

1 OPEN EXECUTIVE SESSION TO CONSIDER FAVORABLY REPORTING
2 THE NOMINATIONS OF HENRY J. AARON, OF THE DISTRICT OF
3 COLUMBIA, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY
4 BOARD FOR A TERM EXPIRING SEPTEMBER 30, 2014, AND FOR A
5 TERM EXPIRING SEPTEMBER 30, 2020 (REAPPOINTMENT); LANHEE
6 J. CHEN, OF CALIFORNIA, TO BE A MEMBER OF THE SOCIAL
7 SECURITY ADVISORY BOARD FOR A TERM EXPIRING SEPTEMBER 30,
8 2018; AND ALAN L. COHEN, OF VIRGINIA, TO BE A MEMBER OF
9 THE SOCIAL SECURITY ADVISORY BOARD FOR A TERM EXPIRING
10 SEPTEMBER 30, 2016

11 WEDNESDAY, JUNE 18, 2014

12 U.S. Senate,
13 Committee on Finance,
14 Washington, DC.

15 The meeting was convened, pursuant to notice, at
16 10:10 a.m., in room SD-215, Dirksen Senate Office
17 Building, Hon. Ron Wyden (chairman of the committee)
18 presiding.

19 Present: Senators Cantwell, Cardin, Casey, Hatch,
20 and Crapo.

21 Also present: Democratic Staff: Joshua Sheinkman,
22 Staff Director; Jocelyn Moore, Deputy Staff Director;
23 Michael Evans, General Counsel; Tom Klouda, Senior
24 Domestic Policy Advisor; and Anderson Heiman,
25 International Competitiveness and Innovation Advisor.

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1 Republican Staff: Chris Campbell, Staff Director; Jeff
2 Wrase, Chief Economist; and Nick Wyatt, Tax and
3 Nominations Professional Staff Member. Non-Designated
4 Staff: Josh LeVasseur, Chief Clerk and Historian; and
5 Bryan Palmer, Deputy Clerk.

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1 OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM
2 OREGON, CHAIRMAN, COMMITTEE ON FINANCE

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4 The Chairman. The committee will come to order.

5 Today the committee is slated to vote on three
6 nominees to the Social Security Advisory Board: Drs.
7 Henry Aaron, Lanhee Chen, and Alan Cohen. The board is
8 responsible for advising the President and the Congress
9 on Social Security policy and regularly produces top-
10 notch bipartisan reports to enhance economic security for
11 individuals, maintain the solvency of Social Security
12 programs, and improve service for the older people, the
13 beneficiaries.

14 The board plays an important role in keeping the
15 iron-clad promise of Social Security, advising the
16 Congress and the public about the state of the program,
17 and offering potential improvements. Policymakers need
18 to hear from the finest minds on Social Security policy
19 in order to make informed judgments about the program's
20 future. When it comes to supporting seniors and
21 families, anything less would be unacceptable.

22 Even with the key role the board plays in the Social
23 Security policy process, it has not had a full seven
24 members since September of 2008. This is simply
25 unacceptable given the numerous challenges facing the

1 program today and into the future. It is time to get the
2 board back to full strength.

3 The three nominees whom the committee will vote on
4 today have excellent credentials and, if confirmed, would
5 bring an impressive and diverse set of perspectives to
6 the board. The first is Dr. Henry Aaron. Dr. Aaron has
7 had an illustrious career in both the public sector and
8 academia, including over 45 years with The Brookings
9 Institution. Dr. Aaron is one of the country's foremost
10 experts on Social Security, and his many publications and
11 contributions to the program make him an invaluable
12 asset.

13 Next is Dr. Lanhee Chen. Dr. Chen has a stellar
14 academic record and has made valuable contributions in a
15 number of policy areas, including Social Security. If
16 confirmed, he would bring a distinct and valuable
17 perspective to the board.

18 Finally, we have Dr. Alan Cohen. Dr. Cohen has had
19 a long and prestigious career in public service,
20 including--and I think all members are aware of this--he
21 spent a full decade with us here on the Finance
22 Committee. His knowledge of budgetary matters and Social
23 Security policy is unmatched, and his wide range of
24 experiences in both the Congress and the Federal
25 Government give him a level of expertise and insight the

1 board is surely going to benefit from.

2 All of the nominees are ready and able to take on
3 this task. I hope that the committee will give them a
4 bipartisan and strong vote of support today.

5 Let me now recognize Senator Hatch to make his
6 opening statement, and then I will recognize colleagues
7 as well.

8 Senator Hatch?

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1 OPENING STATEMENT OF HON. ORRIN G. HATCH, A U.S. SENATOR
2 FROM UTAH

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4 Senator Hatch. Well, thank you, Mr. Chairman. I
5 appreciate your holding today's session to consider
6 nominations for the Social Security Advisory Board.

7 The Advisory Board is intended to be a bipartisan
8 board to advise Congress, the President, and the
9 Commissioner on Social Security, on policies related to
10 Social Security's Old Age, Survivors, and Disability
11 Insurance Programs, as well as the Supplemental Security
12 Income program.

13 The charge to the board is essentially to analyze,
14 study, and make recommendations related to these
15 programs. The board has tried to focus on analysis of
16 economic trade-offs and examination of the activities
17 taking place within those programs. The work of the
18 board can involve economics as well as actuarial science.

19 For the most part, the board has worked toward
20 arriving at bipartisan analysis and recommendations and
21 using positive economic analysis rather than normative
22 economic analysis.

23 In my assessment, the quickest way for support in
24 Congress for the Advisory Board to erode is for it to
25 slip into partisan battles and to make recommendations

1 that rely on political views of board members rather than
2 positive economic and actuarial analysis.

3 The board's chair sets the tone of the Advisory
4 Board's agenda and the basic analysis that the board
5 decides to do. If we have too much partisanship without
6 adequate allowance for diverse but reasoned views, it
7 would be a threat to the relevance and continuation of
8 the board's activities.

9 There are, of course, differences in the way
10 reasonable people assess trade-offs that we face when
11 considering something as complex and large as the Social
12 Security system and the Supplemental Security Income
13 program.

14 The way to resolve recent differences is not to
15 merely argue that the other side is wrong because they do
16 not agree with certain assumptions or policy positions;
17 rather, the way to resolve differences is to weigh the
18 facts and present evidence-based trade-offs that are
19 relevant so that Congress and others can make informed
20 decisions.

21 I have expressed these concerns before, particularly
22 in reference to one of the nominees we will be
23 considering today. I will not say much on that matter
24 now, only that my previous comments and concerns still
25 hold, and I will be voting accordingly.

1 Whatever is ultimately the composition of the full
2 Social Security Advisory Board, I hope that all present
3 and future members of the board are clear about their
4 mission and that they put bipartisan consensus at the top
5 of their list of priorities.

6 I hope that the board does not dissolve into a
7 partisan background, and I hope that the board does not
8 spend undue energy in attempts to lobby Congress on our
9 program funding decisions or on legislative priorities
10 that do not represent the consensus of the entire board.

11 Once again, Mr. Chairman, I am grateful to you for
12 holding today's session, and it is always a pleasure to
13 work with you.

14 The Chairman. Thank you, Senator Hatch. I, as you
15 know, very much share your desire to have the board work
16 in a bipartisan way. One of the reasons that I feel
17 strongly about these three nominees is that I think they
18 are committed to that.

19 So let me at this point see if there are other
20 Senators who would like to speak, either Senator Cardin
21 or Senator Crapo? Senator Cardin, no remarks?

22 Senator Cardin. Well, Mr. Chairman, let me just
23 agree with both your comments and Senator Hatch's
24 comments. I know Senator Hatch's view on one of the
25 nominees. We disagree on that. I have known Henry Aaron

1 for a long time and know him to be a person of incredible
2 integrity, a person who will accomplish the goals that
3 Senator Hatch outlined as necessary to reach the type of
4 objective information that we need to make non-partisan
5 decisions on the future of Social Security.

6 I have the utmost confidence in him. I take this
7 time because, as you know, Dr. Aaron is a resident of the
8 District of Columbia. Since they do not have a Senator
9 who represents them in this body, the Maryland Senators
10 at times take an interest in the nominees from the
11 District. I think that he is, and will continue to be,
12 an incredible resource for our country.

13 The Chairman. Thank you, Senator Cardin. I share
14 your view with respect to Dr. Aaron. We are going to be
15 consulting with him on a variety of matters. As you
16 know, we have a bipartisan piece of legislation dealing
17 with chronic disease which I think is really the future
18 of the Medicare program. He has expertise on Medicare in
19 addition to Social Security, so I very much share your
20 views.

21 Senator Hatch?

22 Senator Hatch. I appreciate your comments, and I
23 hope you are right. Nothing would make me more pleased
24 than if you are right, and you usually are, at least that
25 has been my experience. As out of whack as this body is

1 from time to time, you are a voice of reason. Let me
2 just say this: I have heard other things, and I will be
3 the first to praise when the time comes.

4 The Chairman. Thank you, Senator Hatch.

5 Senator Crapo, is there anything you would like to
6 add? You are not required to. All right.

7 Given colleagues -- Senator Casey has just joined
8 us. It is evident that we do not have a quorum, so I will
9 have to deal with some procedural matters.

10 Senator Casey, would you like to make any comments
11 with respect to the three individuals today? You are not
12 required to do so.

13 Senator Casey. I am hoping for a quorum.

14 The Chairman. Sure you are. Colleagues, given the
15 absence of a quorum, we are going to stand in recess,
16 subject to the call of the chair. It is my intent to
17 consult with Senator Hatch in order to ensure that we can
18 schedule the votes off the Senate floor in a manner that
19 is fair to both the majority and the minority.

20 With that, the committee stands in recess.

21 [Whereupon, at 10:18 a.m., the meeting was
22 recessed.]

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I N D E X

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STATEMENT OF:

THE HONORABLE RON WYDEN
A United States Senator
from the State of Oregon 3

THE HONORABLE ORRIN G. HATCH
A United States Senator
from the State of Utah 6