMAN. Thank you very much. We appreciate you both waiting all this time.

Mr. KELLISON. Thank you.

Dr. MOON. Thank you.

[Whereupon, at 12:23 p.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED

PREPARED STATEMENT OF HON. ORRIN G. HATCH

Mr. Chairman, I am pleased to join the Committee in endorsing the nomination of Ira Shapiro as Senior Counsel and Negotiator with the rank of ambassador.

Ira's distinguished record of public service in an official capacity and community service as a thoughtful citizen and parent are well established in the record; as is his equally important professional life in the practice of law.

As the current USTR Senior Counsel and negotiator, Ira has established standards of practice and behavior that are worthy of note. I refer to his role in the Japanese framework and auto talks as well as his leadership in crafting the NAFTA and GATT/WTO agreements.

Ira has given meaning to civility and comity while under duress. At the same time, he ably defended the critical interests of the United States while persuasively developing extensive domestic support for occasional controversial positions taken by our country.

This administration can only be praised for its leadership in promoting U.S. trade interests. At a time when international commerce far outpaces our ability to formulate policy, regulations, statutes and other necessary elements that would constitute a sound body of precedents and guidelines, we become very dependent on good people. Good people with good judgment, good ethics and a sense of historical direction.

The reputation of USTR in the global village that we call the trade community is unimpeachable. It has been made by people like Ira; Charlene Barshefsky and, of course, Mickey Kantor. Elevating Ira to a position of leadership and greatly enhanced responsibility will ensure the continuity of this trend.

Mr. Chairman, I strongly support the nomination of Ira Shapiro and urge its adoption by the Committee.

PREPARED STATEMENT OF JOHN D. HAWKE, JR.

Mr. Chairman, Senator Moynihan, and members of the Committee, I am deeply honored to appear before the Committee today. I especially want to thank you, Chairman Packwood, for bringing my nomination up for hearing in such a timely fashion.

The prospect of serving in President Clinton's Administration and participating in the important work of this distinguished Committee is enormously exciting and challenging. I am particularly grateful to Secretary Rubin and Deputy Secretary Newman for their strong support and for the confidence they have reposed in me. They have assembled a tremendously talented group of people at the Treasury Department, and it is my earnest hope that I will be able to make a contribution to their efforts.

While I have always considered myself a New Yorker—having been born, brought up and educated there—my professional life has been spent in Washington—as a law clerk to a wonderful appellate judge, Judge E. Barrett Prettyman; as counsel to a House Education Subcommittee; as a practicing lawyer at Arnold & Porter, where I served as Chairman for eight years; as a teacher of law at Georgetown University; and as a banking regulator, in the position of General Counsel to the Federal Reserve Board under the chairmanship of Arthur Burns. Since my time at the Federal Reserve 20 years ago, it has been my hope that I would be able some day to return to government service, and I am profoundly grateful to the President for making this hope come true.

I am especially pleased to have the opportunity to serve at the Department of the Treasury. Treasury is at the epicenter of some of the most critical issues our country confronts, and the Under Secretary for Domestic Finance will have important responsibilities with respect to many of these issues—particularly those dealing with the health, efficiency and competitiveness of our system of financial institutions. We have before us not only the challenge of energizing the financial services system of the 21st Century, but also the imposing responsibility of assuring that American taxpayers will never again be called upon to shoulder the burden of losses suffered by that system.

While I have had the good fortune to be able to learn something of these issues during my career, I approach the challenge of the Under Secretary's position with great humility. Even a lifetime of experience cannot prepare one fully to deal with the subtleties and complexities of the issues on our agenda today.

I can pledge to the Committee, however, that I will devote my full energies to the task, and I look forward to working with this and other committees of the Congress as we jointly try to serve the public's interest in finding effective means of dealing with these issues.

It has been a privilege for me to appear before you today, and I would be pleased to respond to any questions the Committee may have.

**RESPONSE TO INFORMATION REQUESTED OF NOMINEES
BY
UNITED STATES SENATE
COMMITTEE ON FINANCE**

NOMINEE: JOHN DANIEL HAWKE, JR.

**NOMINATED FOR: UNDER SECRETARY FOR DOMESTIC FINANCE
DEPARTMENT OF THE TREASURY**

A. BIOGRAPHICAL:

1. **Name:** Include any former names used
-- John Daniel Hawke, Jr. (also known as "Jerry")
2. **Address:** List current residence address and mailing address
-- 3800 Harrison Street, N.W.
Washington, D.C. 20015
3. **Date and place of birth:**
-- Born New York, N.Y., June 26, 1933
4. **Marital status:** Include maiden name of wife or husband's name.
-- Widowed. Married the former Marie Reddan in June 1962. (Deceased March 1991.)
5. **Names and ages of children:**
-- Daniel M. Hawke, age 32
Caitlin M. Hawke, age 30
Anne E. Hawke, age 27
Patrick T. Hawke, age 25
6. **Education:** List institution(s), dates attended, degree received and date degree granted.
-- South Side High School
Rockville Centre, N.Y.
1947-1950
Diploma, June 1950

Yale University
New Haven, Connecticut
1950-1954
B.A. in English, June 1954

Columbia University School of Law
New York, N.Y.
1957-1960
LL.B., June 1960
7. **Employment record:** List all positions held since college, including title or description of job, name of employer, location of work, and dates of inclusive employment.
-- April 1995-present Consultant, Department of Treasury
Washington, D.C.

1978-April 1995	Partner, Arnold & Porter Washington, D.C.
1975-1978	General Counsel Board of Governors of the Federal Reserve System Washington, D.C.
1967-1975	Partner, Arnold & Porter
1962-1975	Associate, Arnold & Porter
1970-1987 (part time)	Adjunct Professor of Law Georgetown University Law Center Washington, D.C. (Federal Regulation of Banking)
1984-1989 (part time)	Lecturer on Law Morin Center for Banking Law Studies Boston University School of Law Boston, Mass. (Antitrust Laws and Banking; Bank Acquisitions and the Supervisory Process)
1979 (part time)	Lecturer in Law Columbia University School of Law New York, N.Y. (Economic and Legal Aspects of Financial Regulation)
1961-1962	Counsel Select Subcommittee on Education Committee on Education and Labor U.S. House of Representatives Washington, D.C.
1960-1961	Law Clerk to Judge E. Barrett Prettyman U.S. Court of Appeals for the District of Columbia Circuit Washington, D.C.
Summer 1958	Research assistant Professor Maurice Rosenberg Columbia Law School New York, N.Y.
Summer 1957	Warehouse worker Canada Dry Beverages Carle Place, N.Y.
1955-1957	Active Duty U.S. Air Force Eglin A.F.B., Florida
1954-1955	Editorial assistant Curtis Circulation Co. New York, N.Y.

8. **Government experience:** List any experiences in, or association with, Federal, State or local Governments including any advisory, consultative, honorary or part-time service or positions.

-- 1979-1980 Member, Advisory Committee to the
FDIC Task Force on the State and
Federal Regulation of
Commercial Banks

9. **Memberships:** List all memberships and offices
held in professional, fraternal,
scholarly, civic, charitable,
and other organizations.

-- Professional Organizations

District of Columbia Bar
American Bar Association
Federal Bar Association (chaired Banking Law
Committee, 1976-1979)

Civic and Nonprofit Organizations

Trustee, Secretary and member of Executive Committee,
Foundation for the National Capital Region
Trustee and member of Executive Committee,

The Washington Opera
Exchequer Club of Washington
Economic Club of Washington (board of directors)
Chairman, Board of Advisors, Morin Center for Banking
Law Studies, Boston University School of Law
Member, Dean's Advisory Board, George Mason Law School
Metropolitan Museum of Art
Smithsonian Associates

Social Organizations

Cosmos Club, Washington, D.C.
Elizabethan Club, Yale University
The Elihu Club, Yale University
Vineyard Haven Yacht Club, Mass.
Yale Club of New York City

10. **Political affiliations and activities:** List all memberships and offices
held in or financial
contributions and services
rendered to all political
parties or election committees
during the last ten years.

-- I am, and have been throughout the last ten years (and prior to that time), a registered Democrat. I have not held any office in or rendered any services to a political party or election committee during that period other than participating in fund-raising activities for Citizens for Sachs-Mitchell during the 1986 Maryland gubernatorial primary campaign. The following is a list of the political contributions I have made during that period:

<u>Recipient</u>	<u>Amount</u>	<u>Date</u>
Friends of Cathy Long	\$ 25	3/11/85
Effective Government Comm.	450	4/10/85
Friends of Ed Garvey	100	5/7/85
Citizens for Sachs	100	5/16/85
Washburn for School Bd. Comm.	25	5/16/85
DC Dollars for Democrats	25	6/9/85
Citizens for Sachs	50	10/13/85
Pete Stark Reelection Comm.	300	11/5/85
Garvey for Senate	50	12/30/85
John Bryant Campaign Comm.	150	1/24/86
Salute to Gov. Hugh Carey	100	4/1/86
DC Dollars for Democrats	30	4/11/86

Campaign for Tim Wirth	250	4/24/86
Citizens for Sachs	100	6/3/86
Cranston for Senate '86	250	6/12/86
Citizens for Sachs-Mitchell	500	7/16/86
Garvey for Senate	100	9/10/86
Carr for Congress Comm.	250	9/12/86
Committee to Reelect Barry	250	9/18/86
Arnold & Porter PAC	250	1987
DC Dollars for Democrat	15	4/19/87
Melcher for Senate	250	6/8/87
DeConcini '88 Committee	250	7/28/87
Arnold & Porter PAC	1,000	1988
Arnold & Porter PAC	1,000	1989
Con Hurley Election Comm.	50	9/5/89
Tom Luce for Governor Comm.	100	9/28/89
Ed Garvey for Senate	50	12/27/89
Arnold & Porter PAC	750	1990
Jarvis for Mayor	50	1/18/90
Friends of Joe Curran	100	6/22/90
Justice Preminger for Surrogate	100	7/13/90
Friends of Joe Curran	100	10/17/90
Arnold & Porter PAC	1,000	1991
Comm. to Elect D.M. Sweeney	100	10/16/91
Butler for Congress	100	12/27/91
Arnold & Porter PAC	1,000	1992
Butler for Congress	100	4/21/92
DNC Victory Fund	1,000	9/9/92
Butler for Congress	100	10/5/92
Committee to Reelect Jarvis	100	11/3/92
Arnold & Porter PAC	1,000	1993
Jarvis for Chair Comm.	100	9/10/93
Arnold & Porter PAC	1,000	1994
Citizens for John Ray	100	6/17/94
Citizens for Sarbanes	500	10/20/94
Oberly for Senate	500	10/28/94
Arnold & Porter PAC	500	1995

11. Honors and Awards:

List all scholarships, fellowships, honorary degrees, honorary society memberships, and any other special recognitions for outstanding service or achievement.

- Editor-in-chief, Columbia Law Review, 1959-1960
 Commendation Ribbon, U.S. Air Force, 1957
 Special Achievement Award, Federal Reserve Board, 1978

12. Published Writings:

List the titles, publishers and dates of books, articles, reports, or other published materials you have written.

-- A list of articles and other publications is attached hereto as Exhibit A-12(a). In addition, I have attached as Exhibit A-12(b) a list of the statements issued by the Shadow Financial Regulatory Committee, of which I was a member from its inception in 1985 until April 1995. While I actually authored only a few of

these statements, I participated some extent in the editing of many of them.

13. Speeches:

Identify each speech which you have given during the past three years, the organization to which the speech was given, and supply two copies of each speech.

-- Over the years I have given a great many speeches and made presentations at a great many seminars and programs on issues related to banking regulation. Except in a very few cases I have spoken from notes or outlines and do not have textual copies of my remarks. During the past three years I addressed the groups listed below on current banking issues, although in none of these cases was any text of my remarks prepared:

June 1992	Rotary Club of Portland
February 1993	Law Department, Office of the Comptroller of the Currency American Corporate Counsel Association, New York
	Faculty of the Morin Center for Banking Law Studies, Boston University
September 1994	New Jersey Banking Department

14. Qualifications:

State what, in your opinion, qualifies you to serve in the particular position to which you have been nominated.

-- For over 30 years, as a lawyer in private practice, as a teacher, and as General Counsel of the Federal Reserve Board, I have been deeply involved in matters relating to the regulation and supervision of financial institutions. My law practice has involved me with banking and thrift institutions, as well as investors in, and owners, officers, and directors of, such institutions, throughout the country and abroad, and I have represented such institutions and individuals before all of the federal financial regulatory agencies, state agencies, and federal and state courts. I have taught courses in banking law at Georgetown University Law Center, the Morin Center for Banking Law Studies at Boston University School of Law, and Columbia University School of Law. In addition, I have written extensively on banking issues and have spoken widely on such issues before industry seminars, bar association committees, government agencies, and trade and civic groups. Since the earliest days of my practice in this area I have followed closely the work of the Committees of Congress responsible for banking legislation, have analyzed and drafted legislative proposals for clients, and have counselled clients on legislative issues. Since a major part of the responsibility of the Under Secretary of Treasury for Domestic Finance involves issues of exactly the sort that I have been intimately involved with throughout my professional life -- as a lawyer, teacher and regulator -- I believe I am qualified to assume the duties and responsibilities of that position.

C. FUTURE EMPLOYMENT RELATIONSHIPS:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

-- Yes. I retired from Arnold & Porter effective April 4, 1995.

2. Do you have any plans after completing Government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

-- It is my intention not to make any decision or plans about future employment until my government service has been completed.

3. Has anyone made a commitment to employ your services in any capacity after you leave Government service?

-- No.

4. If confirmed, will you serve your full term of office?

-- Not applicable.

D. POTENTIAL CONFLICTS OF INTEREST:

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers.

-- None.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

-- I do not believe there are any such investments, obligations, liabilities, or other relationships.

3. Describe any business relationship, dealing or financial transaction which you have had during the last ten years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

-- I do not believe there have been any such business relationships, dealings or financial transactions.

4. Describe any activity during the past ten years in which you have engaged for the purpose of directly or indirectly influencing or affecting the administration and execution of law or public policy.

-- The predominant part of my law practice for more than 30 years involved the representation of financial institutions, and investors in and persons affiliated with financial institutions, as well as trade associations and other interested parties, in matters before the federal financial regulatory agencies. I appeared on innumerable occasions to represent client interests before the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board and Federal Reserve Banks, and the Office of Thrift Supervision (and its predecessor agency the Federal Home Loan Bank Board). Although I have never personally been required to register with Congress as a lobbyist, Arnold & Porter has on many occasions so registered. While I have testified only once before Congress in a non-governmental capacity (in 1967), I have on a few occasions, as counsel (none within the past 20 years), accompanied clients who have appeared as witnesses before Congressional committees, and in this capacity I may have made comments or answered questions. In addition, on several occasions I have met with members of Congress or committee staff to discuss legislative matters of interest to clients.

5. Explain how you will resolve any potential conflict of interest including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

-- In the event a potential conflict of interest were to emerge or be suggested, I would first seek the advice of the appropriate ethics counsellor at the Department of Treasury or the Office of Government Ethics. If the potential conflict involved a former client or professional relationship, or any financial interest held by me or my immediate family, I would either recuse myself from participation in any matter that might have a direct and predictable effect on the conflicting interest, or seek a waiver under the applicable statutory or regulatory rules and procedures. If such steps were not feasible with respect to a particular financial interest, I would consider divestiture of any such interest.

6. Written opinions should be provided directly to the committee by the General Counsel of the Agency to which you have been nominated and by the Director, Office of Government Ethics, Office of Personnel Management concerning potential conflicts of interest or any other legal barriers to your serving in this position.

-- These opinions will be furnished promptly.

E. TESTIFYING BEFORE CONGRESS:

1. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

-- Yes.

2. Are you willing to provide such information as is requested by such committee?

-- Yes, consistent with applicable laws and the Code of Professional Responsibility.

F. OTHER:

1. Provide the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by the Federal, state, or local agency in which you were the subject of the inquiry or investigation.

-- Arnold & Porter is a national law firm with more than 350 lawyers. During the time I was been a partner in the firm there were lawsuits filed against the firm, and in some instances such suits may have named all of the partners as defendants in their capacities as partners. (In the District of Columbia, for example, partnerships may not be sued in the partnership name. Thus, where a party wishes to make a claim against the partnership it must name all of the partners as defendants.) In no such case was my own conduct in issue, nor have I otherwise been personally named as a defendant or identified as the subject of an inquiry or investigation.

2. Give the full details of any proceeding, inquiry or investigation in which you were the subject of the proceeding, inquiry or investigation.

-- In December 1981, the Investment Company Institute, a former client of Arnold & Porter, filed a complaint with the Office of Bar Counsel of the Board of Professional Responsibility of the District of Columbia Bar against me and all other partners of Arnold & Porter, in connection with Arnold & Porter's termination of its lawyer-client relationship with the Institute and its undertaking to perform certain legal services for Visa U.S.A., Inc. The complaint was dismissed in October 1982 with no action recommended or taken against the firm, any partner in the firm, or me.

3. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

-- No.

4. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

-- None.

John D. Lanke, Jr.
(Signature)

May 18, 1995
(Date)

JOHN D. HAWKE, JR.
Response to Senate Finance
Committee Questionnaire
Exhibit A-12(a)

JOHN D. HAWKE, JR.

Speeches and Articles

1. "The Disclosure Obligations of Banks," speech to the Conference of State Bank Supervisors, 1972.
2. "The Bank Customer Is Entitled to Confidentiality in Business Ties," American Banker, February 3, 1972.
3. "The Public Interest Obligations of Banks," speech to the Conference of State Bank Supervisors, April 17, 1973.
4. "Federal-State Compacts -- An Idea for Multistate Regulation of Banking," speech at Golembe Associates Seminar, October 5, 1973.
5. "An Update on Multi-Bank Holding Companies and State Branching Laws: - The Whitney Case Revisited," Issues in Bank Regulation, Spring 1978.
6. "Holding Companies: Lincolnwood May Set Limits of FRB's Authority to Fix Finance, Management Standards," Legal Times, June 12, 1978.
7. "Redlining Rules Fail To Answer Bank Lawyers' Basic Questions," Legal Times, August 7, 1978.
8. "Banking -- The Next Candidate for Deregulation?" Legal Times, September 11, 1978.
9. "Glaring Gap in Bank Regs Would Be Closed by FIRA Procedure," Legal Times, October 9, 1978.
10. "Banking Act: Bleary Congress, Sweeping Plan," Legal Times, October 23, 1978.
11. "Fed Takes More Aggressive Stance on Violating Holding Company Act," Legal Times, November 27, 1978.
12. "Insider Transactions -- The Search for a Rationale," Issues in Bank Regulation, Winter 1978.
13. "Is Banking the Next Candidate for Deregulation?," Issues in Bank Regulation, Autumn 1978.
14. "Fed Board Power Strengthened by 'First Lincolnwood' Decision," Legal Times, January 1, 1979.
15. "Courts Stake Bounds of Fed's 91-Day Rule," Legal Times, February 5, 1979.
16. "Banking Business -- Almost Immune to Takeovers," Legal Times, March 19, 1979.
17. "A Checklist for Banking Deregulation," Legal Times, March 26, 1979.

18. "Court Tells Bank Regulators To Go to Hill," Legal Times, April 30, 1979.
19. "Thorny Control Act Threatens Chain Ban-ing," Legal Times, June 11, 1979.
20. "Commercial Paper -- Financial Battleground," Legal Times, August 6, 1979.
21. "Tax Relief for Bank Holding Company Divestitures," Banking Law Journal, August 1979.
22. "Consortium Banks: Has a New Loophole Opened?" Legal Times, October 1, 1979.
23. "Courts Eyeing Phantom Bank Mergers," Legal Times, November 19, 1979.
24. "Bank Holding Companies: One Year to Divest," Legal Times, January 7, 1980.
25. "Is Banking the Next Candidate for Deregulation?" speech to the D. C. Chapter of the Bank Administration Institute, January 10, 1980.
26. "Fed Splits on Assessing Competitive Factors," Legal Times, January 14, 1980.
27. "Lesson of '33: Enhance Competition," American Banker, March 13, 1980.
28. "Bank Agencies: No Duty to Non-Depository Interests," Legal Times, March 24, 1980.
29. Book Review, "The SEC and Corporate Disclosure: Regulation in Search of a Purpose" by Homer Kripke, The Bankers Magazine, March-April 1980.
30. "Law Does 'Precious Little' Deregulation," Legal Times, June 9, 1980.
31. "Acquisitions Ban: Chicken Little Would Feel at Home," Legal Times, September 29, 1980.
32. "Deregulation and Self-Regulation: Illusion or Reality?" Issues in Bank Regulation, Autumn 1980.
33. "Comptroller Ignores Flaw in Money Penalty Authority," Legal Times, December 8, 1980.
34. "Bank Holding Companies: One Year to Divest," Issues in Bank Regulation, Winter 1980.
35. "Freeing EFTS from Interstate Ban Hinges on Congress," American Banker, December 9, 1980.
36. "Non-Bank Banks: High Priests Offer New Theology," Legal Times, December 22, 1980.

37. Speech to Payment Systems, Inc. Conference, February 19, 1981 -- Shared EFT Systems: The Legal Barriers.
38. "Shared EFT Systems: The Legal Barriers," American Banker
39. "Competitive Factors: Review of 1980 Fed Decisions," Legal Times, February 23, 1981. Also published in Bank Expansion Quarterly, 1981.
40. Speech before the National Association of Corporate Directors, December 1980 -- "Likely Banking Regulation"
41. "Banks' Immunity to Hostile Takeovers Has Dissolved," Legal Times, August 10, 1981.
42. "The Federal Reserve and Bank Regulation," American Banker, November 5, 1981
43. "The Interstate Banking Euphoria," American Banker, November 30, 1981
44. "Fed Nears Consensus on Bank Acquisition Issues," Legal Times, January 18, 1982
45. -- "Fed Competition Regs May Make Acquisitions Easier," Legal Times, February 8, 1982
46. "Fed Sets 'Trading Up' Policy for Bank Divestitures," Legal Times, March 15, 1982
47. "Can the Banking Agencies Predict Market Entry?" A Response to Rhoades, Banking Expansion Reporter, April 5, 1982
48. "Humpty Dumpty Syndrome Alive and Well at the Fed," Legal Times, April 19, 1982
49. "Securities Activities of Banks," speech delivered to The Ray Garrett, Jr. Corporate and Securities Law Institute, Northwestern University School of Law, Chicago, Illinois, May 27, 1982
50. "Fed Shows Frustration in Latest Investment Guides," Legal Times, August 9, 1982
51. "Glass-Steagall Ought Not To Be a Privileged Sanctuary," American Banker, August 16, 1982
52. "Garn-St Germain Bill Revises Regulatory Structure," Legal Times, October 25, 1982
53. "Banking Regulators' Clout Increases Dramatically," Legal Times, October 25, 1982

54. "Are State Laws Permitting Interstate Banking Constitutional?", American Banker, December 15, 1982
55. "Revised BSC Act Offers Banks New Opportunities," Legal Times, December 20, 1982
56. "Fed Smiles on Bank Expansion Applications in 1982," Legal Times, January 31, 1983
57. "Of Legal Bogs and New England Clam Chowder: A Rejoinder, Banking Expansion Reporter, March 7, 1983
58. "It Sounds Like a Banker's Fantasy, but it Isn't," American Banker, April 13, 1983
and
"Conversions May Spur Thrift Industry Rebirth," American Banker, April 14, 1983
59. "Plenty of Room for More Legislation in Banking Area," Legal Times, June 13, 1983
60. "Federal Reserve Board Proposes Revision of Reg Y," Legal Times, July 25, 1983
61. "Joint Ventures Provide Vehicle for Nonbanking Activities," Legal Times, October 10, 1983
62. "Consumer Banks Could Solve Financial Reform Impasse," Legal Times, October 24, 1983
63. "Fed Smiles on Holding Company Expansion in 1983," Legal Times, January 16, 1984
64. "Bush Task Group Serves Up Watery Regulatory Brew," Legal Times, February 13, 1984
65. "Continental Rescue: Is It Time to Reassess State Banking Powers?," American Banker, August 10, 1984
66. "Nonbank Banks Should Get Down to Business," American Banker, November 15, 1984
67. "Negotiation, Not Confrontation, Key to Dealing with Regulators," American Banker, January 22, 1985
68. "'84 Fed Rulings Shift Focus to Capital Adequacy," Legal Times, January 28, 1985
69. "Legal History Belies Fears of New Bribery Statute," Legal Times, February 21, 1985
70. "FDIC Unwise to Announce Enforcement Actions," Legal Times, March 11, 1985
71. "2nd Circuit Expands Powers of National Banks," Legal Times, March 18, 1985
72. "Vigilant Precautions Needed After Bank Secrecy Act Crackdown," American Banker, April 26, 1985
73. "'85 Review: Federal Reserve Keeps Things Calm," Legal Times, February 3, 1986

74. "Leasing Powers Raise Issues for National Banks," by JDH and Melanie Fein, American Banker, November 5, 1987
75. "It's Time for a Policy Change to Let Banks and S&Ls Affiliate," American Banker, January 16, 1987
76. "Should Banks Acquire Healthy Thrifts? The Heat is on the Fed," American Banker, March 2, 1988
77. "Fed Action May Threaten Future of Dual Banking System," American Banker, November 29, 1988
78. Paul A. Volcker and Domestic Bank Regulatory Policy -- Speech at the Annual Meeting of the American Economic Association, 12/28/88 in New York
79. "New Political Lineup May Pose Threat to Fed's Turf," American Banker, March 31, 1989
80. "The Changing Environment for Takeovers," Issues in Bank Regulation, Winter 1989
81. "Fed Needs New Approach to Real Estate," American Banker, August 16, 1989
82. "Bank Acquisitions in 1981: A Review of the Federal Reserve Board's Actions," Banking Expansion Reporter, February 15, 1982
83. "Enforcement Actions Focus on Small Banks, Post Asset Quality," Banking Expansion Reporter, November 1, 1982
84. "When Does the Fed Win and When Does It Lose?," Legal Times, June 17, 1985
85. "Congress Grants New Leasing Powers to National Banks," Equipment Financing Journal, October 1987
86. "A Breath of Life for S&L Insurance," Hall Street Journal, March 2, 1987
87. "Plaudits for Bradfield as Fed's General Counsel," letter to editor, American Banker, August 7, 1987
88. Foreword to Catholic University Law Review Financial Institutions Symposium, Winter 1988
89. "The Shadow Financial Regulatory Committee," Federal Bar Association, Financial Institutions and the Economy Section Report, Winter 1989
90. "Supreme Court's Interstate Banking Decision is Top Event of 1980s," Banking Expansion Reporter, January 15, 1990
91. "Delaware Insurance Case To Test Fed's Position on State Bank Powers," Banking Expansion Reporter, November 5, 1990

92. "The Authority of National Banks To Invest Trust Assets in Bank-Advised Mutual Funds," Annual Review of Banking Law, 1991
93. "Politics, Alas, Still Taint Banking," New York Times, October 13, 1991
94. "Second Circuit Upsets Fed Rule on State Bank Powers Under BHC Act," Banking Policy Report, July 1, 1991
95. "Out With CRA, In With Development Banks," American Banker, January 5, 1993
96. Review of Miller & Macey, Banking Law & Regulation, in Michigan Law Review, May 1993

Books and Other Publications

1. "Commentaries on Banking Regulation," Law & Business, Inc./Harcourt Brace Jovanovich, 1985
2. "Public Policy Toward Bank Expansion," in Aspinwall & Eisenbeis, Handbook for Banking Strategy, John Arley & Sons, 1985
3. "Dealing With CRA Protests: A Manual for Applicants," prepared for The American Bankers Association, June 1987
4. Findings of the Committee of Inquiry Examining the Events Surrounding October 19, 1987, Chicago Mercantile Exchange, Spring 1988 (Preliminary Report, December 1987)
5. Understanding FIRREA: A Practical Guide to Planning and Compliance, Prentice Hall Law & Business, 1989

John D. Hawke, Jr.
 Response to Senate Finance
 Committee Questionnaire
 Exhibit A-12(b)

SHADOW FINANCIAL REGULATORY COMMITTEE

Policy Statements

	<u>Title</u>	<u>Date Adopted</u>
1.	Baker Plan for LDC Lending	February 14, 1986
2.	FDIC Assistance To Save Failing Banks	February 14, 1986
3.	Federal Reserve Junk Bond Ruling	February 14, 1986
4.	Disclosure of Supervisory Actions and Examiners' Ratings	June 9, 1986
5.	Disclosure by Regulated Financial Institutions	June 9, 1986
6.	Proposals for Risk-Related Capital Guidelines	June 9, 1986
7.	Capital Forbearance Policy for Agricultural and Energy Banks	June 9, 1986
8.	Recapitalization of FSLIC and Zombie S&Ls	June 9, 1986
9.	Proposals to Facilitate the Interstate Takeover of Failing Depository Institutions	June 9, 1986
10.	Federal Home Loan Bank Board Proposed Rules on Regulatory Capital and Nationwide Lending by Insured Savings and Loan Associations	August 5, 1986
11.	Federal Regulation of Activities of State Chartered Financial Institutions	November 17, 1986
12.	Conversion of S&Ls from FSLIC to FDIC Insurance Coverage	November 17, 1986
13.	Current Bank Holding Company Applications for Increased Securities Activities	November 17, 1986

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| 14. | Policies Toward Troubled Depository Institutions | November 17, 1986 |
| 15. | Proper Financing of Private Party Securities Fully Guaranteed by the Federal Government | December 1, 1986 |
| 16. | FSLIC Recapitalization | February 9, 1987 |
| 17. | The Federal Reserve Board's "Source-of-Strength" Policy | May 18, 1987 |
| 18. | Regulatory Proposals for Risk-Related Capital Standards (Revised) | May 18, 1987 |
| 19. | Supplementary Statement - Regulatory Proposals for Risk-related Capital Standards | May 18, 1987 |
| 20. | Unnecessary Costs of FSLIC Recapitalization Program | September 14, 1987 |
| 21. | International Debt | November 13, 1987 |
| 22. | FSLIC Handling of Insolvent Thrift Institutions | November 13, 1987 |
| 23. | The Brady Commission and Recent Market Events | November 13, 1987 |
| 24. | The Federal Reserve Board's Proposal on the Acquisition of Healthy Thrift Institutions by Bank Holding Companies | November 13, 1987 |
| 25. | The Moratorium on Bank Securities Activities | February 8, 1988 |
| 26. | Studies of the Stock Market Crash | February 8, 1988 |
| 27. | Disposal of FDIC Equity Interests in Assisted Banks | February 8, 1988 |
| 28. | The Southwest Plan for Ailing Thrift Institutions | February 8, 1988 |
| 29. | Regulatory Proposals for Risk-Related Capital Standards | February 8, 1988 |

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| 30. | Disclosures by Financial Institutions of Financial Assets and Liabilities | February 8, 1988 |
| 31. | FDIC's New Policy on "Whole Bank" Takeovers | May 16, 1988 |
| 32. | Proposed FDIC Policy Statements Encouraging Independent Outside Audits of Banks | May 16, 1988 |
| 33. | Policy Responses to the Stock Market Crash | May 16, 1988 |
| 34. | FSLIC's Handling of Failed Thrifts | May 16, 1988 |
| 35. | The Need to Make FSLIC and FDIC Assistance Deals Accountable | September 25, 1988 |
| 36. | The Need to Estimate the True Economic Condition of the FDIC | December 5, 1988 |
| 37. | Assessing FDIC Premiums Against U.S. Banks' Unsubordinated Debt and Deposits in Foreign Branch Offices | December 5, 1988 |
| 38. | An Outline of A Program for Deposit Insurance Reform (Exposure Draft) | December 5, 1988 |
| 39. | The Administration's Plan to Resolve the Thrift Crisis | February 13, 1989 |
| 40. | Risk-Based Capital and Early Intervention Proposal of Federal Home Loan Bank Board | February 13, 1989 |
| 41. | An Outline of A Program for Deposit Insurance and Regulatory Reform | February 13, 1989 |
| 42. | The On-Budget Status of Expenditures to Resolve Thrift Insolvencies | May 15, 1989 |
| 43. | Financial Institutions Reform Recovery, and Enforcement Act of 1989 | May 15, 1989 |

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| 44. | The Comptroller of the Currency's Proposal for a Minimum Bank Leverage Ratio | September 18, 1989 |
| 45. | Federal Reserve Proposals to Modify the Payments System Risk Reduction Program | September 18, 1989 |
| 46. | Proposals to Modify Loan Loss Reserves for Third World Debt | September 18, 1989 |
| 47. | Congressionally-Mandated Accounting for Junk Bond Sales | September 18, 1989 |
| 48. | The Activities of the Resolution Trust Corporation | December 4, 1989 |
| 49. | Latin America Debt | December 4, 1989 |
| 50. | Federal Reserve Board Proposed Transition - Capital Standards for Member Banks | December 4, 1989 |
| 51. | Proposals to Curb Stock Market Volatility | December 4, 1989 |
| 52. | The FDIC's Proposed Regulation on Purchased Mortgage Servicing Rights | February 26, 1990 |
| 53. | Subsidized Federal Reserve Assistance | February 26, 1990 |
| 54. | The Failure of the Treasury's Study of the Federal Deposit Insurance System to Focus on Identifying and Correcting Defects in Governmental Incentives | February 26, 1990 |
| 55. | RTC Thrift Resolution Policies | May 7, 1990 |
| 56. | The Elimination of Restrictions on Bank Securities Activities and Affiliations | May 7, 1990 |
| 57. | Proposals to Consolidate the SEC and CFTC | May 7, 1990 |
| 58. | Provision of Seller Financing by RTC in Asset Sales | September 24, 1990 |

59.	Condition of the Bank Insurance Fund	September 24, 1990
60.	RTC Property Disposition Policies	September 24, 1990
61.	Limiting taxpayer Loss Exposure in Government-Sponsored Credit Enterprises	September 24, 1990
62.	Congressional Intercession with the Financial Regulatory Agencies	December 10, 1990
63.	National Branching	December 10, 1990
64.	FDIC Ownership of Continental Illinois Stock	December 10, 1990
65.	Treasury's Deposit Insurance Reform Recommendations	February 11, 1991
66.	Proposals to Inject Additional Funds into the Bank Insurance Fund	February 11, 1991
67.	Concerns About the Availability of Bank Credit	February 11, 1991
68.	OTS Proposal for Capital Requirement for Interest Rate Risk	February 11, 1991
69.	Financial Accounting Standards Board's Proposed Statement of Financial Accounting Standards Concerning "Disclosure About Market Value of Financial Instruments"	February 11, 1991
70.	Funding of the BIF and Depository Insurance Reform Proposals	May 20, 1991
71.	Need to Develop a Satisfactory Data Base With Which to Analyze the Economic Condition of Insurance Companies	May 20, 1991
72.	OMB and CEO Statements Calling for More Informative Accounting and Budgeting for Deposit Insurance	September 16, 1991

73.	Additional Comment on Deposit Insurance Reform Legislation	September 16, 1991
74.	Bank of Credit and Commerce International	September 16, 1991
75.	Protecting Taxpayers from Risks of Government Sponsored Enterprises	September 16, 1991
76.	FDIC Improvement Act of 1991	December 16, 1991
77.	Accounting for Taxpayers' Stake in the FDIC's Bank Insurance Fund	December 16, 1991
78.	U.S. Listing Requirements For Foreign Companies	December 16, 1991
79.	Interagency Policy Statement on Commercial Real Estate Loans	December 16, 1991
	PRESS RELEASE for Meeting	February 17, 1992
80.	FDIC's Program for "Hospitalizing Sick Banks"	February 17, 1992
81.	Using Risk-Related Capital Standards to Promote Housing	February 17, 1992
82.	Need to Regulate Interest Rate Risk	February 17, 1992
	PRESS RELEASE announcing new member -- Professor Modigliani	June 1, 1992
83.	The FDIC's Proposed Schedule of Risk-Sensitive Premiums	June 1, 1992
84.	Brokered Deposits and Capital Requirements	June 1, 1992
85.	The TDPOB's Proposed Early Resolusion/Assisted Merger Program	June 1, 1992
86.	SEC Listing Requirements for Foreign Firms	June 1, 1992
87.	Rule Proposed by Bank Regulators to Control Interest Rate Risk	September 14, 1992

88.	Proposed Rule on Interbank Exposure	September 14, 1992
89.	Standards for Safety and Soundness (Implementation of Section 132 of FDICIA)	September 14, 1992
	PRESS RELEASE -- Memorandum to the Press from The Shadow Financial Regulatory Committee	September 14, 1992
90.	An Open Letter to President-Elect Clinton	December 14, 1992
91.	Proposed Changes in the FDIC's Risk-Related Premium System	March 1, 1993
92.	FDIC Action on Critically Undercapitalized Banks	March 1, 1993
93.	Taxpayer Risks in the Pension Benefit Guarantee System	March 1, 1993
94.	The Policy of Authorizing "Minimal Documentation" Loans	May 24, 1993
95.	"Fair Value" Reporting for Insured Depository Institutions Required Under FDICIA	May 24, 1993
96.	Modifying Risk-Based Capital Standards to Account for Interest-Rate Risk	May 24, 1993
97.	FDIC Pilot Reinsurance Program	May 24, 1993
98.	The New Depositor Preference Legislation	September 20, 1993
99.	Proposals to Permit Banks to Branch on an Interstate Basis	September 20, 1993
100.	The Proposed Federal Banking Commission	December 13, 1993
101.	Safety and Soundness Standards	December 13, 1993
102.	Deterioration in the Financial Condition of the Pension Benefit Guarantee Corporation	December 13, 1993

103.	Principles of Regulatory Restructuring	February 14, 1994
104.	Mutual to Stock Conversions of Thrift Institutions	February 14, 1994
105.	Proposed Revisions to Community Reinvestment Regulations	February 14, 1994
106.	Proposed Lengthening of Examination Schedules and Required Independent Audits for Thrift Institutions	May 23, 1994
107.	Federal Displacement of State Laws: Fair Credit Reporting and Interstate Branching	May 23, 1994
108.	Proposed Increases in FHA Insurance Limits	May 23, 1994
109.	Financial Accounting Standard 115	May 23, 1994
110.	Final Rules on Incorporating Concentrations of Credit Risks Into Risk-Based Capital Standards	September 26, 1994
111.	The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994	September 26, 1994
112.	Regulatory Agency Measurement of Bank Capital for Prompt Corrective Action	December 12, 1994
113.	Proposed Community Reinvestment Act Regulations	December 12, 1994
114.	FDIC Insurance Assessments	December 12, 1994
115.	Repeal of the Bank Holding Company Act and Restrictions on Product Diversification for Banking Organizations	December 12, 1994

PREPARED STATEMENT OF STEPHEN G. KELLISON

My name is Stephen G. Kellison and I am currently Vice President and Chief Actuary of the Variable Annuity Life Insurance Company (VALIC) located in Houston, Texas. VALIC is a wholly owned subsidiary of the American General Corporation, and is a leading provider of retirement annuities.

I am honored to be nominated by the President for one of the two positions as Public Trustee for the Social Security and Medicare Trust Funds. It is a distinct privilege for me to appear before your Committee today to discuss my qualifications for this position and to express my strong commitment to fulfill the responsibilities as a Public Trustee to the best of my ability should I be confirmed by the Senate.

The Public Trustees have a unique role in connection with Social Security and Medicare, our nation's largest and most significant social insurance programs. These programs affect the economic well-being of millions of Americans and involve a social contract across generations. The Public Trustees have a responsibility to assume that accurate, objective, and understandable information about the current and future operation and financial condition of these programs is made available to policy makers and ultimately to the American public.

I believe that my broad background and experience in business, academia, professional associations, and consulting will enable me to serve effectively as a Public Trustee. I have had a life-long interest in Social Security issues and have had extensive experience with related employee benefit and insurance programs.

More specifically, I served as Chairman of the Technical Panel of Actuaries and Economists to the 1991 Advisory Council on Social Security which addressed OASDI financing issues. A number of recommendations of this panel have been incorporated into the Trustees Reports in recent years. I also served on two successor panels to the 1991 Advisory Council, the first of which addressed Medicare projections and the second of which addressed the broader issues of the future of income security and health care financing.

In addition, within the actuarial profession I have served on the Board of Governors of the Society of Actuaries and the Board of Directors of the American Academy of Actuaries. I had the valuable experience of serving on the Committee on Social Insurance of the Academy during the period that Robert J. Myers chaired the committee, and had the unique privilege of succeeding him in that position.

The two prior Public Trustees, Stanford Ross and David Walker, established an outstanding record as Public Trustees. If confirmed, I intend to build on the framework and precedents which they established for this position.

I am committed to working together with the other trustees in ensuring the integrity and sound management of the trust funds and in providing objective and reliable information about the financial condition of these programs to the Congress and the American public. We have an important mission to build public confidence that commitments to this and future generations will be met.

I look forward to working with members of this Committee, if confirmed as a Public Trustee, and would be happy to answer any questions that you might have.

**RESPONSES TO 57C QUESTIONNAIRE
U.S. SENATE FINANCE COMMITTEE
STEPHEN G. KELLISON**

A. BIOGRAPHICAL

- 1. Name:** Stephen G. Kellison
- 2. Address:** *Home:* 3103 West Autumn Run Circle
Sugar Land, Texas 77479
(713) 980-9347
- Work:* Variable Annuity Life Insurance Company
2919 Allen Parkway
Houston, Texas 77019
(713) 831-5025
- 3. Date and place of birth:** March 20, 1942 Ord Nebraska
- 4. Marital status:** Married Maureen A. ("Toni") Kellison
Maiden Name: Doherty
Prior Married Name: Gage
- 5. Names and ages of children:** Matthew S. Kellison Age 5
Alexandra M. Kellison Age 4
- 6. Education:** Ord High School
Ord, Nebraska 1960 graduate
- University of Nebraska, Lincoln
1960-1963 A.B.
- University of Nebraska, Lincoln
1966-1967 M.S.
- 7. Employment record:** Actuarial Supervisor
Occidental Life Insurance Company
Los Angeles, California
1963-1965
- Chief Actuary
Lincoln Liberty Life Insurance Company
Lincoln, Nebraska
1965-1966

7. Employment record (continue),

Professor
University of Nebraska-Lincoln
Lincoln, Nebraska
1966-1975

Consulting Actuary
Stennes and Associates
Dallas, Texas
1975-1976

Executive Director
American Academy of Actuaries
Washington, D.C.
1976-1988

Professor
Georgia State University
Atlanta, Georgia
1989-1993

Vice President and Actuary
Harcourt General Insurance Companies
Orlando, Florida
1993-1994

Vice President and Chief Actuary
Variable Annuity Life Insurance Company
Houston, Texas
1994-present

8. Government experience:

University of Nebraska - Lincoln
Employment shown above in question 7 is a
state university - 1966-1975.

Consultant to the Nebraska Insurance Department
and to the Retirement Systems Committee of the Nebraska
Legislature - 1967-1975.

Testimony at legislative and regulatory hearings of
the Federal Government as Executive Director of the
American Academy of Actuaries - 1976-1988.

Georgia State University employment shown above in
question 7 is a state university - 1989-1993.

Chairman, Technical Panel of Actuaries and Economists
to the 1991 Advisory Council of Social Security - 1989-
1991.

8. *Government experience*
(continued) Expert witness in litigation to the U.S. Department of Justice - 1992-1994.
9. *Memberships:* Fellow, Society of Actuaries
Member, American Academy of Actuaries
Enrolled Actuary, ERISA
Member, International Actuarial Association
Member, National Academy of Social Insurance
Member, American Risk and Insurance Association
10. *Political affiliations and activities:* Registered as a Republican in states with party registrations. Some states of residence have not had party registrations.
11. *Honors and Awards:* Phi Beta Kappa
12. *Published writings:* The Theory of Interest, Richard D. Irwin, Inc (First Edition, 1970, Second Edition, 1991)
Fundamentals of Numerical Analysis, Richard D. Irwin, Inc., 1975
"Actuarial Functions as Expected Values" - co-authored with John A. Fibiger, Transactions of the Society of Actuaries (1971)
"The Social Security Technical Panel Report to the 1991 Advisory Council on Social Security" (1990)
Numerous other articles in various actuarial journals and newsletters for which a list has not been maintained.
13. *Speeches* I have not given any formal speeches during the past three years.
14. *Qualifications:* I have had a strong interest in Social Security and Medicare issues for many years. My parents were participants in these programs during their retirement years. As a member of the actuarial profession, I have had fairly frequent contacts with actuaries employed in the Office of the Actuary for the Social Security Administration and the Health Care Financing Administration. I was elected to be a member of the National Academy of Social Insurance and have attended several of their conferences.

14. Qualifications (continued)

In 1989-1991 I served as the Chairman of the Technical Panel of Actuaries and Economists to the 1991 Advisory Council on Social Security which addressed OASDI financing issues. I also served on two successor panels, the first of which addressed Medicare projections specifically and the second of which addressed the broader issues of the Future of Income Security and Health Care Financing. Reports of all three of these panels were published by the 1991 Advisory Council on Social Security.

I have also been active on Social Security issues within the actuarial profession. I served on the Committee on Social Insurance of the American Academy of Actuaries from 1988-1993, the last three years as Chairman. In 1991 I made two presentations at actuarial meetings on the reports of the panels to the 1991 Advisory Council on Social Security described above.

C. FUTURE EMPLOYMENT RELATIONS

1. *Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?*

No. Service as a Public Trustee does not involve a change of employment.

2. *Do you have any plans after completing Government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?*

Yes. I plan to continue being a full-time employee of my current employer, the Variable Annuity Life Insurance Company.

3. *Has anyone made a commitment to employ your services in any capacity after you leave government service?*

Yes. My current employer has indicated an intention to continue my employment during and after my service as a Public Trustee.

4. *If confirmed, will you serve your full term of office?*

Yes.

D. POTENTIAL CONFLICTS OF INTEREST:

1. *Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers.*

As disclosed above in Section C, I will continue full-time employment with the Variable Annuity Life Insurance Company during service as a Public Trustee. As such an employee, I do participate in the employee benefit plans offered by the American General Corporation. In addition, I have vested interests in retirement plans provided by prior employers. There are no other ongoing financial arrangements in which I am involved.

2. *Indicate all investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.*

None. The Public Trustees do not have the authority to commit resources of the Federal Government. All investments in the OASI, DI, HI, and SMI Trust Funds are in Treasury securities and would not constitute any conflict of interest with my personal finances.

3. *Describe any business relationships, dealing or financial transaction which you have had during the last ten years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.*

None. My current employer is a provider of retirement annuity contracts both to employers and individuals. In my judgment this does not constitute a conflict of interest in serving as a Public Trustee.

4. *Describe any activity during the past ten years in which you have engaged for the purpose of directly or indirectly influencing or affecting the administration and execution of law or public policy.*

During the period in which I was Executive Director of the American Academy of Actuaries in Washington, D.C., 1976-1988, I testified before Congressional committees on occasion. The testimony typically provided an actuarial perspective on pending legislation.

5. *Explain how you will resolve any potential conflict of interest including any that may be disclosed by your responses to the above items.*

Full disclosure will be provided to the Committee or other responsible individuals on any matters identified which may raise potential conflict of interest issues.

6. *Written opinions should be provided directly to the Committee by the General Counsel for the Agency for which you have been nominated and by the Director, Office of Government Ethics, Office of Personnel Management concerning potential conflicts of interest or any other legal barriers to your serving in this position.*

I have never seen any such written opinions, nor am I aware of whether or not such written opinions have been provided to the Committee.

E. TESTIFYING BEFORE CONGRESS:

1. *Are you willing to appear and testify before any duly constituted committee of the congress on such occasions as you may be reasonably requested to do so?*

Yes.

2. *Are you willing to provide such information as is requested by such committee?*

Yes.

F. OTHER:

1. *Provide the full details of any civil or criminal proceedings in which you were a defendant or any inquiry or investigation by the Federal, State, or local agency in which you were the subject of the inquiry or investigation?*

None.

2. *Give the full details of any proceeding, inquiry or investigations in which you were the subject of the proceeding, inquiry or investigation.*

None.

3. *Have you every been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?*

None.

4. *Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.*

None.

Stephen J. Killian
Signature

May 17, 1995
Date

PREPARED STATEMENT OF MARILYN MOON

Mr. Chairman. I was very honored to be nominated by the President for one of the two positions as a public trustee of the Social Security and Medicare trust funds. I appreciate your consideration of my nomination for this position. The opportunity to provide public service in such an important area is the reason I appear before you today.

I am currently a Senior Fellow at the Urban-Institute in Washington D.C. where I do research mainly on health issues, with a particular emphasis on Medicare. I began my career and received tenure in the Department of Economics at the University of Wisconsin-Milwaukee. I came to Washington in 1981 and I have worked at the Congressional Budget Office, at the Public Policy Institute of the American Association of Retired Persons, and as a consultant to the U.S. Bipartisan Commission on Comprehensive Health Care (the Pepper Commission). I also write an occasional column on health care coverage issues for the Washington Post.

I am an economist by training and most of my research has centered on issues of aging, income, and health. I have written extensively on these issues in various books and articles. A common theme of most of this research has been to examine the impact of public programs on the well-being of older Americans. Consequently, I have developed a deep respect and support for the Social Security and Medicare programs we have in the United States.

And while I have my own personal views about changes that will be necessary in these programs over time, my role as a public trustee would not focus on these issues but rather on the long term status of the trust funds. I believe that the appropriate role for a trustee is to serve as the public's representative to assure that the projections contained in the report are as honest and clear as possible.

The challenges facing these programs in the future will require a candid and serious debate concerning how to protect these programs. To have such a debate, all sides in such a debate need to have reliable data concerning the financial status of the trust funds. This role as a public trustee is a serious one, requiring that the public trustees carefully restrict their role to informing the Congress and the public about the status of the trust funds. I applaud the careful efforts of the previous trustees who acted together to serve as honest brokers and I hope that Stephen Kellison and I can do the same.

A second critical role for the public trustees is to help educate Americans concerning the status of the trust funds over the long term. The previous public trustees made important advances, and I hope Stephen Kellison and I continue to advance in this positive direction.

If confirmed, I will do my best to achieve these goals as a means for supporting the future of Social Security and Medicare.

**SENATE FINANCE COMMITTEE
OUTLINE OF INFORMATION REQUESTED OF NOMINEES**

A. BIOGRAPHICAL

1. Name: Marilyn Moon
2. Address 4817 Drummond Ave.
Chevy Chase, Maryland 20815
- The Urban Institute
2100 M St. NW
Washington, D.C. 20037
3. Date and place of birth: July 7, 1947
El Dorado, Kansas
4. Marital status Married to Douglas Gomery
5. Names and ages of child. --
6. Education: Colorado College, 1965-1969, B.A. 1969
University of Wisconsin-Madison, 1969-1974
M.S. 1972 and Ph.D. 1974
7. Employment Record Senior Fellow, The Urban Institute, Washington D.C.,
1994 to present;
- Senior Research Associate, The Urban Institute, 1989
to 1994;
- Consultant, the Pepper Commission, Washington D.C.,
1989;
- Director, Public Policy Institute, American Association
of Retired Persons, Washington, D.C., 1986 to 1989;
- Senior Research Associate, Health Policy Center, The
Urban Institute, 1983 to 1986;
- Senior Analyst, Human Resources and Community
Development Division, Congressional Budget Office,
Washington, D.C., 1981 to 1983;
- Associate Professor of Economics, University of

Wisconsin-Milwaukee, and Director, Social Science Research Facility, University of Wisconsin-Milwaukee, 1980 to 1981;

Assistant Professor of Economics, University of Wisconsin-Milwaukee, 1974 to 1980;

Research Associate, Institute for Research on Poverty, University of Wisconsin, Madison, 1973 to 1974.

8. Government Experience:

Senior Analyst, Congressional Budget Office

Consultant to The Pepper Commission

Chaired long term care committee as a volunteer for Clinton/Gore health transition team

9. Memberships

National Academy of Social Insurance, Board of Trustees

National Academy of Aging, Steering Committee

Association of Public Policy and Management, Policy Council member

Economics of Aging Interest Group, Gerontological Society of America, President (in the past)

American Economic Association

Bethesda Chevy Chase YMCA

10. Political affiliations:

1994: Member of Emily's List and contributed \$200 to various candidates endorsed by Emily's List; contributed \$75 to Democratic National Committee

1993: Member of Emily's List

1992: Contributed to Democratic National Committee (\$105); Democratic Senatorial Campaign Comm. (\$75) and to the Clinton campaign (\$100). Donated time to Clinton Campaign as informal advisor on a health care group in Washington D.C. Wrote

materials on aging issues for Clinton campaign.

1988: Wrote campaign briefing materials on aging issues for Dukakis campaign and contributed to Dukakis campaign (\$100).

11. Honors and awards:

Richard T. Ely Dissertation Award, 1974

Ford Foundation Graduate Fellowships, 1971-1973

Undergraduate: Kaye Prize in Economics
Phi Beta Kappa
Summa Cum Laude

12. Published Writings:

Books

Medicare Now and in the Future, Washington: The Urban Institute Press, 1993.

Balancing Access, Costs and Politics: The American Context for Health System Reform (with John Holahan, Pete Welch and Stephen Zuckerman), Washington, The Urban Institute Press, 1991.

Changing America's Health Care System: Proposals for Legislative Action (edited with Shelah Leader), Glenview, Illinois: Scott, Foresman and Company, 1989.

Economic Transfers in the United States, Vol. 49, NBER Income and Wealth Conference Series (editor), Chicago: University of Chicago Press, 1984.

Improving Measures of Economic Well-Being (edited with Eugene Smolensky), New York: Academic Press, 1977.

The Measurement of Economic Welfare: Its Application to the Aged, New York: Academic Press, 1977.

Articles

"Health Care Reform and You, The Patients' Advocate," and now "Health Care Coverage," The Washington Post, weekly in the Health Section October 1993 to October 1994 and now on an occasional basis.

"Lessons from Medicare," The Gerontologist Vol. 34 (October 1994), pp. 606 - 611.

"Medicare: Challenges and Future Directions in a Changing Health Care Environment," (with Laurence Rubenstein, Theodore Marmor, Robyn Stone, and Linda Harootyan), The Gerontologist Vol. 34 (October 1994), pp. 620 - 627.

"The Role of Medicare in Reform." in Critical Issues in U.S. Health Reform, ed. by Eli Ginzberg. Boulder, Colorado: Westview Press, 1994.

"Women and Long Term Care," in The American Woman, 1993-94. New York: W.W. Norton and Company, 1994.

"Medicare and Health Care Reform." Journal of Aging and Social Policy, Vol. 6 (Numbers 1,2 1994), pp. 27 - 42.

"The Needy or the Greedy," (with Patricia Ruggles), in Economic Security and Intergenerational Justice: A Look at North America, edited by Theodore Marmor, Timothy Smeeding, Vernon Greene. Washington: Urban Institute Press, 1994.

"The Prospects for Health Care Reform in the U.S." Limits to Care: Reforming Canada's Health System in an Age of Restraint. Toronto, Canada: McGraw-Hill Ryerson Limited, Canada, 1994.

"Health Care Policy: The Impact of Reform on Medicare." Journal of Medical Practice Management. Volume 9 (March/April 1994), pp. 209 - 213.

"Seeing Health's Future: Predictions about the Outcome of Health Care Reform." Home Care, August 1993.

"Long-Term Care Reform and the Role of Housing Finance: Comment." Housing Policy Debate 4 (1993), pp. 539 - 550.

"Who Bears the Burden: The Distribution of Costs and Benefits" in The Future of Children, Vol. 3, Summer/Fall, 1993, pp. 164-183.

"Overview: Setting the Context for Reform" in The Future of Children, Vol. 3, Summer/Fall, 1993, pp. 23-36.

"Paying for Children's Medical Care: Is the Medicare Experience Helpful?" (with Paul Ginsburg and Donald Young) in The Future of Children, Vol. 3, Summer/Fall, 1993, pp. 77-91.

"Imposing Limits or Changing Attitudes: Strategies for Change," in Facing Limits: Ethics and Health Care for the Elderly, edited by Gerald Winslow and James Walters. Boulder: Westview Press, 1993.

"What Should be the Role of States in Health Care Reform?" (with John Holahan), Journal of the American Medical Association, Vol. 268, September 23/30, 1992, pp. 1588 - 1594.

"Controlling the Growth in Health Care Costs," Tennessee's Business, Vol 3 no. 2, 1992, pp. 15 - 20.

"International Infant Mortality Rankings: A Look Behind the Numbers," (with Korbin Liu, Margaret Sulvetta, and Juhi Chawla), Health Care Financing Review, Vol 13, Summer 1992, pp. 105 - 118.

"Medicare's Future: Increasing Pressure for Radical Reform," The Internist, March 1991, pp. 14-16.

"An American Approach to Health System Reform," (with John Holahan, Pete Welch and Stephen Zuckerman), Journal of the American Medical Association, Vol. 265, May 25, 1991, pp. 2537-2540.

"Economic Issues Affecting Access to Care for Adolescents," in The Health of Adolescents, ed. by William Hendece, American Medical Association. San Francisco: Jossey-Bass, 1991.

"Limiting Favored Tax Treatment for Employee Health Insurance," in A Call for Action. Supplement to the Final Report, The Pepper Commission, U.S.G.P.O., September 1990.

"Adding a Long Term Care Option to Medicare," in A Call for Action. Supplement to the Final Report, The Pepper Commission, U.S.G.P.O., September 1990.

"The Rise and Fall of the Medicare Catastrophic Coverage Act," National Tax Journal, Vol. 63, September 1990, pp. 371-381.

"Consumer Issues and the Elderly," The Journal of Consumer Affairs, Vol. 24, Winter 1990, pp. 235-244.

"Public Policies: Are they Gender Neutral?" Generations, Vol. 14, Summer 1990, pp. 59-63.

"Financing Long Term Care," Bulletin of the New York Academy of Medicine, Vol. 37, December 1989, pp. 1165-1170.

"Taking the Plunge: The Arguments for A Comprehensive Approach to Long Term Care," Journal of the American Geriatrics Society, Volume 37, December 1989, pp. 1165-1170.

"Can the Elderly Really Afford Long Term Care?" (with Tim Smeeding) in The Care of Tomorrow's Elderly, Marion Lewin and Sean Sullivan, eds., American Enterprise Institute, University Press of America, 1989.

"Options for Extending Work Life," (with Judith Hushbeck), Generations, Spring, 1989, pp. 27-30.

"Health Care Spending on Children and the Elderly," (with Jack Meyer) in The Vulnerable, John Palmer, Timothy Smeeding and Barbara Torrey, eds., The Urban Institute Press, 1988.

"Medicare Trends in Ambulatory Surgery," (with Shelah Leader), Health Affairs, Spring 1989, pp. 158-170.

"The Economic Situation of Older Americans: Emerging Wealth and Continuing Hardship," in Annual Review of Gerontology and Geriatrics, Volume 8, 1988, pp. 102-131.

"Increases in Beneficiary Burdens: Direct and Indirect Effects," in Lessons from the First Twenty Years of Medicare, Mark Pauly and William Kissick, eds., University of Pennsylvania Press, 1988.

"The Elderly's Access to Health Care Services: the Crude and Subtle Impacts of Medicare Changes" Social Justice Research, Vol. 1, 1987, pp. 361-375.

"Medicare Reform: Nibbling at Catastrophic Costs," (with Judith Feder and William Scanlon), Health Affairs, Winter 1987, pp. 5-19.

"Establishing Absolute Fee Levels: Distributional and Incentive Effects" in Medicare Physician Payment Reform: Issues and Options, John Holahan and Lynn Etheredge, eds., Washington, Urban Institute Press, 1986.

"Impact of the Reagan Years on the Distribution of Income of the Elderly," The Gerontologist, Vol. 26, February 1986, pp. 32-37.

"The Impact of Recent Legislative Changes in Benefit Programs for the Elderly" (with Patricia Ruggles), The Gerontologist, Vol. 25, April 1985, pp. 153-160.

"Family Incomes" (with Isabel Sawhill) in The Reagan Record, John Palmer and Isabel Sawhill, eds., Cambridge, Massachusetts, Ballinger Publishing Company, 1984.

"Are We Better Off in 1984?" (with Richard Michel, Frank Levy and Isabel Sawhill), Challenge, Vol. 27, September/October 1984, pp. 10-17.

"An Introduction to the Medicare Financing Problem" (with Paul Ginsburg), Milbank Memorial Fund Quarterly, Vol. 52, 1984, pp. 167-182.

Changing the Structure of Medicare Benefits: Issues and Options, Congressional Budget Office, March 1983.

"The Role of the Family in Economic Well-Being of the Elderly," The Gerontologist, Vol. 23, February 1983, pp. 45-50.

"Income Security," in Reducing the Federal Deficit: Strategies and Options, Congressional Budget Office, February 1982.

"Measuring Economic Status: Current Contributions and Future Directions", Economic Perspectives, Vol. 2, 1981, pp. 131-153.

"Provisions of Many Public Programs Discourage Family Support of the Elderly," Generations, Vol. 5, October 1980, pp. 14, 15, 39.

"Medical Care Transfers, Poverty and the Aged," (with Timothy Smeeding), Journal of Health Politics, Policy and Law, Vol. 6, Spring 1981, pp. 29-39.

"Valuing Government Expenditures: The Case of Medical Care Transfers and Poverty," (with Timothy Smeeding), Review of Income and Wealth, Vol. 26, December 1980, pp. 305-323.

"Occupational Attainment and Segregation by Sex," (with Randall Brown and Barbara Zoloth), Industrial and Labor Relations Review, Vol. 33, July 1980, pp. 506-517.

"Public Policy and Private Transfers to the Elderly," Social Welfare Forum, 1979, New York, Columbia University Press, 1980.

"Incorporating Occupational Attainment in Studies of Male-Female Earnings Differentials," (with Randall Brown and Barbara Zoloth), Journal of Human Resources, Vol. 15, Winter 1980, pp. 1-28.

"Supplemental Security Income, Asset Tests and Equity," Policy Analysis, Vol. 6, Winter 1980, pp. 1-20.

"The Incidence of Poverty Among the Aged," Journal of Human Resources, Vol. 14, Spring 1979, pp. 211-221.

"The Treatment of Assets in Cash Benefit Programs for the Aged and Disabled," in The Treatment of Assets and Income from Assets in Income-Conditioned Programs, prepared by the Institute for Research on Poverty, Madison, Wisconsin, and the Federal

Council on the Aging, Washington, D.C.: Government Printing Office, 1977.

"The Economic Welfare of the Aged and Income Security Programs," Review of Income and Wealth, Vol. 22, September 1976, pp. 253-269.

Testimony

"The Role of Private Long Term Care Insurance." Testimony before the Senate Aging Committee, May 11, 1995.

"The Growth of Health Entitlements and the Federal Budget." Testimony before Subcommittee on Health and Environment, Committee on Commerce, March 28, 1995.

Testimony to the 1994-95 Advisory Council on Social Security, (With Janemarie Mulvey), Washington, March 8, 1995.

"Health Care Spending and the Federal Budget," testimony presented to Senate Budget Committee, February 1, 1995.

"Taxation of Social Security Benefits" Hearing before Ways and Means Committee, January 19, 1995.

"The Importance of a National Health Care Data Base," Testimony at hearing sponsored by the Departments of Health and Human Services and Education, December 8, 1994.

"The Impact of Alternative Investments for the Social Security Trust Fund," Testimony before the Subcommittee on Social Security, Committee on Ways and Means, U.S. House of Representatives, October 4, 1994.

"The Impact of H.R. 3222," Testimony presented before the Committee on Education and Labor, U.S. House of Representatives, March 3, 1994.

"Health Care Reform Tradeoffs," Testimony presented before the Committee on Education and Labor, U.S. House of Representatives, February 7, 1994.

"Health Care Burdens on American Families." Testimony presented before the Joint Economic Committee, U.S. Congress, September 15, 1993.

"An Overview of Long Term Care," Testimony to the Senate Committee on Finance, May 13, 1992.

"Expanding Medicare Coverage to the Near Elderly," Testimony to the Health Subcommittee, Committee on Ways and Means, March 19, 1991.

"The Adequacy of Retirement Programs in the U.S." Testimony before the House Budget Committee, U.S. House of Representatives, July 10, 1991.

"Changes in the Distribution of Income and Poverty of Black Families 1980-84," Testimony before the Select Committee on Hunger, U.S. House of Representatives, September 26, 1985.

"Changes in the Distribution of Income and Their Causes, 1980-84," Testimony presented before the Subcommittee on Oversight and the Subcommittee on Public Assistance and Unemployment Compensation of the Committee on Ways and Means, September 20, 1983.

"Medicare: Future Problems and Options for Change," Testimony presented before the Special Committee on Aging, U.S. Senate, April 20, 1984. Printed in Medicare: Present Problems-Future Options, USGPO 1984.

Other Publications

"Medicare Subacute Care Services and Enrollee Characteristics," (with Genevieve Kenney), Urban Institute Discussion Paper, January 1995.

"Options for Reformulating the Federal Medical Assistance Percentage Formula," (with David Liska), Urban Institute Discussion Paper, January 1995.

"The Impact of the Clinton Long Term Care Proposal," Prepared for the Kaiser Commission on the Future of Medicaid, February, 1994.

"Review of The Future of Health Policy." Journal of Economic Behavior and Organization. forthcoming.

"Economic Status Variables and the HRS" (with F. Thomas Juster and Chad Abrams), paper for Conference on Health and Retirement Survey, Ann Arbor, September 1993, revised January 1994.

"Examining the Impact of Health Care Reform Proposals." Urban Institute Working paper, October 1993, Revised December 1993.

"Incorporating Health Issues in the Measurement of Poverty," paper for the National Academy of Sciences study panel on poverty, July 1993.

"Supply Changes in Medicare Home Health Care." (with Genevieve Kenney), Urban Institute Working Paper, July 1993.

Review of Work and Family: Policies for a Changing Work Force. Journal of Economic Literature, forthcoming.

"Hospital Uncompensated Care Burdens: National Trends and the Impact of the Medicaid Expansions." (with Lisa Dubay and Stephen Norton), Urban Institute Working Paper, June 1993.

"Asset Limits and Medicaid," Urban Institute Working Paper, April 1993.

"Tax Options for Funding Health Care Reform," Urban Institute Working Paper, February 1993.

"Options for Reforming the Medicaid Matching Formula," (with Linda Blumberg and John Holahan), Urban Institute Working Paper, January 1993.

"Financing Options: Who Will Pay?" Health Care Reform in the States, Occasional paper series, American Association of Retired Persons, August 1992.

"Increasing Burdens of Health Care Spending on the Elderly," Urban Institute Working Paper 6132-02, March 1992.

"The Distribution of Physician New Patient Visit Codes by Carrier and Specialty," (with Marcia Wade), Urban Institute Working Paper 6091-01, April 1991.

"Measures of Health Care Spending and the Elderly," Urban Institute Project Report 6132-01, March 1991.

Book Review of The Economics of Aging, The Journal of Economic Literature, forthcoming.

"Applying PACs to Medicare: A Comparison of Outpatient Settings in New York and the Rest of the U.S.," with Margaret Sulvetta and Mark Miller, Urban Institute Working Paper 3855-01, March 1990.

Preserving Independence, Supporting Needs: The Role of Board and Care Homes, edited with George Gaberlavage and Sandra Newman, American Association of Retired Persons, 1989.

"Comment on 'The Wealth of the Aged and Nonaged, 1984,'" in The Measurement of Saving, Investment, and Wealth, Robert Lipsey and Helen Tice, eds., The University of Chicago Press, 1989.

"Dispelling the Myth of the 'Undeserving Rich'" (with Kathleen Scholl), AARP Policy Paper, October 1988.

"Commentary on 'Medicare Part B: Rising Assignment Rates, Rising Costs'" Inquiry, Vol. 24, Winter, 1987, pp. 358-359.

"Economic Issues Facing a Growing Population of Older Women," AARP Issue Brief, Spring, 1987.

"Uncompensated Care and the Uninsured Poor" (Review Essay), Journal of Health Politics, Policy and Law, Vol. 12, Spring 1987, pp. 177-179.

"A Research Agenda for Evaluating the Impact of PPS and Long-Term Care," Project Report, The Urban Institute, February 1986.

Book Review of Inflation and the Economic Well-Being of the Elderly in Journal of Economic Literature, Vol. 23, December 1985, pp. 1828-1829.

"The Policy Implications of the Impact of PPS on Long-Term Care," Urban Institute Discussion Paper, November 1985.

"Measuring Changes in Economic Well-Being, 1980-84," Urban Institute Changing Domestic Priorities Discussion Paper, July 1985.

"Analysis of Data Bases for Studying the Impact of PPS on Long Term Care," Project Report, The Urban Institute, July 1985.

"Evaluability Assessment of the Medicare Prospective Payment System on Long-Term Care, Task 1 Report," Project Report, The Urban Institute, February 1985.

"Poverty Among Elderly Women and Minorities," Urban Institute Changing Domestic Priorities Discussion Paper, February 1983.

Book Review of A Challenge to Social Security: The Changing Roles of Men and Women in American Society in Journal of Gerontology, Vol. 38, September 1983, pp. 629-630.

"Scaling Medicare Benefits to Income," Special Study, Congressional Budget Office, May 1983.

"Private Capacity to Finance Long-Term Care," Urban Institute Working Paper, (revised) March 1983.

"Cumulative Effects of Benefit Reductions Proposed in the Administration's 1983 Budget on Selected Elderly Households," Special Study, Congressional Budget Office, June 21, 1982.

"Intrafamily Transfers and the Elderly," Final Report for Administration on Aging, Grant no. 90-AR-2113, March 1981.

"Intergenerational Transfers and Public Policy," Final Report for National Institute on Aging, Grant no. AG1323-02, Spring 1981.

"Taxation and Treatment of Income: Comments on Social Welfare Programs," in Unlocking Home Equity for the Elderly, ed. by Ken Scholen and Yung Ping Chen; Ballinger, 1980.

"Determining Alternative Poverty Indicators for the Aged," Final Report for Administration on Aging, Pursuant to Grant no. 90-A-354/01, Fall 1976.

Book review of The Urban Elderly Poor in Journal of Human Resources, Vol. 10, Summer 1975, pp. 409-410.

13. Speeches

[Note: many speeches I have given have not had formal text; I am including copies of all recent testimony which is listed above and some selected articles that served as the basis for the talking points for speeches I have given.]

"Entitlements," meeting of the Freedom Forum (which offers briefings to small groups of media reporters), Rosslyn, March 15, 1995.

"Lessons from Medicare's History" Hill Briefing sponsored by Alliance for Health Reform, Washington, February 3, 1995.

"The Future of Long Term Care" Miniconference for the White House Conference on Aging, sponsored by Partners in Caregiving, Washington, February 17, 1995.

"Prospects for Federal Health Legislation," Radio and Television News Directors Foundation, roundtable, Washington, February 22, 1995.

"Medicaid," meeting of state commissioners of social welfare, sponsored by American Public Welfare Assn., Washington, February 25, 1995.

"Women and Long Term Care," Capitol Hill Briefing sponsored by Women's Research and Education Institute, November 1994.

"The Rhetoric and the Reality in Health Care Reform Legislation," Lourie Lecture, Syracuse University, October 21, 1994.

- "Lessons from the Health Care Reform Debate,"** Washington Campus Seminar, Washington, September 23, 1994.
- "Health Care in the Year 2000"** Alliance for Health Care Reform Forum for U.S. Congress, Washington, August 1994.
- "Medicare and Medicaid,"** Briefing to the Staff of the Entitlements Commission, U.S. Congress, Washington, June 27, 1994.
- "Health Care Reform Approaches,"** Philanthropy Roundtable, Pittsburg, Pennsylvania, April 8, 1994.
- "Health Care and the Federal Budget,"** Briefing sponsored by the Congressional Quarterly, Rosslyn, February 24, 1994.
- "Understanding the Health Care Reform Debate,"** Briefing for Journalists sponsored by the Knight Center, University of Maryland, February 14, 1994.
- "Alternative Strategies for Improving the Long Term Care System,"** Panel discussion, Fannie Mae conference, Miami, Florida, January 14, 1994.
- "Health Reform: A Basic Overview,"** Seminar for Journalists and Congressional Staff, Henry Kaiser Family Foundation and Alliance for Health Reform, Washington, October 22, 1993.
- "Health Reform 1994: The Personal Impact,"** Regional Seminar for Journalists, Kaiser Family Foundation, Atlanta, October 25, 1993.
- "Health Care Reform and Long Term Care,"** American Society of Consultant Pharmacists, October 5, 1993, Washington.
- "A Preliminary Look at the Clinton Health Care Plan,"** Congressional Research Service briefing for Congressional Staff, September 29, 1993, Washington.
- "Economic Status Variables and the HRS,"** Presented at Conference on Health and Retirement Survey, Ann Arbor, Michigan, September 1993.
- "The Health Industry: Politics Benefits and Costs,"** Washington Campus symposium, September 9, 1993, Washington.
- "Price Controls and Health Care Reform,"** Congressional Research Service Members Breakfast Briefing, Washington, April 21, 1993.

"How Do We Pay for Health Care Reform?" Alliance for Health Reform, Congressional briefing, April 16, 1993, Washington.

"Approaches to Cost Containment for Health Care Reform." University of Maryland seminar for journalists, March 29, 1993.

"Health Care Reform." Spring Lecture Series, Maxwell School of Syracuse University, March 24, 1993, Syracuse, New York.

"Prospects for Health Care Reform." National Futures Symposium, sponsored by Mercy Health System and Sister of Charity Health Care System, Cincinnati, February 11, 1993.

"Health Care Reform and Its Impact on Children and the States." Pennsylvania Conference on Securing a Medical Home for Every Child, sponsored by Pennsylvania Partnerships for Children, Harrisburg, February 4, 1993.

"Targeting Within Universal Programs." National Academy of Social Insurance Conference on Social Welfare Policy at the Crossroads, Washington, January 29, 1993.

"Employer-Based Program." Congressional Briefing on Options for Health Care Reform, sponsored by The Fund for Health Security, January 26, 1993.

"Long Term Care: Intrinsic Part or Add On?" Congressional Staff Retreat on Health Care Reform, sponsored by Alliance for Health Reform and The Catholic Health Association of the U.S., Annapolis, January 8, 1993.

"Prospects for Health Care Reform in the Clinton Administration." WEFA Conference on U.S. Economic Outlook, Washington, November 18, 1992.

"Health Care Reform Options." American Association of Medical Colleges, Quebec City, August 2, 1992.

"Financing Health Care Reform." New York State Office on Aging Conference, Albany, May 4, 1992.

"The Cost of an Older America." University of Missouri, St. Louis, May 7, 1992.

14. Qualifications

For most of my professional career, I have had a strong interest in Social Security and Medicare, particularly with regard to their impacts on beneficiaries. Consequently, I have followed closely the policy issues associated with these entitlements and am aware of the trust fund issues that will arise in the next few years. As a supporter of the

principle of social insurance, I believe strongly in the need to maintain the financial integrity of these programs. I would view my role to be a participant as an informed citizen in the oversight of the trust funds to ensure that the annual reports fairly present the financial situation and where necessary alert the Congress to upcoming problems with the funds. My background with these programs would allow me to participate knowledgeably in the important discussions that will take place in the coming years.

C. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Since this is not a paid position with the government, I will retain my position as a Senior Fellow at the Urban Institute. As a nonprofit research organization, the Institute does not pose a conflict of interest.

2. Do you have any plans after completing Government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

Not Applicable

3. Has anyone made a commitment to employ your services in any capacity after you leave government service?

No.

4. If confirmed, will you serve your full term of office?

Yes.

D. POTENTIAL CONFLICTS OF INTEREST:

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers.

I am covered by TIAA-CREF through the Urban Institute and am vested (on a very small scale for four years of service in a defined contribution plan) in the AARP pension plan. I have occasionally done consulting work for AARP, reviewing materials or providing basic research.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None that I am aware of.

3. Describe any business relationship, dealing or financial transaction which you have had during the last ten years, whether for yourself, on behalf of a client or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

Since I do research on Social Security and Medicare, it is possible that such activity might be viewed as a conflict of interest. For example, some of my research has been with the Health Care Financing Administration, but not as a direct consultant; the contracts run through the Urban Institute and when I inquired about this, I was told it would not be a problem. And since I would be serving as a private position in an unpaid capacity, I do not believe that there should be any appearance of conflict.

4. Describe any activity during the past ten years in which you have engaged for the purpose of directly or indirectly influencing or affecting the administration and execution of law or public policy.

My research and writings often involve recommendations for public policy, but that impact would be very indirect. My work on the 1992 presidential campaign and transition team did involve making some more direct policy options for consideration. At AARP, I was the first director of the Public Policy Institute. I was not directly involved in any lobbying activities; rather I supervised research that would be useful to the Board of AARP in their consideration of policy options.

5. Explain how you will resolve any potential conflict of interest including any that may be disclosed by your responses to the above items.

I would be careful to refrain from remarks in my position as public trustee that could be construed as promoting my self-interest. And in speaking as a trustee I would be careful to observe the bounds placed on that position of presenting factual information regarding the trust funds. This would likely mean that I would choose with some care what forums to speak in and what subjects to address. I would not undertake activities or investments that would constitute conflicts of interest while a trustee.

6. Written opinions should be provided directly to the Committee by the General Counsel of the Agency to which you have been nominated and by the Director, Office of Government Ethics, Office of Personnel Management concerning potential conflicts of interest or any other legal barriers to your serving in this position.

E. TESTIFYING BEFORE CONGRESS

1. Are you willing to appear and testify before any duly constituted committee of the congress on such occasions as you may be reasonably requested to do so?

Yes.

PREPARED STATEMENT OF HON. DON NICKLES

Mr. Chairman, I am pleased to introduce to the Finance Committee Ms. Linda Lee Robertson from Tulsa, Oklahoma. Ms. Robertson has been nominated by the President to serve at the Department of the Treasury as Assistant Secretary for Legislative Affairs. She is currently serving as the Deputy Assistant Secretary for Legislative Affairs.

Ms. Robertson has a distinguished academic and professional career which has prepared her well for this position. After graduating as valedictorian from high school in Sand Springs, Oklahoma, Ms. Robertson obtained her undergraduate degree from the University of Southern Illinois and her Juris Doctorate from the University of Tulsa. She also obtained her Master of Laws in Taxation at the Georgetown University Law Center while working for former Oklahoma Congressman and current U.S. Ambassador to Mexico, Jim Jones.

In addition to serving Oklahomans on Congressman Jones' staff, Ms. Robertson has worked as a lawyer in private practice in the District of Columbia and for the last two years as a Treasury Department official. She has also been an active member of several professional and service organizations.

Mr. Chairman, I am pleased to recommend that the Committee approve Linda Lee Robertson's nomination. Her education and experience will make her a valuable asset to the administration and congressional officials with whom she will be working.

 PREPARED STATEMENT OF LINDA L. ROBERTSON

Mr. Chairman, Senator Moynihan, and Members of the Committee, I appreciate the opportunity to appear before you today and for your willingness to schedule this hearing so quickly. In no small measure, Lindy Paull and Lawrence O'Donnell also deserve special thanks.

Having spent my entire professional career working in some fashion with the tax-writing committees, I am deeply honored that my nomination is before the Committee on Finance. Although Oklahoma is my home, the two tax committees are a close second. While I am on the subject of Oklahoma, I am fortunate to be joined here today by my mother Joann Robertson and I want to thank Senator Nickles for his kind statement.

I am most grateful to President Clinton for nominating me and to Secretary Rubin for selecting me. Two years ago when I had the honor of joining this Administration, I thought I had a very good knowledge of the Treasury Department. I was wrong. I knew we had significant responsibility in tax, budget, trade, and entitlement matters, and, indeed, in almost all economic issues. What I did not fully appreciate is Treasury's enormous role in federal law enforcement, financial institution policy, and international assistance programs, among other important tasks.

As Deputy Assistant Secretary, I have been fortunate to be able to learn something of these issues. In addition, it is from this position at Treasury that I have come to recognize that the Assistant Secretary's primary purpose is to ensure that your views are both known and fully considered by the Department and the Administration. At the same time, it is equally incumbent that you know and understand Treasury's views in a timely fashion. This responsibility is made easier as Secretary Rubin shares the same dedication to Congress. I only have to recall the very wise words of his nomination statement to draw such comfort. He said, "I am a pragmatic, and I believe that differences can usually be resolved, not always but usually, by being straight-forward and focussing on substance."

With this guidepost, I will always try to be responsive to the Committee and Congress. Furthermore, I will do my best to bring the kind of commitment that the previous Assistant Secretary, Dr. Michael Levy, exemplified. Almost all of you know Michael and know not only of his great wisdom and skill but also of his love for the legislative process. While I may never match his ability to kibbitz about political philosophy, I unequivocally can match the deep respect he holds for the institution of Congress.

Thank you for the privilege to appear before you today and I would be pleased to respond to any questions.

**RESPONSE TO INFORMATION REQUESTED OF NOMINEES
BY
UNITED STATES SENATE
COMMITTEE ON FINANCE**

NOMINEE: Linda L. Robertson

NOMINATED FOR: ASSISTANT SECRETARY FOR LEGISLATIVE AFFAIRS
DEPARTMENT OF THE TREASURY

A. BIOGRAPHICAL:

1. Name:

-- Linda Lee Robertson

2. Address:

-- 1919 Biltmore Street N.W.
Washington, DC 20009

3. Date and place of birth:

-- Born Tulsa, Oklahoma, May 28, 1955

4. Marital status:

-- Single

5. Names and ages of children:

-- NA

6. Education:

-- Georgetown University Law Center
1983-1986
Master of Laws (Taxation), June 1986

-- University of Tulsa
1976-1979
J.D., December 1979

-- University of Southern Illinois
1973-1976, Degree completed in three years
B.A. in Political Science/Economics (with honors)

-- Charles Page High School
1970 - 1973
Diploma, June 1973 (Valedictorian)

7. Employment record:

- 1993-present Deputy Assistant Secretary for Legislative Affairs (Tax and Budget)
US Department of Treasury
Washington, DC
- 1990-93 Partner
Powell, Goldstein, Frazer & Murphy
Washington, D.C.
- 1987-90 Principal
Dickstein, Shapiro & Morin
Washington, DC
- 1985-87 Professional Staff member to Subcommittee on Social Security and Tax Counsel to Congressman James R. Jones (D-OK)
Committee on Ways and Means
U.S. House of Representatives
Washington, DC
- 1980-85 Tax Counsel
Office of Congressman Jim Jones
US House of Representatives
Washington, DC
- 1976-80 Staff
Office of Congressman Jim Jones
District Office
Tulsa, Oklahoma
- 1976-86 Campaign Staff & Volunteer
Committee to re-elect Congressman Jim Jones
Congressional House and Senate
Elections Campaigns
Tulsa, Oklahoma

8. Government experience:

- 1993-present Deputy Assistant Secretary for Legislative Affairs (Tax and Budget)
US Department of Treasury
Washington, DC

- 1985-87 Professional Staff member to Subcommittee on Social Security and Tax Counsel to Congressman James R. Jones (D-OK)
Committee on Ways and Means
U.S. House of Representatives
Washington, DC
- 1980-85 Tax Counsel
Office of Congressman Jim Jones
US House of Representatives
Washington, DC
- 1976-80 Staff
Office of Congressman Jim Jones
District Office
Tulsa, Oklahoma

9. Memberships:

- 1990-present Member
The TAX COALITION- a women's group of private and public sector tax professionals
- 1992-93 Board of Directors
The TAX COALITION
- 1990 Chairman, Membership Committee
The TAX COALITION
- 1990 Co-founded the Coalition for Diversified Gas Supplies - a group of 54 energy companies, natural gas consumers, and independent energy producers
- 1990-present Member
Federal Energy Bar Association
- 1990 Chairman
BHT Tax Breakfast Group
- 1987-93 Member
Tax Alumni Group- former Hill tax staff
- 1987-present Member
District of Columbia Bar

- 1987-93 Member
BHT Tax Breakfast Group
- 1987-93 Member
86ers Club - former Hill tax staff
- 1987-93 Member
Independent Gas Marketers Coalition
- 1987-89 Member of the Advisory Committee
Vesta Energy Company
- present Member
Taxation Section
American Bar Association
- present Member
Natural Resources, Energy, and
Environmental Law Section
American Bar Association
- 1980-present Member
State of Oklahoma Bar Association

10. Political affiliations and activities:

- I am and have been a registered Democrat throughout the past ten years (and since I first registered to vote).
- I was a volunteer on the 1992 Clinton/Gore campaign and I was on Speaker Tracking Staff at the 1992 Democratic National Convention.
- I was an Alternate Delegate at the 1980 Democratic National Convention.
- I was active on all of former Congressman James R. Jones reelection campaigns (1976-86) and his bid for the US Senate in 1986.
- The following have been my campaign contributions for the past ten years (see Attachment A).
- In addition, while I was a partner at Powell, Goldstein, Frazer & Murphy, one half of one percent of my annual draw was contributed to the firm's PAC. The following is a list of my

contributions for those years:

	<u>Year</u>	<u>Amount</u>
•	1990	\$192.74
•	1991	\$320.85
•	1992	\$261.14
•	1993	\$ 80.94

11. **Honors and Awards:**

- Graduated with honors from University of Southern Illinois in 1976
- Selected Outstanding Speaker, National College Debate Tournament
- Valedictorian
Charles Page High School
Sands Springs, Oklahoma

12. **Published Writings:**

- None.

13. **Speeches:**

- Over the years, I have spoken to various tax organizations in Washington, DC. but not from prepared texts.

14. **Qualifications:**

-- For the past 19 years, as a Deputy Assistant Secretary at Treasury, as a lawyer in private practice and as professional congressional staff member, I have focused on matters relating to legislation as it affects both the public and private sectors. Furthermore, my professional experience has given me first hand knowledge and a thorough understanding of the responsibilities of Assistant Secretary for Legislative Affairs.

As the principal Deputy Assistant Secretary for Legislative Affairs, I have been responsible for the Department's legislative activity relating to all tax and budget issues. In addition, I have been part of the Administration's team which helped to enact legislation including Budget Reconciliation, North American Free Trade Agreement (NAFTA) and Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

On Capitol Hill, I worked on and with committees which have jurisdiction over Treasury. As a professional staff member of the Committee on Ways and Means and as tax counsel to former Congressman James R. Jones, I did substantial work on issues relevant to the Department of Treasury.

Lastly, during my private legal practice, I gained substantial experience in federal tax legislative and regulatory policy and other issues relating to Treasury. I represented clients' interests in legislation which allowed me to work closely with Treasury Department staff.

With a record of professionalism and experience in both the public and private sectors coupled with an understanding of the responsibilities of the Assistant Secretary for Legislative Affairs, I believe that I am qualified to assume the duties of this position.

FUTURE EMPLOYMENT RELATIONSHIPS:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

-- I retired from Powell, Goldstein in January 1993 just prior to joining Treasury as a consultant.

2. Do you have any plans after completing Government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

-- It is my intention not to make any decision about future employment until my government service has been completed. Powell, Goldstein has made no commitment to readmit me to the partnership upon my completion of government service, nor have I made any commitment to return to the firm.

3. Has anyone made a commitment to employ your services in any capacity after you leave Government service?

-- No.

4. If confirmed, will you serve your full term of office?

-- Yes.

POTENTIAL CONFLICTS OF INTEREST:

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers.

-- None.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

-- I do not believe there are any such investments, obligations, liabilities, or other relationships.

3. Describe any business relationship, dealing or financial transaction which you have had during the last ten years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

-- I do not believe there have been any such business relationships, dealings or financial transactions.

4. Describe any activity during the past ten years in which you have engaged for the purpose of directly or indirectly influencing or affecting the administration and execution of law or public policy.

-- When I was Partner with Powell, Goldstein, Frazer and Murphy (1990-92) and a Principal with Dickstein, Shapiro, & Morin (1987-90), I represented several clients and their legislative interests in Congress. None of these clients presents a potential conflict or appearance of conflict with respect to my prospective appointment. (See Attachment D.)

5. Explain how you will resolve any potential conflict of interest including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

-- Having served as Deputy Assistant Secretary at Treasury for over two years, I have been briefed by Ethics Officers at Treasury about rules and standards of conduct. During these past two years, I have upheld these standards. However, in the event a potential conflict of interest were to emerge or be suggested, I would first seek the advice of the appropriate ethics counsellor at the Department of Treasury. If the

potential conflict involved a former client or professional relationship, or any financial interest held by me, I would either recuse myself from participation in any matter that might have a direct and predictable effect on the conflicting interest, or seek a waiver under the applicable statutory or regulatory rules and procedures. If such steps were not feasible with respect to a particular financial interest, I would consider divestiture of any such interest.

6. Written opinions should be provided directly to the committee by the General Counsel of the Agency to which you have been nominated and by the Director, Office of Government Ethics, Office of Personnel Management concerning potential conflicts of interest or any other legal barriers to your serving in this position.

E. TESTIFYING BEFORE CONGRESS:

1. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

-- Yes.

2. Are you willing to provide such information as is requested by such committee?

-- Yes, consistent with applicable laws and the Code of Professional Responsibility.

F. OTHER:

1. Provide the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by the Federal, state, or local agency in which you were the subject of the inquiry or investigation.

-- None.

2. Give the full details of any proceeding inquiry or investigation in which you were the subject of the proceeding, inquiry or investigation.

-- None.

3. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

-- No.

4. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

-- None.

Linda S. Roberts
(Signature)

5/24/95
(Date)

PREPARED STATEMENTS OF HON. JOHN D. ROCKEFELLER IV

(ON DR. MARILYN MOON)

I would like to say a few words about Dr. Marilyn Moon. Dr. Moon has been an invaluable resource to me for quite some time beginning with the Pepper Commission. Marilyn provided incredible expertise and experience on many aspects of the health care system, in particular, on Medicare. The Board of Trustees will greatly benefit from having someone with such superb qualitative and analytical skills.

While I could have guessed over the past few years that Dr. Moon had Democratic credentials, I know that she has tackled problems with an eye towards solving the problem and not with partisanship. I know that she anticipates working with the Republican nominee, Stephen Kellison, in a bipartisan fashion as has been the case with the public Trustees in the past.

(ON IRA SHAPIRO)

Mr. Chairman, this is a rare privilege for me. I've spoken on the nomination of many people over the years, but rarely, if ever, has the nominee been someone who I so personally care for.

Mr. Chairman, I'm sure you are aware of this, your fine staff wouldn't let this pass—and I want to make note of Brad Figel, if he is here, and thank him for his years of service to the Committee. I understand that Brad is leaving the Hill this week, and I know you will miss him, and so will those of us who relied on him for his savvy, his common sense and good humor. Good luck Brad.

Mr. Chairman, I am sure you know that Ira Shapiro was my first Chief of Staff here in the Senate. He showed me the ropes, I'd like to think that I helped him get interested in Japan, but I can't take much credit for his being here today. Ira has done this on his own through his own combination of good humor, common sense, a sharp mind and a devotion to public service.

Before he worked for me, Ira worked for the Senate Committees on Government Affairs and the Subcommittee on the District of Columbia. He worked for Senators Byrd and Senator Nelson, and of course, Senator Eagleton. Going back a bit further, he worked as a intern for Senator Javits.

Any beyond Ira's stellar record of public service, I think we all know him as someone who is remarkably fair, a possessor of a keen wit, and a real intellect. In fact, the ultimate compliment may have been paid by a Japanese trade official who said recently that Ira is like a tough pitcher; he throws perfect fast balls on the outside corner; pitches in the strike zone, but is almost impossible to hit. Actually, I'm not sure what that means exactly in trade negotiations.

BIOGRAPHICAL OF IRA S. SHAPIRO

OUTLINE OF INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL

1. Name: (Include any former names used.)
Ira S. Shapiro.
2. Address: (List current residence address and mailing address.)
9437 Reach Road Potomac, Maryland 20854.
3. Date and Place of birth:
10/14/47 New York City, NY.
4. Marital Status: (Include maiden name of wife or husband's name.)
Married Nancy Sherman.
5. Names and ages of children:
Susanna Shapiro (19); Brian Shapiro (14).
6. Education: (List institution(s), dates attended, degree received and date degree granted.)
University of Pennsylvania Law School, 9/70-6/73, JD;
University of California at Berkeley, 7/69-6/70, MA;
Brandeis University, 9/65-6/69, BA.
7. Employment record: (List all positions held since college, including title or description of job, name of employer, location of work, and dates of inclusive employment.)
2/22/95-Present Senior Counsel & Negotiator, USTR, 600 17th Street, NW Washington, D.C. 20506.
2/93-2/21/95 General Counsel, USTR 600 17th Street, NW Washington, D. C. 20506.
1/88 - 2/93 Partner/Counsel, Winthrop, Stimson, Putnam & Roberts 1133 Connecticut Avenue, NW Washington, D. C. 20036.
1/85-1/88 AA/Chief of Staff, Senator John D. Rockefeller IV, U.S. Senate Washington, D.C. 20510.
1/81-1/85 Minority Staff Director & Chief Counsel, Senate Committee on Governmental Relations, U.S. Senate Washington, D. C. 20510.

6/79-1/81 Staff Director & Chief Counsel, Senate Subcommittee on the District of Columbia & Governmental Efficiency, U.S. Senate Washington, D. C. 20510.

2/79-6/89 Counsel to Senate Majority Leader Byrd, U.S. Senate Washington, D. C. 20510.

1/78-1/79 Counsel, U.S. Senate Committee on Governmental Affairs Washington, D. C. 20510.

10/75-12/77 Legislative Legal Counsel to U.S. Senator Gaylord Nelson, U.S. Senate Washington, D.C. 20510.

9/73-8/74 Law Clerk, Federal District Judge Alfred L. Luongo, Eastern District of Philadelphia, Philadelphia, PA.

6/73-10/75 Associate, Jenner & Block Chicago, IL.
(On leave to clerk 9/73-8/74.)

6/72-8/73 Law Clerk (Summer) Potter, Anderson & Corroon Wilmington, DE.

6/71-8/71 Law Clerk (Summer) Community Law Service Wilmington, DE.

6/69-8/69 Intern (Paid Summer Internship) Office of Senator Jacob Javits, U.S. Senate Washington, D. C. 20510.

8. Government Experience: (List any experience in, or association with, Federal, State or local Governments including any advisory, consultative, honorary or part-time service of positions.)

2/22/95-Present Senior Counsel & Negotiator, USTR, 600 17th Street, NW Washington, D.C. 20506.

2/93-2/21/95 General Counsel, USTR 600 17th Street, NW Washington, D. C. 20506.

1/85-1/88 AA/Chief of Staff, Senator John D. Rockefeller IV, U.S. Senate Washington, D.C. 20510.

1/81-1/85 Minority Staff Director & Chief Counsel, Senate Committee on Governmental Relations, U.S. Senate Washington, D. C. 20510.

6/79-1/81 Staff Director & Chief Counsel, Senate Subcommittee on the District of Columbia & Governmental Efficiency, U.S. Senate Washington, D. C. 20510.

2/79-6/69 Counsel to Senate Majority Leader Byrd, U.S. Senate Washington, D. C. 20510.

1/78-1/79 Counsel, U.S. Senate Committee on Governmental Affairs Washington, D. C. 20510.

10/75-12/77 Legislative Legal Counsel to U.S. Senator Gaylord Nelson, U.S. Senate Washington, D.C. 20510.

9/73-8/74 Law Clerk, Federal District Judge Alfred L. Luongo, Eastern District of Philadelphia, Philadelphia, PA.

6/71-8/71 Law Clerk (Summer) Community Law Service Wilmington, DE.

6/69-8/69 Intern (Paid Summer Internship) Office of Senator Jacob Javits, U.S. Senate Washington, D. C. 20510.

9. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, charitable, and other organizations.)

Vice President, Beverly Farms Elementary School PTA (1985-1986); Assistant Coach, Potomac Boys Club Baseball Team.

10. Political affiliations and activities: (List all memberships and offices held or financial contributions and services rendered to all political parties or election committee during the last ten years.)

I took leave from Senate to serve as Deputy Issues Coordinator, Mondale Presidential campaign (8/84-11/84); active role, part-time volunteer, Dukakis and Clinton Presidential campaigns; miscellaneous contributions (maximum \$500) to Senate and House campaigns including those of Senator Rockefeller, Senator Levin, Rep. Levin, Rep. Herman, Clinton for President. (This list reflects those I remember, and not a full review of records.)

11. Honors and awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, and any other special recognitions for outstanding service or achievement.)

Brandeis University, magna cum laude (politics); co-recipient, Sarah & Saul Fector award as Outstanding Student in Politics; National Science Foundation Special Career Fellowship to study political science at

University of California; Editor and Business Manager of the Law Review, University of Pennsylvania Law School; received award for outstanding contribution to the Law Review.

12. Published writings: (List the titles, publishers, and dates of books, articles, reports, or other published materials you have written.) Please note dates and titles are given to the best of my recollection.

"Civil Liberties and National Security: The Outlook in Congress," Intellect, February 1977.

"The Foreign Intelligence Surveillance Act: Legislative Balancing of National Security and the Fourth Amendment," Harvard Journal of Legislation, 1977-78.

"Fraud, Waste and Mismanagement in Federal Programs: Reasons and Causes," Journal of the Institute of Socioeconomic Studies, 1982. (Co-authored with Thomas F. Eagleton.)

"Tim Kraft, Ham Jordan Suffered for a Good Cause," ("The Much-Maligned Special Prosecutor Law,") Washington Post Outlook Section, February 1981.

"The First Rule of Politics: Nixon Went to China," St. Louis Post-Dispatch, Commentary Section, September 1989.

"Democrats: Forget the Polls," St. Louis Post-Dispatch, Commentary Section, July 1990.

"The Crisis in U.S.-Japan Relations," Brandeis Review, April 1992.

13. Speeches: (Identify each speech which you have given during the past three years, the organization to which the speech was given, and supply two copies of each speech.)

Speech before the Japan Society on April 21, 1995, New York City, NY (two copies attached).

Additionally, I have spoken frequently on trade related issues, however, I do not have any transcripts or any of those speeches reduced to writing. Mainly, I deliver my speeches orally--from note cards which serve as prompts/reminders.

14. Qualifications: (State what, in your opinion, qualifies you to serve in the particular position to which you have been nominated.)

Principal qualifications are those listed, and the work done in the positions held, as well as steadfast commitment to public service.

C. FUTURE EMPLOYMENT RELATIONSHIPS:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

I am currently employed with the Office of the United States Trade Representative (USTR) as Senior Counsel and Negotiator. If I am confirmed, I will continue to serve at USTR with the rank of Ambassador.

2. Do you have any plans after completing Government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

No. I have no contractual or informal arrangement concerning future employment after I leave government.

3. Has anyone made a commitment to employ your services in any capacity after you leave Government service?

No.

4. If confirmed, will you serve your full term of office?

Yes.

D. POTENTIAL CONFLICTS OF INTEREST:

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers.

Law firm severance noted in B. 3. above.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None.

3. Describe any business relationship, dealing or financial transaction which you have had during the last ten years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

4. Describe any activity during the past ten years in which you have engaged for the purpose of directly or indirectly influencing or affecting the administration and execution of law or public policy.

While in law practice from 1988 through January 1993, I did represent clients as a registered lobbyist. My principal clients included the MTN coalition, working for the completion of the Uruguay Round; MCI Communications Corporation (on FTS-2000 issues); Bristol-Myers Squibb (trying to increase availability of their oral cancer drugs); the Navajo Nation (on radiation exposure legislation); Sabreliner Corporation; and the Grocery Manufacturers of America. I was also registered as a foreign agent in representing Metallverken AV, a Dutch subsidiary of a Swedish corporation, in a Section 301 case relating to brass trip and sheet.

5. Explain how you will resolve any potential conflict of interest including any that may be disclosed by your responses to the above items. (Please provide a copy or any trust or other agreements.)

Not applicable.

6. Written opinions should be provided directly to the Committee by the General Counsel of the Agency to which you have been nominated and by the Director, Office of Government Ethics, Office of Personnel Management concerning potential conflicts of interest or any other legal barriers to your serving in this position.

None.

E. TESTIFYING BEFORE CONGRESS:

1. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. Are you willing to provide such information as is requested by such committee?

Yes.

F. OTHER:

1. Provide the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by the Federal, State, or local agency in which you were the subject of the inquiry or investigation.

I have never been a defendant in any civil or criminal proceeding brought by Federal, State, or local agencies.

My appointment as General Counsel (USTR) required a background investigation by the FBI; it was completed, I believe, in 1993. I was again investigated in connection with this nomination.

On two or three occasions, over the past 25 years, I have received followup inquiries about my Federal tax returns. On one occasion, due to a mistake, I paid several hundred additional dollars.

2. Give the full details of any proceeding, inquiry or investigation in which you were the subject of the proceeding, inquiry or investigation.

I was named as a defendant in a lawsuit arising out of an automobile accident in the Spring of 1993. The lawsuit was settled by my insurance company.

3. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

No.

4. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

In late 1993, after publicity concerning the failure of several Administration nominees to pay social security taxes for domestic workers, I reviewed the situation of the cleaning woman that we employed once a week. She had begun working for us a part of a three woman cleaning team, who brought all their own equipment and were certainly "independent contractors" rather than "employees." In 1990, the team broke up, and one woman continued to work for us. While I believe that she could have still been viewed as an independent contractor, I concluded that the better course was to consider her to be an "employee," obligating us to pay social security. Accordingly, in March 1994, I wrote to IRS, explained the situation, and paid \$1,762 which I calculated to be owing. IRS subsequently charged us about \$600 in penalties and interest.

I do not believe that I have had any association with any person, group or business venture that could be used, even unfairly, to impugn or attack my character and qualifications for a government position.

I do not expect that any person or organization would oppose my nomination or criticize the appointment. However, I cannot rule out the possibility that Ralph Nader and Public Citizen would oppose it. Nader's opposition to NAFTA and GATT grew increasingly strident, and I was one of the most visible Administration advocates for both trade agreements.

I know of no other information about me, or my family, which would pose a conflict of interest, or in any way embarrass me, my family, the Administration or the President. I am deeply honored that the President would consider elevating me to Ambassador rank, but I would never seek the rank if I could envision that it would embarrass the President or the Administration, or hurt my family.

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