



Committee On Finance

Max Baucus, Ranking Member

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STATEMENT OF SENATOR MAX BAUCUS NOMINATIONS OF TERESA RESSEL AND ROBERT NICHOLS

I would like to welcome the two nominees that have come before us today. I believe that today's hearing is important to the Treasury Department and to the country as a whole. Let me explain why.

The Treasury Department and its officials have always played a critical role in our Federal Government. This dates back to our first Treasury Secretary, Alexander Hamilton continuing to the present. Today, Treasury deals with a wide variety of issues that are at the forefront of our national and international agenda. For example, the Treasury Secretary serves as the primary economic spokesman for the Administration. The Treasury Department implements tax policy and collects revenue for the federal government. The Treasury Department creates our policies on the value of our currency.

The Treasury Department is also responsible for executing borrowing by the Federal Government, including preventing default on our national debt. And I might add that this responsibility takes on even greater importance now that the Office of Management and Budget (OMB) projects near-term deficits of over \$450 Billion a year, with the likelihood that these deficits will turn out to be even higher.

The Treasury Department plays a critical role in the fight against terrorism. To illustrate my point, the IRS Criminal Investigation unit has worked diligently since September 11, 2001, with other law enforcement agencies to disrupt and dismantle the financial components of terrorist organizations. The Office of Foreign Assets Control (OFAC) of the Department of the Treasury administers and enforces financial, economic, and trade sanctions based on U.S. foreign policy and national security goals against terrorists, those engaged in the proliferation of weapons of mass destruction, targeted foreign countries, and others.

These are just a few of Treasury's many responsibilities. To help carry out its important responsibilities, Treasury must have a top-flight public affairs office. Because any word coming from the Treasury Department can cause financial markets to rise or fall immediately. We have all seen this happen.

And if the public affairs office is to do its job well, it has to have a well-qualified leader. The Administration has sent up such a nominee, Mr. Robert Nichols.

Just as important to the Treasury Department is its Office of Management, including the role of its Chief Financial Officer. This unit deals with the wide range of infrastructure that is needed for Treasury to carry out all of its vital responsibilities including, personnel, computer systems, the major renovation of the treasury building, office space, and many more.

These may sound like very dry subjects. But let's look a little deeper. The IRS Criminal Investigations unit cannot disrupt terrorist organizations if it does not have enough funds to meet its resource needs. OFAC cannot fight those engaged in the proliferation of weapons of mass destruction if its computer system is constantly malfunctioning -- even as much as two straight days -- as has already occurred. The Treasury Department's Inspector General cannot fight fraud adequately if 70 percent of its budget and staff are cut, when only 35% of its work was shifted to the Department of Homeland Security. These are just a few examples of the important role that the Office of Management, including the Chief Financial Officer, play in order for Treasury to meet its responsibilities.

And as with the public affairs office, Treasury's Office of Management needs a well-qualified leader to head it and fulfill the role of the Chief Financial Officer. The Administration has sent Ms. Ressel as its nominee. When the Senate considers a nominee that has never held the position before, there is always some uncertainty about how the nominee will perform in that position.

But this nomination is somewhat different. Because the nominee has already held the position for which she is being selected. She has been the Acting Assistant Secretary of Management and Acting Chief Financial Officer for about nine months. Prior to this position, she was a Deputy Assistant Secretary in that office for about fourteen months.

So we know a lot about how the nominee has performed in this job. In this case, I have quite a few concerns about Ms. Ressel's tenure in the Office of Management and as Chief Financial Officer. And I plan to address those concerns with her when I have the opportunity to question her during this hearing. Meanwhile, I look forward to hearing the testimony of both our nominees: Mr. Nichols and Ms. Ressel. Mr. Chairman, I want to thank you again for holding this important hearing.

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