

**NOMINATIONS OF KIPP KRANBUHL, SARAH C.  
ARBES, AND JASON J. FICHTNER**

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**HEARING**

BEFORE THE

**COMMITTEE ON FINANCE**

**UNITED STATES SENATE**

**ONE HUNDRED SIXTEENTH CONGRESS**

SECOND SESSION

ON THE

NOMINATIONS OF

KIPP KRANBUHL, TO BE ASSISTANT SECRETARY FOR FINANCIAL MARKETS, DEPARTMENT OF THE TREASURY; SARAH C. ARBES, TO BE ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES; AND JASON J. FICHTNER, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD, SOCIAL SECURITY ADMINISTRATION

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FEBRUARY 5, 2020  
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# CONTENTS

## OPENING STATEMENTS

|  | Page |
|--|------|
| Grassley, Hon. Chuck, a U.S. Senator from Iowa, chairman, Committee on Finance ..... | 1    |
| Wyden, Hon. Ron, a U.S. Senator from Oregon .....                                    | 3    |
| Portman, Hon. Rob, a U.S. Senator from Ohio .....                                    | 5    |

## CONGRESSIONAL WITNESS

|  |   |
|--|---|
| Alexander, Hon. Lamar, a U.S. Senator from Tennessee ..... | 2 |
|--|---|

## ADMINISTRATION NOMINEES

|   |   |
|---|---|
| Kranbuhl, Kipp, nominated to be Assistant Secretary for Financial Markets, Department of the Treasury, Washington, DC .....                     | 7 |
| Arbes, Sarah C., nominated to be Assistant Secretary for Legislation, Department of Health and Human Services, Washington, DC .....             | 8 |
| Fichtner, Jason J., Ph.D., nominated to be a member of the Social Security Advisory Board, Social Security Administration, Washington, DC ..... | 9 |

## ALPHABETICAL LISTING AND APPENDIX MATERIAL

|   |     |
|---|-----|
| Alexander, Hon. Lamar:                              |     |
| Testimony .....                                     | 2   |
| Arbes, Sarah C.:                                    |     |
| Testimony .....                                     | 8   |
| Prepared statement .....                            | 29  |
| Biographical information .....                      | 30  |
| Responses to questions from committee members ..... | 66  |
| Fichtner, Jason J., Ph.D.:                          |     |
| Testimony .....                                     | 9   |
| Prepared statement .....                            | 70  |
| Biographical information .....                      | 71  |
| Responses to questions from committee members ..... | 84  |
| Grassley, Hon. Chuck:                               |     |
| Opening statement .....                             | 1   |
| Prepared statement .....                            | 90  |
| Kranbuhl, Kipp:                                     |     |
| Testimony .....                                     | 7   |
| Prepared statement .....                            | 91  |
| Biographical information .....                      | 92  |
| Responses to questions from committee members ..... | 97  |
| Portman, Hon. Rob:                                  |     |
| Opening statement .....                             | 5   |
| Wyden, Hon. Ron:                                    |     |
| Opening statement .....                             | 3   |
| Prepared statement .....                            | 108 |



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SOCIAL SECURITY ADMINISTRATION**

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**WEDNESDAY, FEBRUARY 5, 2020**

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

The hearing was convened, pursuant to notice, at 10 a.m., in Room SD-215, Dirksen Senate Office Building, Hon. Chuck Grassley (chairman of the committee) presiding.

Present: Senators Thune, Cassidy, Young, Portman, Sasse, Wyden, Cantwell, Brown, Casey, Whitehouse, Hassan, and Cortez Masto.

Also present: Republican staff: Brett Baker, Chief Health Policy Director, Jeffrey Wrase, Deputy Staff Director and Chief Economist; and Nicholas Wyatt, Tax, Infrastructure, and Nominations Policy Advisor. Democratic staff: David Berick, Chief Investigator; Elizabeth Jurinka, Chief Health Advisor; Tom Klouda, Senior Domestic Policy Advisor; Ian Nicholson, Investigator; and Joshua Sheinkman, Staff Director.

**OPENING STATEMENT OF HON. CHUCK GRASSLEY, A U.S.  
SENATOR FROM IOWA, CHAIRMAN, COMMITTEE ON FINANCE**

The CHAIRMAN. Today the Finance Committee will hear from three nominees. We will hear from a nominee to be Assistant Secretary of the Department of Treasury; a nominee to be Assistant Secretary of the Department of Health and Human Services; and a nominee to the Social Security Advisory Board.

First we will hear from Kipp Kranbuhl, nominated to be Assistant Secretary of Treasury for Financial Markets. This position is responsible for Federal debt management and essentially works to finance the Federal Government. Though this position certainly does not set Federal fiscal policy, which is done by the Congress, it carries out the day-to-day operations to keep our government

funded so that we can make sure that all the programs are successfully financed.

Next we will hear from Sarah Arbes, who is nominated to be Assistant Secretary of Legislation, Department of Health and Human Services. Ms. Arbes has been Acting Assistant Secretary for Legislation for the past 8 months, so I am pleased that we are working to get a confirmation on that position. Senators on this committee and their offices are likely familiar with Ms. Arbes, as she was Deputy ASL prior to her serving in Acting capacity. I greatly appreciated her assistance in efforts to lower prescription drug costs and other issues we have been working with the administration on. This is a bipartisan effort on the part of Senator Wyden and me—and members of this committee by a vote of 19 to 9. I know that we are working through problems with HHS regarding its responses to written inquiries and requests from me and other Senators on the committee. I appreciate those efforts, and I am pleased that the committee finally seems to be receiving some digital production on some very longstanding requests.

However, in regard to that issue, I am frustrated by the pace of negotiations and that certain productions so far have been provided multiple times in an unusual format. I look forward to resolving this issue quickly and hope our staffs can continue a productive dialogue. I have long held that the Department must be responsive to congressional inquiries, and I ask that Ms. Arbes focus on ensuring a prompt and meaningful and efficient response.

Can I call on Senator Alexander before you? Senator Alexander, you are here to introduce a person we all know very well. Go ahead.

[The prepared statement of Chairman Grassley appears in the appendix.]

**STATEMENT OF HON. LAMAR ALEXANDER,  
A U.S. SENATOR FROM TENNESSEE**

Senator ALEXANDER. Thank you, Mr. Chairman and Senator Wyden. It is a pleasure to introduce Sarah Arbes and to welcome her husband and their two children here. Sarah joined my staff in 2013. She has been a part of our health policy team, which has done a lot of work with the Finance Committee and the Finance Committee staff in a very successful way.

She has also been able to do something not many of us could do. She worked with Senators Carper and Coons to actually amend the Affordable Care Act. And that is a rare occurrence around here. And that means she is a good listener and capable of working across party lines to try to get a result.

She has been, as you indicated, at the Department of Health and Human Services as the principal Deputy Assistant Secretary for Legislation. She once worked for Senator McConnell. I found her to be, as Senator Baker used to say, an eloquent listener, so I am sure she heard what Senator Grassley had to say about electronic records being easier for you to deal with, and maybe she will be able to act on that.

If I may, I would like to also say a word about Kipp Kranbuhl, the nominee for Assistant Secretary for Treasury. I have known him a long time. His wife Page was my first health-care staffer. I

am delighted to see him nominated to be Assistant Secretary. And I would add that if you have a softball team, he is a great player and you can add him to your group.

So thank you, Mr. Chairman, for your time and for allowing me to come today on behalf of Sarah.

The CHAIRMAN. I know you want to go right away. Let me just say one thing, and you kind of touched on it, so I will not go into any big detail about it now. But we do a great deal of oversight work, and we have had problems getting—we have been getting paper until recently, instead of electronic communication, on our oversight investigations. And I think you must know something about it, because you brought it up. And since you have some jurisdiction over—your committee has a lot of jurisdiction of HHS, if there is anything you could do to help us there, I would appreciate it.

Senator ALEXANDER. I would be glad to. I know something about it, because I saw you at breakfast. [Laughter.]

The CHAIRMAN. Okay.

Senator ALEXANDER. I will be glad to work with you, Senator Grassley and Senator Wyden, on that. And I am confident Sarah will as well.

The CHAIRMAN. Okay. Thank you very much.

I interrupted my opening comment, and just a couple of seconds here, and then Senator Wyden.

In regard to what we were just talking about, I also want to note that the ASL serves as a top advisor to the Secretary on legislative matters. The position is not directly responsible for regulations issued by the Department or its agencies, and I ask the Senators to keep that in mind as we conduct the hearing.

Finally, we will hear from Jason Fichtner, nominated to be on the Social Security Advisory Board, created as a bipartisan—this is a quote from the law—“a bipartisan, independent Federal Government agency established in 1994 to advise the President, the Congress, and the Commissioner of Social Security on matters of policy and administration,” end of quote.

The Social Security Advisory Board is comprised of seven members, and Dr. Fichtner is one of three who are appointed by the President.

Thank you for your willingness to serve, all of you, and to be public servants and to serve this President in your positions you have been appointed to. And we will look forward to your testimony in just a minute.

Now, Senator Wyden.

**OPENING STATEMENT OF HON. RON WYDEN,  
A U.S. SENATOR FROM OREGON**

Senator WYDEN. Thank you very much, Mr. Chairman. We are going to consider three nominations this morning: Jason Fichtner, to serve on the Social Security Advisory Board; Sarah Arbes, who we know is nominated to serve as Assistant Secretary for Legislation at the Department of Health and Human Services; and Kipp Kranbuhl, who is nominated to serve as Assistant Treasury Secretary for Financial Markets.

Now just a few comments on these nominees. If confirmed, Dr. Fichtner is going to be diving into important work the Social Security Advisory Board is doing with respect to customer service and IT. The Board also is working hard to address challenges that come with serving some of the most vulnerable seniors who receive Social Security, individuals—and I remember this from my days when I was director of the Oregon Gray Panthers—who literally are unable to manage their own finances. So this is an important position.

If confirmed, Mr. Kranbuhl will take on a job at the Treasury Department that deals with a lot of challenging subjects, including debt management, housing finance, and stability of our financial markets.

Both of them are important roles that affect the well-being of millions of Americans. The job is all about bringing an even-handed approach and getting people from all sides to work in a cooperative fashion, and I hope that will be the case with all of these nominees.

Finally, Sarah Arbes is nominated to serve in a key role at the Department of Health and Human Services. It is a key role because it involves working directly with the Congress as the Department's chief point of contact between us.

For example, as the chairman noted, we defied the odds around here. We produced a bipartisan bill to stop pharmaceutical price gouging, and that is front and center on our agenda. It is something that I believe we can bring people together on and build it around principles this committee has outlined, starting with making sure those people who show up at the pharmacy counter no longer feel they are getting mugged, because that is the case today.

So we take our oversight role very seriously on these issues. I think you know we have initiated a bipartisan effort with respect to investigating skyrocketing insulin prices, and some prices have gone up 13-fold in recent years. And the drug is not 13 times better. It is essentially the same drug, and has been for 50 years. So we are serious about these issues. And as I say, the committee sort of defied the odds not too long ago and produced a strong bill to rein in pharmaceutical price gouging.

Now with respect to oversight specifically, we have sent a number of bipartisan letters to Health and Human Services on a variety of topics, including the appalling treatment of migrant children and families at our southern border.

We have also focused on the waste of taxpayer dollars on public relations contacts for the head of CMS, a key part of HHS.

I will tell you, Ms. Arbes—and of course you are hearing this as you walk into your nomination hearing—at times it has felt like prolonged bureaucratic root canal work trying to get responses to our oversight inquiries.

Now, I am told there has been some recent progress on the committee's bipartisan investigation of children's shelters, and we appreciate that. I will tell you, my view is it has been much harder than it needs to be to get the information this committee and its members need to carry out our oversight responsibilities.

Chairman Grassley and I feel it particularly important that oversight gets short shrift, and we are also co-chairs of the Whistleblowers Caucus. So these are important issues to us, and we have



worked productively with you in the past. We are counting on you, if confirmed, walking in there and saying, we are going to turn this around with respect to being responsive and working with the Finance Committee in a bipartisan way and taking oversight seriously, which means responses that do not take eons and just have us waiting around forever and ever.

There needs to be improvement in how the Department responds to the committee in that regard. And with respect to the case we're working on that you know about, we expect the remaining information to come to us within the next several days. And I have made it clear, I need to see that information. My colleagues want to see that information. And it is key to my moving this nomination forward.

Thank you all for joining us. We have a lot to discuss. You have a number of members who are going to be here for questions.

Mr. Chairman, thank you, and I look forward to working with you.

[The prepared statement of Senator Wyden appears in the appendix.]

The CHAIRMAN. Thank you very much, Senator Wyden. Now, Senator Portman for an introduction.

**OPENING STATEMENT OF HON. ROB PORTMAN,  
A U.S. SENATOR FROM OHIO**

Senator PORTMAN. Thank you, Mr. Chairman. It is my pleasure. I appreciate your inviting me to do this this morning. Kipp Kranbuhl is the nominee I would like to introduce.

As you know, Mr. Kranbuhl is already working at Treasury doing a good job there. For all the witnesses, we appreciate your service, but for Kipp I have a special admiration because he is taking his expertise in securities and financial markets from where he was successful and where he could be continuing to be successful and making a lot more money, and instead he is stepping into public service again at the Treasury Department.

So I am pleased he is doing that. He will be nominated, and I hope confirmed, for Assistant Secretary of Treasury for Financial Markets, filling the role vacated by Matthew Rutherford. He is currently the Principal Deputy Assistant Secretary for Financial Markets, performing many of the same duties he would be doing as the Assistant Secretary.

He has impressive education credentials, in addition to apparently great softball skills, which I heard about for the first time today from Senator Alexander. But on the education side, and his skills side, he is the right person for the job. He has a bachelor's degree in political science and economics from Duke. He has an MBA from the University of Michigan. The most important detail of his educational background is the fact that he attended the same high school I did. In fact, I met Kipp back when he was a senior in high school when I was attending a reunion, and little did I know that I would have the honor of introducing him some 25 years later to such an important role.

In addition to all of his softball skills, he also has a lot of skills and practical experience in financial markets, making him well qualified to join Treasury in this job.

He first served as Deputy Assistant Secretary for Small Business, Community Development, and Affordable Housing Policy, eventually adding the role of Acting Assistant Secretary for Financial Institutions. After 2 years total in both of these roles, Kipp was asked to step in as the Principal Deputy Assistant Secretary for Financial Markets, where he has been since last August.

It is great to see his family with him here today. I notice that his wife Page is here, who also worked for Senator Alexander for many years. And I don't know, Mr. Chairman, these HELP Committee staffers are kind of taking over around here. [Laughter.]

But I am grateful that his children are here too. So to Curry and Turner, thank you for being here, proud of your dad. I would also like to recognize Kipp's mom who is here, Dr. Ann Weichert Kranbuhl. She came all the way from Cincinnati today. She is a distinguished oncologist in our community and volunteers for the Cincinnati Children's Hospital Foundation board of directors, where she works with my wife Jane. She has clearly passed along her passion for public service to Kipp.

Based on his career experience and the work he has done so far, I have no doubt that, if confirmed, Kipp will make us proud in Cincinnati, as he has in his roles already. I believe he will serve our country with honor and dignity, and I am proud to support his nomination before the committee.

The CHAIRMAN. Thank you, Senator Portman. One person at the table has not been introduced yet, so I will do my level best to do justice to the outstanding qualifications of Dr. Jason Fichtner. He is currently senior lecturer, international economics, and associate director of the Masters of International Economics and Finance programs at Johns Hopkins University School of Advanced International Studies.

He is also a fellow at the Bipartisan Policy Center and on the board of directors of the National Academy of Social Insurance.

Dr. Fichtner previously worked at the Social Security Administration, serving in positions that included Acting Deputy Commissioner of Social Security.

Dr. Fichtner has a very impressive background that includes stints at the Joint Economic Committee as well as at the Internal Revenue Service.

Given the position he has been nominated to, I think it is important to highlight the years he spent at the Social Security Administration. It is one thing to understand how Social Security as a policy is supposed to work, but entirely different to have insight, which he has, into how a government agency actually functions.

So I thank you all for being here, and we are going to start with Mr. Kranbuhl. And for all of you, take time to say whatever you want the committee to know about you or any policy decisions you want to make, and introduce your family as well if you want to do that.

So, proceed, Mr. Kranbuhl.

**STATEMENT OF KIPP KRANBUHL, NOMINATED TO BE ASSISTANT SECRETARY FOR FINANCIAL MARKETS, DEPARTMENT OF THE TREASURY, WASHINGTON, DC**

Mr. KRANBUHL. Thanks for the kind introduction, Senator Portman, Chairman Grassley, Ranking Member Wyden, members of the committee. Thank you for the opportunity to be here before you today.

I am honored to be the President's nominee to be the Assistant Secretary of the Treasury for Financial Markets, and I am grateful for Secretary Mnuchin's confidence in me.

Before proceeding, I would like to take a moment to acknowledge the love and support of my family, colleagues, and friends, including those here with me: my wife of 16 years, Page, whose years of public service working on Capital Hill for Senator Alexander and others have inspired me; our two curious and determined children, Curry and Turner; my mother, Dr. Ann Weichert Kranbuhl; and my father, Dr. Michael Kranbuhl, who was unable to join us today. Their tireless work as physicians in southwest Ohio instilled in me the value of helping others.

For the past 22 years I have worked in the financial markets and securities industry. Through this work, I developed practical experience with many of the policy issues covered by Treasury's Office of Financial Markets. This has enabled me to appreciate the impact that many of our Nation's policies and regulations have on all Americans.

Since the spring of 2017, I have been privileged to serve in a variety of capacities within the Office of Domestic Finance at the Treasury Department, and I have appreciated the opportunity to engage with many of you and your staffs throughout this time.

I began my work at the Treasury Department as the Deputy Assistant Secretary for Small Business, Community Development, and Affordable Housing Policy. After roughly a year, I was asked to take on the role of Acting Assistant Secretary for Financial Institutions. I held this position for nearly a year prior to taking on my current role as the Principal Deputy Assistant Secretary for Financial Markets, where I have worked with Treasury's teams from the Offices of Federal Finance, Capital Markets, and Public Finance.

In my time at Treasury, I have led or participated in hundreds of stakeholder meetings in order to gather input from a broad range of sources so as to inform our perspectives from all sides. Through these efforts, I have worked with others at Treasury to formulate policy recommendations that have led to significant progress toward improving the competitiveness of the American financial system, while ensuring that taxpayer protection and safety and soundness are at the forefront of everything that we do.

We have worked closely with our executive branch colleagues in other departments and regulatory agencies, as well as Congress, in order to reduce the risks to the financial markets and the American people, while fostering the functioning of vibrant financial markets.

We are also responsible for the financing of the Federal Government and the management and issuance of Federal debt—the Treasury Department's original purpose, and one of its most important. Here, we have worked diligently and successfully to maintain

our commitment to achieving the lowest cost of financing for the American taxpayer by expanding both our product portfolio and our investor base.

Additionally, while keeping the interests of our Nation at the top of mind, we have worked closely with our international partners in order to prepare for the continuing evolution of the global financial markets amidst ever-changing times.

As I approach the Treasury building each morning on my way to work, I walk past scores of visitors who have come to Washington from all parts of our country and who are lined up to catch a glimpse of our Federal buildings and of how our government functions. As I do, I am reminded of the responsibility and commitment that I have made to each of them as Americans. They inspire, focus, and motivate me.

If confirmed for this position, I look forward to continuing to work closely with Congress, Secretary Mnuchin, the outstanding Treasury staff, and others in the administration, and to continuing to serve the American people.

Thank you again for the honor of this hearing, and I look forward to answering your questions.

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

The CHAIRMAN. We will hear now from Sarah Arbes.

**STATEMENT OF SARAH C. ARBES, NOMINATED TO BE ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES, WASHINGTON, DC**

Ms. ARBES. Chairman Grassley, Ranking Member Wyden, members of the committee, thank you for having me here today. It is a privilege to appear—[stumbling]—I am so nervous. [Laughter.]

It is a privilege to appear before you as President Trump's nominee to serve as Assistant Secretary for Legislation at HHS. I would like to thank Secretary Azar and the many others at HHS who have been helpful with my nomination at the Department.

Here with me today is my family—my husband Justin and our two children, Reid and June; and my parents, Craig and Janie Cudworth. They are my rock, and without their support I would not be where I am today.

Finally, I wish to recognize the amazing HHS Legislative Affairs team who work tirelessly every day to fulfill the HHS mission to enhance and protect the health and well-being of Americans, in part by serving this great institution. They are the best team in Washington, and I am so proud to call each and every one of them colleagues.

So I have to tell you, it is really surreal sitting on this side of the dais. After nearly a decade as a Senate staffer, I fondly remember sitting where your staff sits right now, giving advice on hearing strategy, member interest, and ways to advance your policy goals. It is those formative years that have helped me prepare for the role that I am seeking your support for today.

My experiences in both the majority and minority under Chairman Alexander, Leader McConnell, and Senator Jim Talent taught me about listening to constituents, the power of bipartisanship, and the importance of precedence. I owe each of them a debt of grati-

tude for the unique lessons of leadership I learned and the opportunity to serve alongside them as they worked tirelessly for the great States of Tennessee, Kentucky, and Missouri.

The Office of the Assistant Secretary for Legislation plays a critical role in ensuring the communication between the executive and the legislative branches that our founding fathers envisioned. If confirmed, it would be my job to ensure that you receive the technical assistance that you need to draft legislation and answers to your questions about the Department's programs.

Additionally, it is the responsibility of this position to ensure that you are informed in a timely manner of the administration's initiatives and policies, so that together we can serve the American people better.

Over the last 3 years, I have been the Principal Deputy in HHS Legislative Affairs. In this role, I am the policy lead for our team. And when I think back to all the issues the Department has collaborated with this committee on in that time, I realize just how much we have accomplished together. The list is long.

If you will indulge me just a moment, I will name just a few. We are turning the tide on the opioid epidemic, lowering the cost of prescription drugs, providing relief to Americans who suffered after Hurricanes Harvey and Irma, protecting American medical research from foreign threats, helping more foster children find their forever homes, and strengthening Medicare.

If confirmed, I pledge to continue my commitment to the close collaboration between HHS, this committee, and Congress that will help more Americans live longer, healthier, happier lives.

Thank you again for the opportunity to be here today, and I look forward to your questions.

[The prepared statement of Ms. Arbes appears in the appendix.]

The CHAIRMAN. Thank you; and now Dr. Fichtner.

**STATEMENT OF JASON J. FICHTNER, Ph.D., NOMINATED TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD, SOCIAL SECURITY ADMINISTRATION, WASHINGTON, DC**

Dr. FICHTNER. Thank you. Chairman Grassley, Ranking Member Wyden, and members of the committee, thank you for the opportunity to appear before you today. And, Chairman Grassley, thank you for the very kind introduction.

I want to take a moment quickly to thank my friends who are here today to support me, including my spouse Sara, who is sitting behind me today. I also want to thank the President for nominating me to serve as a member of the Social Security Advisory Board.

Over a decade ago, I was privileged to serve in several positions at the Social Security Administration, including as the Acting Principal Deputy Commissioner of Social Security. In that capacity, I worked with Congress, the White House, the Social Security Advisory Board, stakeholders, and the public to support the vital programs administered by the Social Security Administration and to improve the service the organization provides to the public.

I was also the Secretary to the Social Security Board of Trustees. Additionally, I was instrumental in improving the administration's communication materials to the public, including the "When to

Start Receiving Retirement Benefits” publication, a publication that informs people how Social Security benefits fit into their retirement decision, and one that is still used today.

I believe that my educational and professional experiences make me an ideal candidate to serve on this Board. With respect to my education, I received my undergraduate degree from the University of Michigan, my master’s degree in public policy from Georgetown University, and my Ph.D. in public administration and policy from Virginia Tech. Professionally, along with my previous experience at the Social Security Administration, I have worked as an economist for the Internal Revenue Service and as a senior economist for the Joint Economic Committee of the United States Congress.

I have a long record of published research on issues related to Social Security’s retirement and disability programs, as well as retirement security issues in general. I also have a long history of working in a bipartisan manner, bringing people together to discuss, deliberate, and address the challenges facing the Social Security Administration and the vital programs it administers.

The Social Security Advisory Board makes recommendations to the President, the Congress, and the public that, among other things, will ensure the quality of service delivery that the Social Security Administration provides, including increasing the public’s understanding of program benefits.

The heart of any organization is its employees, those who work tirelessly every day to fulfill the mission and deliver quality services. One of the accomplishments of which I am most proud from my tenure at the Social Security Administration is getting to know the employees of the agency, many of whom I remain in contact with today, and some of whom have shown up here today to support me. It is truly a great privilege to once again be asked to serve the public and work with those at the Social Security Administration.

The Social Security Advisory Board plays an important role in advising how our Nation’s important social insurance programs can be improved and strengthened and providing advice and guidance to the Social Security Administration on ways to improve the administration of these very valuable programs.

Should I be confirmed as a member of the Social Security Advisory Board, I pledge to continue working in a bipartisan manner to ensure that our Nation’s Social Security programs provide the best possible service to the public.

Thank you again for inviting me to testify today, and I would be happy to answer any questions.

[The prepared statement of Dr. Fichtner appears in the appendix.]

The CHAIRMAN. We will have 5-minute rounds, starting with this Senator and Senator Wyden, and then it looks like it’s Portman, Casey, Toomey, Whitehouse, Young, Hassan, Sasse, Cortez Masto, and Thune.

First of all, we have always for nominees four obligatory questions, so I will read the question and then each of you would be expected to say “yes” or “no” or something like that.

First, is there anything that you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. KRANBUHL. No, sir.

Ms. ARBES. No, sir.

Dr. FICHTNER. No, sir.

The CHAIRMAN. Okay; thank you. Do each of you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Mr. KRANBUHL. No, sir.

Ms. ARBES. No, sir.

Dr. FICHTNER. No, sir.

The CHAIRMAN. Okay; thank you for that.

Do you agree, without reservation, to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress, if you are confirmed?

Mr. KRANBUHL. Yes, sir.

Ms. ARBES. Yes, sir.

Dr. FICHTNER. Yes, sir.

The CHAIRMAN. Okay. Finally, do you commit to provide a prompt response in writing to any questions addressed to you by any Senator of this committee?

Mr. KRANBUHL. Yes, sir.

Ms. ARBES. Yes, sir.

Dr. FICHTNER. Yes, sir.

The CHAIRMAN. Now it might not surprise you, Ms. Arbes, I am going to start out with that last point. You heard what Senator Wyden said about the issue of our oversight. Maybe I do not speak as strongly as he does, but let me associate myself with his remarks on the importance of oversight.

So the first question deals with what Senator Wyden went into. And then I also had this discussion with Senator Alexander. In May of last year, Senator Wyden and I sent an oversight letter to HHS regarding reports of mismanagement and abuse occurring in facilities belonging to the HHS Office of Refugee Resettlement and their grantees.

HHS initially refused to provide Ranking Member Wyden and me with digital productions. And then when some digital documents were provided, those digital documents were provided in a manner that was unsearchable.

In the past, HHS has provided document production that can at least be made searchable very easily. In most other agencies of the Federal Government, we do not have any problem whatsoever with digital communication.

So, a very simple question: would HHS commit to providing consistent, usable, searchable digital productions to the committee? And I would emphasize the words "consistent, usable, searchable," and I would even add "sortable."

Ms. ARBES. Sir, I am absolutely happy to take that back to the Department. We will strongly consider finding ways to make our documents searchable.

The CHAIRMAN. Okay. We have received some productions electronically, but those productions until very recently have been pri-

marily unsearchable or unsortable. This makes such a large amount of information very, very difficult to use. When respondents to the committee provide digital production, it is widely understood and expected that they are to be produced in a searchable form, or at the very least, in a form that can be converted into a searchable format easily.

So I need to ask again, could you commit to provide consistent, usable, and searchable digital production to the committee?

Ms. ARBES. So we are happy to have a further discussion about searchable documents. What we have a difficult time with is making documents editable. We do need to protect the integrity of the documents coming from the Department.

But I do pledge to work with you and your staff, as we have thus far. We have made a tremendous number of accommodations for the committee and pledge to continue doing so on a case-by-case basis.

The CHAIRMAN. Well, you know things like this happen. We are told that, well, it is the Counsel of the Department that is the problem, so we talk to them. And then they say it is the problem of Legislative Affairs. You know, when we get this sort of double-talk—and I am not accusing you of double-talk because I am sure you are here to tell us what you can do or not do, and I do not know what you can do or not do. But the point is that it is kind of like, when we just ask all of you, would you cooperate with information for Congress—the extent to which all of you say “yes”—and not just you three. I am talking about, over a period of 25 years, I have been advising people when they come to my office, and you are going to respond to our request for oversight, maybe you ought to say “maybe” instead of “yes.”

You know, because we do not really get the cooperation we are promised, we cannot do our constitutional job of oversight. So the bottom line of it is, basically you kind of feel like—I do not know whether it is political people in these agencies or whether it is the professional people, but it is just like they are sticking their finger in our eye. Because it just does not make sense that we would get a spreadsheet that is sorted out over four things, and when we get it from the Department of Defense, we can read it. When we get it from HHS, we cannot read it. And that is kind of the problem.

So I think I will call on Senator Wyden.

Senator WYDEN. Thank you, Mr. Chairman. And as always, we are teaming up on oversight. And that will be my second question.

But I want to start, if I could, Ms. Arbes, with respect to the coronavirus. It seems that there are developments almost by the hour every single day. And the administration says they are evaluating their response every single day.

Can you tell me what that means to people in this country who may have been exposed?

Ms. ARBES. Sir, I am not a—I am a communicator by trade; I am not a public health expert. But I can assure you that our public health experts are working around the clock to communicate best practices to the American people as possible—as much as possible.

Some of the same standards that apply for preventing the flu also apply here: washing hands regularly, sneezing into your elbow, other ways of prevention of disease. And if there is additional



follow-up that I can provide that would be helpful for your office, I am happy to share that with you.

Senator WYDEN. So if you have been exposed, are you telling people what they might do? In other words, I heard about washing your hands. We have all heard about that. But my question was, what does this mean to people who may have been exposed? Those are our constituents, and of course they are seeing these news reports hour after hour. So is there anything else you can tell me about that?

Ms. ARBES. The risk to Americans is very, very low. And the number of patients who have been affected in the United States remains very, very low. And we pledge to continue communicating with the American people and with Congress about ways that Americans can lower their risk.

Senator WYDEN. So how is the administration communicating that information to the local and State health officials?

Ms. ARBES. The Centers for Disease Control has a streamlined process for communicating directly with State and local health departments. I would have to defer to them on the specifics of exactly how that happens.

Senator WYDEN. Okay, why don't you get us that? Can you do that within, say, by close of business today?

Ms. ARBES. Sure. No problem.

Senator WYDEN. Okay. And what will the Department do to keep us, the Congress—as you know, the Finance Committee and the HELP Committee play key roles in this. What are you going to do to keep us updated with respect to the agency's actions?

Ms. ARBES. There is an Interagency Task Force that has been created, that Secretary Azar chairs. From the Legislative Affairs division, we are closely coordinating with our interagency partners. We speak to or email each other multiple times a day. We are also in touch with the health committees of jurisdiction. Secretary Azar, along with CDC Director Redfield; the NIH lead for Infectious Disease, Tony Fauci; and Dr. Bob Kadlec, who is the Assistant Secretary for Program Response, were up here with their State Department and Homeland Security colleagues, and Chief of Staff Mulvaney just this morning was briefing all Senators.

This is the second of two briefings. They also had one last week, and we also continue one-off communications with our principals at—

Senator WYDEN. Let me finish with the oversight issue. We have worked with you before, and you have always been very professional. So I want to start with that, because I want you to know I would take great exception with your comment that the Department has made tremendous accommodations—those were your words—to work with us on our oversight requests.

The reality is very different. I mean we were stonewalled, and I use that word specifically, for months and months with respect to these child shelters. That took place even after we narrowed our request.

And with respect to documents, we do not want to edit your documents. We just want to be able to search them. So I will let you wrap up this round, because I think you can tell that both the chairman and I feel strongly about it.

What are you going to do to turn this situation around? For example, what I would do—unsolicited, but my opinion—I would say I am going to report to this committee when you guys make a request. I am going to give you a status report every 2 weeks. You know, we are not going to have the Finance Committee in the dark, because I am very disappointed with respect to Lynn Johnson and the team. I went over all these things for weeks when she was being considered.

So what do you think of that? When we have an investigation that we think is important, and it is bipartisan, will you commit this morning to give us a status report every 2 weeks?

Ms. ARBES. Absolutely, sir. If that works for your team, we are happy to do that.

Senator WYDEN. Done. Thank you, Mr. Chairman.

Ms. ARBES. May I—if it is all right, Mr. Ranking Member, may I respond?

The CHAIRMAN. Yes, please. Go ahead.

Ms. ARBES. So one thing I want you to know is, I took over the leadership of Leg Affairs just this summer. And it was the first time I had an opportunity to see what was happening in our oversight division. And there have been great strides in being much more responsive in the Department.

Specifically to the ORR letter, we just in November were able to pull a career staffer who spends full time responding to this letter. And I think you have seen now increased document productions, and you have seen a deliberative response to that letter.

And my sincere pledge to you is that kind of response will continue.

The CHAIRMAN. Okay.

Because they are not here, I am skipping over three members of the committee to go to Senator Whitehouse.

Senator WHITEHOUSE. Thank you, Mr. Chairman. I have a number of questions, and I would like to inquire if there will be time for a second round in order to accommodate them?

The CHAIRMAN. I think with the number of people we have here, we cannot have a second round. And I do have an 11:30 meeting I have to go to. Go ahead with your first round.

Senator WHITEHOUSE. Okay; can we re-start me?

The CHAIRMAN. Yes. Start his 5 minutes over again.

Senator WHITEHOUSE. So let me start with Ms. Arbes. First of all, welcome. I thank you for the good meeting in my office. If you will recall, in the office we discussed the problem of what in HHS/CMS arcana we call the rural imputed floor. And as you know, that drives reimbursement to hospitals and providers in various areas.

And as you further know, when Ms. Verma came in as Administrator, she unilaterally undid the rule for imputed rural floor under which we had been operating. And here is the effect that happened.

I showed you this map when we were there together. Here is Rhode Island [indicating]. Here is Massachusetts. Here is Connecticut. We are the geographically smallest State. So these are not big differences.

If you go from Rhode Island across the border here to St. Anne's Hospital, it is probably a 5-minute drive. If you go to Charlton, it

is maybe 15. If you go to Sturdy, maybe 15 or 20. These are hospitals that are very close to our border.

Because of what CMS Administrator Verma did, these hospitals in Massachusetts get 1.2868 as their wage index. We get 1.03.

I have been unable to get a serious or a straight answer out of Administrator Verma about this, why a 25-percent differential is appropriate in hospitals that close to each other?

And if you go from our east border to our west border, it gets worse. Here is Westerly Hospital in Rhode Island. It is less than 15 minutes down the road to Lawrence Memorial. Here, the margin favoring the Connecticut hospitals is 1.3525. It is a 30-percent differential.

Can you explain under what circumstances it makes sense for hospitals within an hour's drive of each other to be reimbursed with differentials in reimbursement as great as 25 or 30 percent?

[Pause.]

Senator WHITEHOUSE. No, you cannot. I understand that. And it is an unfair question to you, because this is not your job. But to the point that the chairman and the ranking member made, trying to get information or responses out of that organization, out of Administrator Verma's CMS, is so infuriating that I now have to be having this conversation with you, a good and decent person who is doing a different job, because I have no other opportunity.

And I have hospitals for which this really makes a difference. It is a \$25-million hit that one hospital took. That to me is unfair. And Administrator Verma has got FOIA requests from our hospital association that she has not answered. If you could see to getting that done, that would be helpful.

And what we were told, what we were told when we first questioned this, knowing full well what the damage was going to be, this unilateral decision that she made, what we were told was, "Oh, this is part of a broader reform of the imputed rural floor."

Ms. Arbes, we have seen no sign of any "broader reform" effort. I do not think we have been told the truth. I do not think we have been treated fairly. And I think information requests from hospitals that are affected by this have been stonewalled by Ms. Verma.

As you can see, I am very angry about this. We are not being treated fairly. There is no good and legitimate reason, and fair questions are not being answered.

So could you, and whoever is here from the organization as your minder and handler, please take that back? I spoke about it with Secretary Azar just this morning in the briefing you discussed on coronavirus.

Ms. ARBES. Yes, sir. You have my word, I will take it back.

Senator WHITEHOUSE. Very well. And I think you kept my copy of this map, did you not?

Ms. ARBES. Yes, sir, I did.

Senator WHITEHOUSE. You have that. Very good.

So just a quick question for Mr. Kranbuhl, and then we will come back to you. 45Q, the carbon capture regulation—this thing passed us practically unanimously. Everybody is for it. It has been sitting over there for 2 bloody years. Can you please kick loose that regulation?

Mr. KRANBUHL. I appreciate the concern you have. I will do my best to certainly take it up with our team, sir.

Senator WHITEHOUSE. Can you explain to me why it takes 2 years to write that regulation?

Mr. KRANBUHL. I cannot. I am not on our tax policy team, sir.

Senator WHITEHOUSE. I think even if you were on your tax policy team, you couldn't explain why it took 2 years.

Thank you.

The CHAIRMAN. The next person, I guess, is Senator Cortez Masto.

Senator CORTEZ MASTO. Good morning. Congratulations on your nominations. Welcome to your families.

Ms. Arbes, I am going to give you a break right now and will go to the other two gentlemen who are sitting next to you.

Let me start with Mr. Kranbuhl. Last September, the Treasury Department released its report on housing finance reform. If you are confirmed to serve as Assistant Secretary for Financial Markets, will you implement the recommendations in the report that capital markets should still provide long-term fixed-rate financing for mortgages?

Mr. KRANBUHL. In our report, we recommend that there should be legislative guarantee. Obviously, if that is not in place, we believe that the existing support should remain in effect through the Preferred Stock Purchase Agreements.

Senator CORTEZ MASTO. So that is a "yes"?

Mr. KRANBUHL. We believe that should continue to exist and are committed to doing so, yes.

Senator CORTEZ MASTO. Okay; and if you are confirmed, will you restrict Fannie Mae and Freddie Mac financing for vacation homes, investment properties, and cash-out refinances?

Mr. KRANBUHL. In our report, we recommended that additional study be done on a range of these topics, but we have not made a recommendation to—

Senator CORTEZ MASTO. And what is the time frame for that study? And when can we expect a report back?

Mr. KRANBUHL. Actually, we recommended that FHFA conduct that study. So I do not have a time frame for the agency's work.

Senator CORTEZ MASTO. Okay. And the Treasury housing finance report recommended alternative approaches to the highly successful National Housing Trust Fund, which has been beneficial to the State of Nevada. The Housing Trust Fund investments have provided housing for low-income elderly people, and low-income families in Nevada.

If you are confirmed, will you recommend any changes to the National Housing Trust Fund? And if so, what would you recommend?

Mr. KRANBUHL. In our report, we did not make any specific recommendations on altering the Housing Trust Fund or the Capital Magnet Fund. We recommended improved approaches to affordable housing goals, and to working toward greater accountability to ensure their success, to demonstrate their success.

We look forward to working with you, and continue to work with others on coming up with ideas on ways to approach this challenging topic.

Senator CORTEZ MASTO. Thank you.

Dr. Fichtner, in 2017 the Social Security Advisory Board held a roundtable with experts to solicit ideas for longer-range research and program evaluations that the agency might conduct.

One of the recommendations was to explore the sources of economic insecurity in retirement, including fraud experienced by seniors. Unfortunately, plenty of that fraud comes in the form of Social Security scams. Individuals have filed nearly 73,000 reports with the Federal Trade Commission about Social Security imposters in the first 6 months of 2019. That amounts to about \$17 million in reported losses.

Do you think the Advisory Board should be taking a closer look at new and better ways that SSA could stem fraud related to the impersonation of its employees?

Dr. FICHTNER. The short answer is, yes, Senator. And good morning. Thank you for being here. I appreciate that. But the Advisory Board should definitely help the administration, the agency, on what we can do to prevent fraud, waste, and abuse, including obviously imposters.

One of the things I was glad to see was, I went on the Advisory Board's website and they did have a warning to be careful of frauds that are going on right now. So there is more they can do, and, if confirmed, I will do—

Senator CORTEZ MASTO. Thank you; and I would like to work with you to the extent possible with the Board. This is an area that I have worked on in the past, and I think it is something that needs to be addressed. So I appreciate your comments.

Let me ask you this. What would be your top research priorities for the Board?

Dr. FICHTNER. So one is, obviously, reducing improper payments, fraud, waste, and abuse, and that includes identity fraud.

The second would be the research agenda programs, including demonstration projects for those on SSDI whom we might be able to help get back to work.

A third would be IT modernization. The agency still has millions of lines of COBOL that it uses for—

Senator CORTEZ MASTO. Say that again.

Dr. FICHTNER. Millions of lines of COBOL. The agency has to train people outside of Baltimore to keep up their systems. It is like a form of indentured servitude for those who actually code these programs. They have jobs for life right now. It is still a process to move those systems over to more modern code.

So IT modernization is definitely one of the top priorities we would help the agency with on the Board.

Senator CORTEZ MASTO. Thank you; and again, congratulations on your nominations.

Dr. FICHTNER. Thank you, Senator.

The CHAIRMAN. Senator Casey?

Senator CASEY. Thanks, Mr. Chairman. I want to start this morning with Ms. Arbes—Medicaid in particular. This is a program that, frankly, I think until recently a lot of Americans may have under-appreciated. But until the threats to Medicaid increased and the proposals to cut it, to change it, on some days to even obliterate a lot of it, I do not think many Americans had a full sense of how important it is to the country.

It is a program that I think speaks to our values, about how we provide health care for children, many of whom, most of whom are in urban and rural communities. It is a program that makes it possible for a lot of hospitals to stay open, especially in rural America.

I represent a State that has 67 counties, but 48 are considered rural. So Medicaid is not just about some distant health-care program, it is about health care and jobs and the viability of hospitals.

It obviously plays a determinative role in whether or not someone can get into a nursing home. Most Americans are not wealthy enough to pay for that care. Absent Medicaid, it cannot happen. It will not work.

It is of great significance to people with disabilities, especially children. And I do not understand, and will never understand, the obsession by some to cut or to change it.

Now we have a proposal to block-grant Medicaid. I think it is—I do not think it is lawful, but it is obviously an approach the administration has taken. I have been asking for information by way of letters to the administration. I have written four, on four different occasions, to request more information from the administration, whether it is from Secretary Azar or Administrator Verma.

The first document I saw that was relevant to this question of block grants was the HHS announcement. The press release in this case was detailing HHS's, quote, "healthy adult opportunity" guidance. A very strange name for what was being proposed.

So I would ask you—and I know you have worked in the Senate. You know how important this is to the chairman and others, to make document production and the availability of documents and information a high priority.

So I would ask you to commit to producing the documents that are responsive to my requests.

Ms. ARBES. Sir, I am happy to work with CMS, to the extent that we are able. But it is—we will be—at the end of the day, the documents are with CMS, and we will work very closely with them in partnership to be as responsive as we can be.

Senator CASEY. Well, just to give you a sense of the letters: March of 2019, October of 2019, February of this year. You, I think, understand this, having done the work that you have done. I hope we would be able to sit down and work out an agreement as to how to get those documents.

It seems to be, in my judgment, at least in the work that I do, an administration-wide problem. It is especially egregious when you are talking about vulnerable Americans, vulnerable Pennsylvanians, who are served by this program.

This is not some, you know, "theoretical" government program. This is about people's lives. And I hope you would approach it that way, were you to be confirmed.

Secondly, in the context of Medicaid more broadly, but in particular managed care, I have written to Administrator Verma asking that CMS investigate a particular company's conduct in terms of how it provided managed care, and provide documents detailing how CMS dealt with this particular case, which involved the permanent injury to a child.

I had an opportunity to sit down with Administrator Verma last year, late last year, and we might have—and I think we do, based

upon that meeting—some common ground. But I have not received the information that I need that is responsive to those questions about Medicaid managed care, an issue that cuts across geographic boundaries and different areas of the country.

So I would ask you, again, to commit to producing the documents that I requested in the context of Medicaid managed care.

Ms. ARBES. Sir, I am happy to follow up with the Administrator and her team and check on the status and see where things stand.

Senator CASEY. Let me just—I will submit a question for the record for Dr. Fichtner regarding Social Security, but I will do that in writing and ask that you respond. Thank you.

Dr. FICHTNER. Yes, sir.

The CHAIRMAN. Senator Brown is the next one.

Senator BROWN. Thank you, Mr. Chairman.

I join—I know Senator Cortez Masto has strong feelings about this too, on the Banking Committee. And, Mr. Kranbuhl, I want to talk to you about that.

If you are confirmed, a key piece of your portfolio will be housing finance policy, including GSE reform, as you know. I understand you are involved in developing the Treasury Department's housing finance reform report. In the Banking Committee we held several hearings last year on housing finance, Senator Crapo and I did.

We heard from a number of stakeholders. There was consensus around a few key principles. They told the committee that housing reform, finance reform, must preserve access to the affordable 30-year fixed-rate mortgage; ensure a broad, national market; and have GSEs that function like utilities, with limits on returns.

They provide a government backstop. They treat lenders of all sizes equally. Essentially, they preserve the duty to serve in affordable housing goals. They preserve the family market. They boost funds for affordable housing.

We know we face in this country an affordable housing crisis. A quarter of renters—I think you know these numbers, but they are so important—a quarter of renters spend half their income on housing, and home ownership is out of reach for more and more people in Rhode Island, and Nevada, and Louisiana, and Washington State, and all of us.

We have huge racial disparities that are getting worse. Black home ownership rate is back to the level it was, unbelievably, before we outlawed housing discrimination. It is back to those levels.

I am concerned the proposal you helped author will make home ownership and rental housing even more expensive and less available for families across the country. The affordable housing goals and the duty to serve ensure that GSEs are providing access to mortgage loans and affordable rental housing for low- and moderate-income borrowers, and in hard-to-serve markets like rural areas, not just for suburban homes and high-cost apartments.

In its report that you had a role in, apparently, Treasury states that, quote, "The GSEs' statutory mandate should be reform"; that "GSEs' statutory affordable housing goals should be replaced."

But when Secretary Mnuchin testified in September, he told the Banking Committee that "Treasury supports the duty to serve, as well as the affordable housing goals." That is a quote, the opposite of what is in your report.

So we are clear, does Treasury—clarify this, please. Does Treasury support maintaining a duty to serve under-served markets, contributions to affordable housing funds, and the GSEs' affordable housing goals in any housing finance system? What is its position?

Mr. KRANBUHL. Thank you for your question. I appreciate your passion on the topic. Our position is that we believe that these goals are all important; that they need to be revised, reformed to allow for greater accountability. But we recommend no cuts to any of these—any of these positions, any of these goals.

Senator BROWN. So “important”? Does that mean essential? Everything is important in this town, and in this government, and in this Treasury Department. So does that mean duty to serve, affordable housing goals, are those essential to what we ultimately agree on? Or are they just “important”?

Mr. Kranbuhl. Well, I believe they are essential to the ongoing accessibility of affordable housing. Our recommendation recommends that these be reformed so they can, as you said, make more progress than has been made thus far.

Senator BROWN. Thank you. We will continue to follow up and watch, and thank you for that.

One other issue. I have found something that is really troubling: the involvement of private equity in our housing system. Across the country, we have seen private equity companies buying up single-family homes, turning them into rental properties, leaving them vacant, I assume for tax reasons in some cases.

They were especially interested in buying up manufactured housing communities and apartment buildings where they raise rents and force out tenants. And if you are in manufactured housing, you are in what we call a “trailer park”—if you are in one of those places and a private equity firm buys that park and dramatically raises rents, you cannot really move your house very easily at any reasonable kind of cost.

As part of its work on housing markets and affordable housing, has Treasury been tracking the breadth and scope of private equity investors, what they are doing, what they are considering, as they buy up broad swaths of communities? Has Treasury monitored private equity's impact on housing affordability and quality?

Mr. KRANBUHL. Treasury is watching a range of impacts on affordable housing in looking for solutions to improve the crisis we face. Any recommendations you have to help us in that process would be welcome.

Senator BROWN. Okay. Thank you for the offer. What are you doing about—are you personally aware, or have you heard conversations among the right people at Treasury about a concern about them buying these manufactured housing places?

Mr. KRANBUHL. We are aware of what you are describing, sir. We certainly appreciate the current law requiring duty to serve manufactured housing.

Senator BROWN. So if you—do you recognize it as a serious problem?

Mr. KRANBUHL. I would have to learn more about the specific challenges it presents, but I certainly appreciate that it could be a challenge.



Senator BROWN. Could you outline, by letter to us, sort of an evaluation of how serious it is with recommendations about what you could do at Treasury, or what we could do in Congress?

Mr. KRANBUHL. I would be happy to work with you further to answer any questions you have on this, and work with you and your staff to try to make sure this problem is addressed.

Senator BROWN. A year ago in the chairman's home State, I met with a number of families that had had this happen to them, and their rents were going from, I recall, upper 200s to \$400, over a year or so. And what that means to somebody who is living there who may have spent \$60,000 for their home, have the plot in the housing community, and then see their rent increase by 50 percent when they are already spending 50 percent of their income on housing is, it is just devastating to the communities. And we have to find a way to fight back, and we look to Treasury for leadership.

Thank you.

The CHAIRMAN. Senator Cassidy?

Senator CASSIDY. Thank you.

I think I have had a chance to work with all three of you. I am sorry that Senator Casey is not here, Ms. Arbes, because he would be reassured regarding the Medicaid program. It is voluntary. A State does not have to do it. It is only for the expansion population. And it begins to put in accountability measures that are sorely lacking in Medicaid right now.

And so I think we will find better outcomes for those folks.

Mr. Kranbuhl, I am always favorably disposed to somebody whose parents are both physicians, as I am married to a doctor and I too am one, but let me specifically ask: I recently learned that nearly \$26 billion in matured unclaimed debt presently sits on the books at Treasury. These funds are related to the fact that Americans have made the patriotic decision to purchase U.S. Savings Bonds backed by the full faith and credit of our government.

The Senate is currently considering legislation introduced by my Louisiana colleague, Senator Kennedy, to reunite these funds with their owners or heirs.

Can you tell me more about the work Treasury is doing via on-line tools to help Americans locate their mature savings bonds? And remember, I have one worth \$50 for my son, and I cannot find the sucker. So what do we do about that?

Mr. KRANBUHL. I appreciate the question. It is something I know we are working closely with Senator Kennedy and his team on. Our Office of Fiscal Management is working to create a digital platform, and I look forward to working with you more on that in any way I can help.

Senator CASSIDY. Do you think this would be enough to resolve the issue? There are over \$337 million in Louisiana owed to my constituents, and unless they know to look on that online platform—you know, if mama bought it and mama died, they are not going to think about that.

So is the online tool going to be enough?

Mr. KRANBUHL. I am not certain it will be enough, but we look forward to coming up with any ideas you might have and ways we can help to improve that.

Senator CASSIDY. So I take that as a pledge, if you will, to work with me and Senator Kennedy as regards how to approach this?

Mr. KRANBUHL. Yes, sir.

Senator CASSIDY. Thank you.

Dr. Fichtner, I thought that Social Security had already updated their IT systems, having, by the way—speaking of giving you more about my life again than you care to know—been the subject of identity theft, and yet you tell me there are a million lines of COBOL. So what about all this money we have already given you, so to speak? What has happened to it? And how much inadequacy is there still there?

Dr. FICHTNER. Senator, thank you. Information technology is an ongoing improvement process. As you know, the Social Security Administration is very, very large and has a lot of records, including medical records. I am not sure about today, but when I was there 10 years ago Social Security was the largest repository of electronic medical records in the world.

The information volumes coming into the agency are large, and those systems have to be updated in priority fashion. And they are still trying to update them. And that includes websites. That includes the ability for online filing, processing claims, processing online requests for disability, for retirement. That is an ongoing process.

The money has been spent wisely. I know the current Commissioner has been talking to you about the agency's budget needs. And I am also looking forward to seeing the agency's budget request.

Senator CASSIDY. So let me ask you this, then. There is one of your colleagues, Social Security colleagues, or future colleagues, who said recently on the House side she is concerned that Social Security is used as a unique identifier for medical records, because it gives one number which accesses both your health record as well as your financial records.

And that one number used for both is double jeopardy, if you will. Implicit in that is that she said if we were going to improve the privacy that Americans have, we need to have one identifier for one, another identifier for the other.

What are your thoughts about that?

Dr. FICHTNER. I completely agree, Senator. And to Senator Cortez Masto's earlier comment on identity theft and fraud, one of the issues that Social Security is helping to work with Medicare on at HHS now is moving over to a Medicare number that is not the Social Security number, so there can be two separate numbers. So I think that is very important.

Senator CASSIDY. And would that Medicare number be only once you become eligible for Medicare? Or would that number be one that you would have that would protect your privacy of your medical records throughout your life?

Dr. FICHTNER. That I actually do not know, Senator. It is a very good question, and I will look into it. But I think you make a very good point, that there could be an issue of having a separate health care record number.

Of course there are privacy concerns that people have about having national identity numbers in general. There was always a concern—

Senator CASSIDY. So effectively Social Security is a national identifier number now, it has just taken you in two directions, and we only want it to go in one. Correct?

Dr. FICHTNER. That is correct, Senator. And there has been a lot of concern that Social Security has become a national identifier, and that is one of the problems we have when we're thinking about fraud, waste, abuse, and identity theft.

Senator CASSIDY. So if I am going to keep an insurance company—or we should not say an insurance company, but someone less reputable, from delving into a—they steal my Social on the dark web. Now they can get into my medical records, and maybe into my genetic code, which gives implications about my family members. We need to have a separate unique identifier at least to increase the probability of separation.

Dr. FICHTNER. That is correct. I would also say that, regardless of what number we use and how many numbers we have, we have to make sure those numbers are secure.

Senator CASSIDY. Got it. Thank you. I yield back.

The CHAIRMAN. Before I call on Senator Cantwell, this is how we will end this meeting, after Senator Whitehouse is done.

Senator Wyden and I are going to put our questions for a second round in the record for you to answer in writing. And then one sort of admonition here. Speaking for both Senator Wyden and me, for Ms. Arbes, I hope you have taken home from this meeting that we are very serious about getting this oversight stuff wrapped up in a way that is information that is searchable, sortable, so we can do our work right. And there is no reason for this to go on the months that it has.

Senator Cantwell?

Senator CANTWELL. Thank you, Mr. Chairman. And congratulations to all the nominees.

I would like, Mr. Kranbuhl, to go back to housing, and affordable housing, if I could. If you are confirmed as Assistant Secretary for Financial Markets, one of the key responsibilities will be housing finance and GSE reform. And as my colleagues said, we are in the middle of an affordable housing crisis, not just for low-income people but middle-class families as well, particularly in the Pacific Northwest.

This is practically every corner of our State. Housing prices have been soaring, and people are priced out of the market. My colleague, Senator Young, and I on this committee have been working to improve the Low-Income Housing Tax Credit so that people can buy affordable housing. Treasury's recent housing reform plan would restrict access for certain types of loans, including the high-balance loans, which are the only types loan borrowers can afford in markets like Seattle. It also proposes to restrict types of loans that make it possible for Fannie and Freddie to offer affordable pricing to low- and moderate-income buyers.

So how would you increase affordability?

Mr. KRANBUHL. That is something we are working closely with our colleagues at HUD to explore. The President has established a

White House Council on Affordable Housing to study these issues, and we are actively engaged at Treasury on the topic.

I look forward to any ideas you might have to improve the access to affordable housing. As you mentioned, it is a crisis that needs to be addressed as best as possible.

Senator CANTWELL. Well, with that layup, I will tell you that the best way to do it is to increase the amount of capital for the affordable housing tax credit. Ninety percent of the federally financed affordable housing that gets built in the United States gets built with the tax credit.

So if we do not increase the amount of capital available to that tax credit, we are not going to get out of this problem very quickly. And our previous hearings in this committee have distinguished from testimony that we are now paying 25 percent more for the population because they do not have affordable housing.

So to me it is an economic issue of: make this investment, stimulate the economy, and then reduce the cost that these people are bringing. We actually have hospitals in our State that are now buying affordable housing opportunities because it is cheaper for them to help finance affordable housing than to see this rotation of patients come through their hospitals. That is how dramatic the problem is.

So do you think increasing the affordable housing tax credit is one of those options?

Mr. KRANBUHL. I think that we should explore all options, including looking at the potential impact that the Low-Income Housing Tax Credit could have on improving the situation.

Senator CANTWELL. Well, one of the things that we could easily do is fix the 4-percent floating rate that I think makes the program less effective by creating a 4-percent floor. So we can get that information to you, and you can look at that and give us some feedback. But that might be a very cost-effective way to just immediately provide 20 percent more housing in the market.

But I am glad to hear my colleague, Senator Brown, talk about the problems in Ohio. This is not just a Seattle problem because we have a hot economy; this is a problem that is based on demographic trends, according to Harvard analysis. I can tell you, I have been a participant in so many reports released. This is a huge shift.

It is an aging population that does not have enough money for affordable housing. It is returning veterans who do not have enough affordable housing. It is workplace market rate-based housing too. It is the devastation that we have never recovered from since the recession, and the lack of supply. It is really a lack of supply issue that we have to correct.

So I hope that we can work with you and, Mr. Chairman, I hope at some point in time we can have a hearing on this as well—the possibilities of affordable housing solutions—because it really is facing so many parts of our State. And I can say particularly from an agricultural perspective, it is hard to even get agriculture to work for us without affordable housing. So I hope we can address this issue.

The CHAIRMAN. Thank you. Now, Senator Whitehouse.

Senator WHITEHOUSE. Thank you.

The CHAIRMAN. For 5 minutes. Is that okay?

Senator WHITEHOUSE. Sure. That should be fine.

Mr. Kranbuhl, as you know, we talked in my office about the financial sector ringing right now with warnings about climate change financial impacts. And I have brought this to the attention of my colleagues in the July 18, 2018 letter that I gave a copy of to you when we met. I sent another letter in December of 2019 to all the members of the Senate Banking Committee warning of these.

I have provided every colleague the binder that I gave to you of reports relating these various economic risks. They include—I will just go through a couple right now. The Bank for International Settlements' Green Swan Report says that central banks, regulators, and supervisors have increasingly recognized that climate change is a source of major systemic financial risks.

Is the phrase "major systemic financial risks" one that is a serious phrase in the financial world?

Mr. KRANBUHL. It is a serious phrase, yes, sir.

Senator WHITEHOUSE. It goes on to say, "Climate catastrophes are even more serious than most systemic financial crises," and that "exceeding climate tipping points could lead to catastrophic and irreversible impacts that would make quantifying financial damages impossible."

"Catastrophic and irreversible" is self-evidently dangerous language, is it not?

Mr. KRANBUHL. Yes, sir.

Senator WHITEHOUSE. Blackrock recently wrote to the financial community that in the near future, and sooner than most anticipate, there will be a significant reallocation of capital. Indeed, they forecast an entire change in the way financial markets operate, did they not?

Mr. KRANBUHL. Yes, sir.

Senator WHITEHOUSE. Yes, they did.

McKinsey has put out a report: "Climate change could make long-duration borrowing unavailable, impact insurance costs and availability, and reduce terminal values and trigger capital reallocation asset repricing."

Are those also significant warnings?

Mr. KRANBUHL. Yes, sir.

Senator WHITEHOUSE. The Bank of England has warned that "the combination of the weight of scientific evidence and the dynamics of the financial system suggest that in the fullness of time climate change will threaten financial resilience and longer-term prosperity, and that, in particular, investments in fossil fuels and related technologies may take a huge hit."

And it is not just the Bank of England. Thirty-four central bank presidents got together to warn the financial community, and I quote here, "Estimates of losses are large, and range from \$1 trillion to \$4 trillion when considering the energy sector alone, or up to \$20 trillion when looking at the economy more broadly. Average global incomes may be reduced by up to a quarter by the end of the century."

Are those serious warnings as well, from 34 central bank presidents?

Mr. KRANBUHL. Yes, sir.

Senator WHITEHOUSE. Cambridge University recently proposed that the existence of a carbon bubble could discount global wealth by U.S. \$1 to \$4 trillion, a loss comparable to the 2008 financial crisis.

Freddie Mac, which is not an environmental organization, described, just on coastal property value loss, that the economic losses and social disruption may happen gradually, but they are likely to be greater in total than those experienced in the housing crisis and the Great Recession.

And I did not have time to get it made up, because it just came out, but a January 2020 report from the Stanford Graduate School of Business notes that the financial risks from climate change are systemic and singular in nature, and I quote here: "Global economic losses from climate change could reach \$23 trillion, three or four times the scale of the 2008 financial crisis."

For those of us who weathered that, that is a pretty serious warning, is it not?

Mr. KRANBUHL. Yes, sir.

Senator WHITEHOUSE. So my question to you is, given that even Fed Chairman Powell has said, "I think the public has every right to expect, and will expect, that we will ensure that the financial system is resilient and robust against the risks from climate change," what are you doing at Treasury? It seems to me you are ignoring these warnings. And if so, why? And I would be delighted to have you take time answering it now, but I also would make that a question for the record so that I get as full and fair and complete an answer as I can.

Mr. KRANBUHL. I appreciate your passion on this topic, and this important issue—

Senator WHITEHOUSE. It is not just my passion. It is frightening warnings from people who know their stuff and are not even environmentalists.

Mr. KRANBUHL. As Secretary Mnuchin said, this is—climate change is one of the range of important environmental issues that becomes an economic issue because there is no question that environmental issues impact our economy.

I hope that we can all work together to help solve this challenging issue.

Senator WHITEHOUSE. Well, let us take that as a QFR then, if I may, so I can get a more specific answer to my specific questions.

One, does Treasury take this seriously? Two, what demonstrations are there that the Treasury takes this seriously? Three, is Treasury ignoring this problem? Four, is Treasury ignoring this problem because of pressure from the fossil fuel industry? And if none of that is true, what are you doing to protect our financial system against the catastrophes that are so clearly warned of by so many sources? Fair enough question?

Mr. KRANBUHL. Yes, sir.

Senator WHITEHOUSE. Thank you.

The CHAIRMAN. And thank you, Senator Whitehouse.

In closing, obviously I should thank you once again for your attendance and participation today, for the members who were here as well as for you folks who are on the panel, the nominees. I

thank you for your willingness to serve in these critical roles that you are up for.

And for the committee staff and members, for questions to be submitted for the record, I ask that that be done by 5 o'clock Friday, February 7th.

Meeting adjourned. Thank you all very much.

[Whereupon, at 11:26 a.m., the hearing was concluded.]





## APPENDIX

### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

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#### PREPARED STATEMENT OF SARAH C. ARBES, NOMINATED TO BE ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Chairman Grassley, Ranking Member Wyden, members of the committee, thank you for having me here today. It is a privilege to appear before you as President Trump's nominee to serve as Assistant Secretary for Legislation at HHS. I would also like to thank Secretary Azar and the many others at HHS who have helped with my nomination.

Here with me today is my family—my husband Justin and our two children, Reid and June, as well as my parents, Craig and Janie Cudworth. They are my rock, and without their support, I would not be where I am today. Finally, I wish to recognize the amazing HHS legislative affairs team who work tirelessly every day to fulfill the HHS mission to enhance and protect the health and well-being of all Americans in part by serving this great institution. They are the best team in Washington, and I'm proud to call each and every one of them colleagues.

I have to tell you that it's surreal sitting on this side of the dais. After nearly a decade as a Senate staffer, I fondly remember sitting where your staff sit now, giving advice on hearing strategy, member interests, and ways to advance your policy goals. It's those formative years that have helped to prepare me for the role I am seeking your support for today.

My experiences in both the majority and minority under Chairman Alexander, Leader McConnell, and Senator Jim Talent taught me about listening to constituents, the power of bipartisanship, and the importance of precedence. I owe each of them a debt of gratitude for the unique lessons of leadership I learned and the opportunity to serve alongside them as they worked tirelessly for the great States of Tennessee, Kentucky, and Missouri.

The Office of the Assistant Secretary for Legislation plays a critical role in ensuring the communication between the executive and legislative branches that our Founding Fathers envisioned. If confirmed, it would be my job to ensure you receive the technical assistance you need to draft legislation and answers to your questions about the Department's programs. Additionally, it is the responsibility of this position to ensure you are informed in a timely manner of the administration's initiatives and policies so that, together, we can serve the American people better.

Over the last 3 years, I have been the principal deputy in HHS legislative affairs. In this role, I am the policy lead for our team. When I think back to all of the issues that the Department has collaborated with this committee on in that time, I realize how much we have accomplished together.

The list is long.

If you'll indulge me a moment, I'll name just a few. We are turning the tide in the opioid epidemic, lowering the cost of prescription drugs, providing relief to Americans who suffered after Hurricanes Harvey and Irma, protecting American medical research from foreign threats, ensuring quality nursing home care, helping more foster children find their forever homes, and strengthening Medicare.

If confirmed, I pledge to continue my commitment to the close collaboration between HHS, this committee, and Congress that will help more Americans live longer, healthier, happier lives.

Thank you again for the opportunity to be here today. I look forward to your questions.

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**SENATE FINANCE COMMITTEE**  
**STATEMENT OF INFORMATION REQUESTED**  
**OF NOMINEE**

**A. BIOGRAPHICAL INFORMATION**

1. Name (include any former names used): Sarah Cudworth Arbes (married name), Sarah Melice Cudworth (maiden name).
2. Position to which nominated: Assistant Secretary for Legislation, U.S. Department of Health and Human Services.
3. Date of nomination: October 30, 2019.
4. Address (list current residence, office, and mailing addresses):
5. Date and place of birth: July 14, 1979, in Richmond, VA.
6. Marital status (include maiden name of wife or husband's name):
7. Names and ages of children:
8. Education (list all secondary and higher education institutions, dates attended, degree received, and date degree granted):  
 Syracuse University (Syracuse, New York); attended 2004–2005, master of public administration granted July 1, 2005.  
 The University of Oklahoma (Norman, Oklahoma); attended 1997–2001, bachelor of arts in journalism granted May 12, 2001.  
 USDA Graduate School (Washington, DC); attended 2004, no degree received.  
 Carl Albert State College (Poteau, Oklahoma); attended 1998–1999, no degree received.  
 Louisiana School for Math, Science, and the Arts (Natchitoches, Louisiana); attended 1995–1997, high school diploma granted May 24, 1997.  
 Franklinton High School (Franklinton, Louisiana); attended 1994–1995; no degree received.  
 Bowling Green School (Franklinton, Louisiana); attended 1993–1994, no degree received.
9. Employment record (list all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment for each job):  
 June 2019–present; Acting Assistant Secretary for Legislation, U.S. Department of Health and Human Services, Washington, DC.  
 March 2017–present; Principal Deputy Assistant Secretary for Legislation, U.S. Department of Health and Human Services, Washington, DC.  
 February 2016–March 2017; vice president (health and retirement policy), Business Roundtable, Washington, DC.  
 February 2013–January 2016; Deputy Health Policy Director, U.S. Senate Committee on Health, Education, Labor, and Pensions (Chairman Lamar Alexander (R-TN)), Washington, DC.  
 January 2011–February 2013; Legislative Assistant, U.S. Senator Mitch McConnell (R-KY), Washington, DC.  
 January 2010–January 2011; vice president, government affairs, Retail Industry Leaders Association, Arlington, VA.  
 July 2007–December 2009; senior director, government affairs, Retail Industry Leaders Association, Arlington, VA.

January 2007–July 2007; Legislative Assistant (Schedule C Appointee), U.S. Department of Labor, Washington, DC.

November 2006–January 2007; Legislative Correspondent and Senior Constituent Caseworker, U.S. Senator Jim Talent (R–MO), Washington, DC.

February 2003–November 2006; Caseworker, U.S. Senator Jim Talent (R–MO), Washington, DC.

October 2002–February 2003; media planner, Lyons and Sucher Advertising, Arlington, VA.

September 2002–October 2002 (approx.); media assistant, Earle Palmer Brown, Bethesda, MD.

Fall 2002 (approx.); waitress, McCormick and Schmick's Seafood Restaurant, Reston, VA.

December 2001–September 2002; E. James White Communications, media assistant, Herndon, VA.

Off and on employment between 2001–2004 (approx.); sales associate, Bicycle Pro Shop, Washington, DC.

November 2001–December 2001; intern, U.S. Senator Tim Hutchinson (R–AR), Washington, DC.

August 2001–October 2002; bartender, Mike's American Grill, Springfield, VA.

June 2001–August 2001; sales associate, Village Cycle Center, Chicago, IL.

10. Government experience (list any current and former advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments held since college, including dates, other than those listed above):

None.

11. Business relationships (list all current and former positions held as an officer, director, trustee, partner (*e.g.*, limited partner, non-voting, etc.), proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution):

None.

12. Memberships (list all current and former memberships, as well as any current and former offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations dating back to college, including dates for these memberships and offices):

2017–present; participant, ASIA Families.

2002–2003; board member, the OU Alumni Capital Club.

2000–2001; chair, Union Programming Board, the University of Oklahoma.

1997–1999; chapter president and founder, OU Circle K International.

October 1997–present; member, Delta Gamma Fraternity.

13. Political affiliations and activities:

- a. List all public offices for which you have been a candidate dating back to the age of 18.

None.

- b. List all memberships and offices held in and services rendered to all political parties or election committees, currently and during the last 10 years prior to the date of your nomination.

2014 Election Cycle, phone bank volunteer, National Republican Senate Committee (NRSC).

October 2014 (one week), campaign volunteer, Mitch McConnell for U.S. Senate.

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years prior to the date of your nomination.

None.

14. Honors and awards (list all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement received since the age of 18):

The Professional Scholar Award, Maxwell School of Citizenship and Public Affairs, Department of Public Administration, Syracuse University.

10-year Federal service recognition.

15. Published writings (list the titles, publishers, dates, and hyperlinks (as applicable) of all books, articles, reports, blog posts, or other published materials you have written):

Cudworth, Sarah. (2007). "The U.S. Coast Guard: Land-Based Law Enforcement Authority and Effective Coordination With State and Local Government." Student Association of Terrorism and Security Analysis Journal on Terrorism and Security Analysis, Volume 2, Pages 37–43.

16. Speeches (list all formal speeches and presentations (*e.g.*, PowerPoint) you have delivered during the past 5 years which are on topics relevant to the position for which you have been nominated, including dates. Provide the committee with one digital copy of each formal speech and presentation):

I did not prepare a PowerPoint presentation or a written speech for any of the following public speaking engagements:

January 23, 2019; Role: Presenter; Organizer: Tarplin, Downs, and Young; Audience: Clients of the organization; Topic: Informal presentation of HHS priorities on Capitol Hill.

October 10, 2018; Role: Presenter; Organizer: America's Physician Group; Audience: Board of Directors—2018 Colloquium; Topic: Informal presentation of HHS priorities on Capitol Hill.

May 2017; Role: Presenter; Organizer: American Benefits Council; Audience: Policy Board of Directors Meeting; Topic: Presentation of HHS priorities on Capitol Hill.

September 14, 2015; Role: Panelist; Organizer: Ripon Society; Audience: Members of the Ripon Society; Topic: Discussion of Senate HELP Committee health-care policies in Congress.

May 19, 2015; Role: Presenter; Organizer: Enquiron, The Partnership to Fight Chronic Disease and Population Health Alliance; Audience: Webinar; Topic: Discussion of workplace wellness legislation in Congress.

April 23, 2014; Role: Presenter; Organizer: Self-Insurance Institute of America, Inc.; Audience: Legislative/Regulatory Conference; Topic: Senate Republican staff perspective on health-care reform.

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

I have over a decade of experience serving four U.S. Senators and three cabinet Secretaries. These positions have afforded me a deep reverence for and understanding of the integral relationship between the executive and legislative branches of government, which is critical to the success of any agency's Assistant Secretary for Legislation (ASL). From constituent casework and congressional oversight to witness hearing preparation and legislative technical assistance, the ASL ensures Congress gets what it needs to govern while the agency's mission is advanced. I have legislative and executive branch experience in fulfilling all of these important functions.

Additionally, I am a proven leader. In my current role, I manage a team of two dozen employees—both career and political staff—with a multimillion-dollar budget. I have established and refined processes that ensure the agency and the Congress are served in a timely, responsive manner, and that every member of the team understands the mission and feels like a valuable contributor toward the mission.

## **B. FUTURE EMPLOYMENT RELATIONSHIPS**

1. Will you sever all connections (including participation in future benefit arrangements) with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

I am currently serving as the Acting Assistant Secretary for Legislation and Principal Deputy Assistant Secretary for Legislation at HHS. If confirmed, I will become the Assistant Secretary for Legislation at HHS. I am not currently employed by any other entity.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.  
No.
3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.  
No.
4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next presidential election, whichever is applicable? If not, explain.  
Yes.

### C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any current and former investments, obligations, liabilities, or other personal relationships, including spousal or family employment, which could involve potential conflicts of interest in the position to which you have been nominated.

My spouse and I are currently invested in the following funds: (1) SPDR S&P Oil & Gas Exploration & Production ETF (XOP) and (2) Vanguard Energy ETF (VDE). Upon re-entering Federal service, I signed an ethics pledge that we would keep the value of these funds below the Office of Government Ethics' regulatory exemption level for sector funds—an agreement which we have honored.

2. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years (prior to the date of your nomination), 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.

3. Describe any activity during the past 10 years (prior to the date of your nomination) in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

I was employed as a lobbyist at the Retail Industry Leaders Association (RILA) between the fourth quarter of 2009 and the fourth quarter of 2010, and at Business Roundtable (BRT) in calendar year 2016. For the committee's convenience, I have included in this submission RILA and BRT's Form LD-2s (Attachment 1) and below is a summary of the bills I lobbied on during the reporting period:

#### 2009 Q4:

##### Health

- Proposals related to Employee Retirement Income Security Act (ERISA).
- S. 391, Healthy Americans Act.
- S. 1099/H.R. 2520, Patients Choice Act.
- S. 1679, Affordable Health Choices Act.
- S. 1796, America's Healthy Future Act.
- H.R. 3200, America's Affordable Health Choices Act of 2009.

##### Labor

- Proposals related to Family Medical Leave Act (FMLA).
- Proposals related to Americans with Disabilities Amendments Act (ADAA) rulemaking.
- S. 1580/H.R. 2067, Protecting the America's Workers Act.
- S. 1584/H.R. 2981, Employment Non-Discrimination Act of 2009.
- S. 1647, Assistance for Unemployed Workers Extension.
- S. 1681, Health Insurance Industry Antitrust Enforcement Act of 2009.
- H.R. 800/S. 1041, Employee Free Choice Act.

- H.R. 1542/S. 910, Healthy Families Act.
- H.R. 3326, FY 2010 Defense Appropriations Act (issues related to binding arbitration in Federal employee contracts).
- H.R. 3548, Unemployment Compensation Extension Act.

#### Pensions

- Proposals related to pension funding, including legislation to provide temporary pension-funding relief.

#### Tax

- Proposals related to revenue raisers for health reform.
- Work Opportunity Tax Credit (WOTC).

#### Technology

- Proposals related to behavioral advertising and data security.
- H.R. 2221, Data Accountability and Trust Act.

### 2010 Q1:

#### Banking

- S. 1212/H.R. 2695, Credit Card Fair Free Act of 2009.
- H.R. 627, Credit CARD Act and Durbin-Bond Consumer Discount and Fee Transparency Amendment to H.R. 627.
- H.R. 2382, Credit Card Interchange Fees Act of 2009.

#### Health

- Proposals related to Employee Retirement Income Security Act (ERISA).
- S. 391, Healthy Americans Act.
- S. 1099/H.R. 2520; Patients Choice Act.
- S. 1679, Affordable Health Choices Act.
- S.1796, America's Healthy Future Act.
- H.R. 3200, America's Affordable Health Choices Act of 2009.
- H.R. 3590, Patient Protection and Affordable Care Act.
- H.R. 3962, Affordable Care for America Act.
- H.R. 4872, Health Care and Education Reconciliation Act of 2010.

#### Labor

- Proposals related to Americans with Disabilities Amendments Act (ADM) rulemaking.
- S. 910/H.R. 1542, Healthy Families Act.
- S. 1041/H.R. 800, Employee Free Choice Act.
- S. 1580/H.R. 2067, Protecting America's Workers Act.
- S. 1584/H.R. 2981, Employment Non-Discrimination Act of 2009.
- S.1756, Protecting Older Workers Against Discrimination Act.
- S. 2882/H.R. 3408; Taxpayer Responsibility Accountability and Consistency Act.
- H.R. 2847, Hiring Incentives to Restore Employment (HIRE Act).
- H.R. 4853, Work-Life Balance Award Act of 2010.

#### Tax

- Work Opportunity Tax Credit (WOTC).
- H.R. 2847, Hiring Incentives to Restore Employment (HIRE Act).
- H.R. 3590, Patient Protection and Affordable Care Act.
- H.R. 4872, Health Care and Education Reconciliation Act of 2010.

Technology: Issues related to behavioral advertising, data security, and privacy.

### 2010 Q2:

#### Financial Services

- S. 1212/H.R. 2695, Credit Card Fair Free Act.
- H.R. 2382; Credit Card Interchange Fees Act of 2009.
- H.R. 6247, Credit CARD Act.

#### Health

- H.R. 3590, Patient Protection and Affordable Care Act implementing regulations related to ERISA health plans.

## Labor

- Proposals related to Americans with Disabilities Amendment Act (ADAA) and Genetic Information Nondiscrimination Act rulemaking.
- Proposals related to Independent Contractor Classification Act rulemaking.
- Proposals related to OSHA 300 Log, chemical hazard, and walking/working surfaces rulemaking.
- Proposals related to persuader activity rulemaking.
- S. 910/H.R. 1542, Healthy Families Act.
- S. 1041/H.R. 800, Employee Free Choice Act.
- S. 1580/H.R. 2067, Protecting America's Workers Act.
- S. 1756, Protecting Older Workers Against Discrimination Act.
- S. 3254, Employee Misclassification Act.

## Homeland Security

- Proposals related to the National Strategy for Trusted Identities in Cyberspace.

## Retirement

- Proposals related to pension funding, including legislation to provide temporary pension funding relief.

## Tax

- H.R. 2857, Hiring Incentives to Restore Employment (HIRE Act).
- H.R. 3590, Patient Protection and Affordable Care Act.
- H.R. 4972, Health Care and Education Reconciliation Act of 2010.

**2010 Q3:**

## Health

- H.R. 3590, Patient Protection and Affordable Care Act implementing regulations related to ERISA health plans.

## Labor

- Proposals related to Americans with Disabilities Amendments Act (ADDA) rulemaking.
- Proposals related to the Independent Contractor Classification Act rulemaking.
- Proposals related to persuader activity rulemaking.
- Patient Protection and Affordable Care Act issues related to unemployment insurance.
- Rulemaking pertaining to independent contractor classification, OSHA Form 300 logs, chemical handling, OSHA enforcement, regulations pertaining to Americans with Disabilities Act (ADA) and point of sale machines and genetic information.
- Nominations of National Labor Relations Board (NLRB) appointees Becker, Pearce, and Hayes.
- S. 910/H.R. 1542, Healthy Families Act.
- S. 1041/H.R. 800, Employee Free Choice Act.
- S. 1580/H.R. 2067, Protecting America's Workers Act.
- S. 1756, Protecting Older Workers Against Discrimination Act.
- S. 3254, Employee Misclassification Act.
- S. 3772/S. 182/H.R. 12, Paycheck Fairness Act.
- H.R. 3149, Equal Employment for All Act.
- H.R. 4213, Unemployment Compensation Extension Act of 2010.

## Tax

- H.R. 2847, Hiring Incentives to Restore Employment (HIRE Act).
- H.R. 3590, Patient Protection and Affordable Care Act.
- H.R. 4872, Health Care and Education Reconciliation Act of 2010.

## Technology

- Issues related to behavioral advertising and data security and privacy.

**2010 Q4:**

## Health

- H.R. 3590, Patient Protection and Affordable Care Act implementing regulations related to ERISA health plans.

## Labor

- Issues related to Americans with Disabilities Amendments Act rulemaking.
- S. 910/H.R. 1542, Healthy Families Act.
- S. 1041/H.R. 800, Employee Free Choice Act.
- S. 1580/H.R. 2067, Protecting America's Workers Act.
- S. 1584/H.R. 2981, Employment Non-Discrimination Act of 2009.
- S. 1647, Assistance for Unemployed Workers Extension.
- S. 1681, Health Insurance Industry Antitrust Enforcement Act of 2009.
- S. 2790/H.R. 4092, Pandemic Protection for Workers, Families, and Businesses Act.
- H.R. 3326, FY 2010 Defense Appropriations Bill and issues related to binding arbitration in Federal employee contracts.
- H.R. 3548, Unemployment Compensation Extension Act.
- H.R. 3911, Emergency Influenza Containment Act.
- General FMLA-related bills.

## Retirement

- Issues relating to pension funding, including legislation to provide temporary pension funding relief.

## Tax

- Issues related to revenue raisers for health reform.
- Work Opportunity Tax Credit (WQTC).

## Technology

- Issues related to behavioral advertising and data security.
- H.R. 2221, Data Accountability and Trust Act.

**2016 Q1:**

## Health

- Issues related to the House of Representatives Health Care Task Force.
- S. 2045/H.R. 2050, Middle Class Health Benefits Tax Repeal Act of 2015.
- S. 2075, American Worker Health Care Tax Relief Act of 2015.
- H.R. 879, Ax the Tax on Middle Class Americans' Health Plans Act.

## Retirement

- RIN 1210-AB32, Department of Labor Proposed Definition of Fiduciary.
- RIN 1545-BM58, Internal Revenue Service Nondiscrimination Relief for Closed Defined Benefit Pension Plans.
- RIN 1210-2A25, Department of Labor Proposed Definition of Fiduciary.

**2016 Q2:**

## Health

- Issues related to the House of Representatives Health Care Task Force.
- RIN-3046-AB01, Equal Employment Opportunity Commissions final rule on Employer Wellness Programs.
- Retirement: Issues related to Pension Benefit Guaranty Corporation funding.

**2016 Q3:**

## Health

- RIN-3046-AB01, Equal Employment Opportunity Commission's final rule on Employer Wellness Programs.
- Issues related to Affordable Care Act 40-percent excise tax on health benefits.
- Issues related to final Qualified Entity Rule from Centers for Medicare and Medicaid Services.
- Issues related to regulations on Health Reimbursement Arrangements.
- Issues related to the House Health Care Task Force Better Way Project.

**2016 Q4:**

## Budget

- Issues related to Federal budget process reforms.
- Issues related to FY 2017 budget.
- Provisions related to repeal and replace of the Affordable Care Act.



## Health

- Issues related to Affordable Care Act 40-percent excise tax on health benefits.
  - Issues related to the exclusion and deduction for employee health benefits.
  - Issues related to ERISA pre-emption.
4. Explain how you will resolve any potential conflict of interest, including any that are disclosed by your responses to the above items. (Provide the committee with two copies of any trust or other agreements.)

For the two funds my spouse and I are currently invested in, within 90 days of confirmation, we will divest of these holdings and provide the committee with a copy of the divestiture. As for any lobbying recusals, I have fulfilled the terms of the most recent ethics agreement signed upon re-entering Federal service (Attachment 2). For any conflict of interest questions that may arise while I am serving in the HHS position, I will seek the advice of the HHS career ethics officials.

**D. LEGAL AND OTHER MATTERS**

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency (*e.g.*, an Inspector General's office), professional association, disciplinary committee, or other ethics enforcement entity at any time? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? If so, provide details, regardless of the outcome.
- No.
2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county, or municipal law, regulation, or ordinance, other than a minor traffic offense? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? If so, provide details.
- No.
3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.
- No.
4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.
- No.
5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.
- None.

**E. TESTIFYING BEFORE CONGRESS**

1. If you are confirmed by the Senate, 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. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?
- Yes.

Attachment 1

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code TRD

16. Specific lobbying issues

Issues relating to Trans-Pacific Partnership trade negotiations  
 Issues relating to Trans-Atlantic and Investment Partnership negotiations  
 Issues relating to Trade in Services Agreement negotiations  
 Issues relating to Environmental Goods Agreement negotiations  
 Issues relating to Executive Branch Export Control Reforms  
 Issues relating to U.S. economic sanctions against Cuba

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Commerce - Dept of (DOC), State - Dept of (DOS), Treasury - Dept of, U.S. Trade Representative (USTR)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name    | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|---------------|-----------|--------|---|--------------------------|
| John          | Engler    |        |   | <input type="checkbox"/> |
| Andrew        | Bellein   |        |   | <input type="checkbox"/> |
| William C.    | Miller    | Jr.    |   | <input type="checkbox"/> |
| W. David      | Thomas    |        |   | <input type="checkbox"/> |
| LeAnne Rediek | Wilson    |        |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

**Information Update Page - Complete ONLY where registration information has changed.**

20. Client new address \*

Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ Country \_\_\_\_\_

21. Client new principal place of business (if different than line 20)

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ Country \_\_\_\_\_

22. New General description of client's business or activities

\_\_\_\_\_

**LOBBYIST UPDATE**

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

| 1 | First Name | Last Name | Suffix | 2 | First Name | Last Name | Suffix |
|---|------------|-----------|--------|---|------------|-----------|--------|
| 1 |            |           |        | 3 |            |           |        |
| 2 |            |           |        | 4 |            |           |        |

**ISSUE UPDATE**

24. General lobbying issue that no longer pertains

|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|

**AFFILIATED ORGANIZATIONS**

25. Add the following affiliated organization(s)

Internet Address:

| Name | Address                |                |     |         | Principal Place of Business<br>(city and state or country) |         |
|------|------------------------|----------------|-----|---------|--|---------|
|      | Street Address<br>City | State/Province | Zip | Country | City<br>State:   | Country |

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

|   |   |   |
|---|---|---|
| 1 | 2 | 3 |
|---|---|---|

**FOREIGN ENTITIES**

27. Add the following foreign entities:

| Name | Address                |                |         | Principal place of business<br>(city and state or country) | Amount of contribution for<br>lobbying activities | Ownership<br>percentage in<br>client |
|------|------------------------|----------------|---------|--|---|--------------------------------------|
|      | Street Address<br>City | State/Province | Country |  |   |                                      |
|      |                        |                |         | City<br>State  |   | %                                    |

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registrant, client or affiliated organization

|   |   |   |
|---|---|---|
| 1 | 3 | 5 |
| 2 | 4 | 6 |

10/6/2019

LD-2 Disclosure Form

|  |   |
|--|---|
| Clerk of the House of Representatives<br>Legislative Resource Center<br>135 Cannon Building<br>Washington, DC 20515<br><a href="http://lobbyingdisclosure.house.gov">http://lobbyingdisclosure.house.gov</a> | Secretary of the Senate<br>Office of Public Records<br>232 Hart Building<br>Washington, DC 20510<br><a href="http://www.senate.gov/lobby">http://www.senate.gov/lobby</a> |
|--|---|

**LOBBYING REPORT**

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required to Complete This Page

|  |   |
|--|---|
| 1. Registrant Name <input checked="" type="checkbox"/> Organization/Lobbying Firm <input type="checkbox"/> Self Employed Individual                |   |
| Business Roundtable  |   |
| 2. Address   |   |
| Address1 300 New Jersey Avenue, NW   | Address2 Suite 800  |
| City WASHINGTON  | State DC Zip Code 20001 Country USA                       |
| 3. Principal place of business (if different than line 2)  |   |
| City   | State Zip Code Country                                    |
| 4a. Contact Name   |   |
| Mr. William C. Miller, Jr.   | b. Telephone Number 2028721260 c. E-mail wcmiller@brt.org |
| 7. Client Name <input checked="" type="checkbox"/> Self <input type="checkbox"/> Check if client is a state or local government or instrumentality |   |
| Business Roundtable  | 5. Senate ID# 7543-12<br>6. House ID# 315840000           |

8. Year 2016 Q1 (1/1 - 3/31) Q2 (4/1 - 6/30) Q3 (7/1 - 9/30)  Q4 (10/1 - 12/31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report  Termination Date  11. No Lobbying Issue Activity

| INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13  |   |
|---|---|
| 12. Lobbying<br>INCOME relating to lobbying activities for this reporting period was:<br>Less than \$5,000 <input type="checkbox"/><br>\$5,000 or more <input type="checkbox"/> \$ _____<br>Provide a good faith estimate, rounded to the nearest \$10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client). | 13. Organizations<br>EXPENSE relating to lobbying activities for this reporting period was:<br>Less than \$5,000 <input type="checkbox"/><br>\$5,000 or more <input checked="" type="checkbox"/> \$ 3,470,000.00<br>14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.<br><input type="checkbox"/> Method A. Reporting amounts using LDA definitions only<br><input type="checkbox"/> Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code<br><input checked="" type="checkbox"/> Method C. Reporting amounts under section 162(e) of the Internal Revenue Code |

Signature Digitally Signed By: William C. Miller, Jr. Date 10/20/2016 2:30:13 PM

10/8/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code AVI

16. Specific lobbying issues

H.R. 4441, Aviation Innovation, Reform, and Reauthorization Act of 2016; all provisions  
 S. 2658, Federal Aviation Administration Reauthorization Act of 2016; all provisions  
 Issues relating to air traffic control

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Transportation - Dept of (DOT)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Matthew    | Sommesyn  |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code BUD

16. Specific lobbying issues

Issues related the Presidents FY2017 Budget Proposal; provisions relating to domestic and international tax policy proposals  
 Issues related to federal budget process reforms

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Treasury - Dept of

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New |
|------------|-----------|--------|---|-----|
| John       | Engler    |        |   |     |
| Matthew    | Miller    |        |   |     |
| William C. | Miller    | Jr.    |   |     |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code ECN

16. Specific lobbying issues

Issues related to the Presidents FY2017 Budget Proposal; provisions relating to domestic and international tax policy proposals  
 IRS Reg 108060-15, Issues relating to the U.S. Treasury Departments proposed rulemaking under Internal Revenue Code Section 385; provisions regarding the determinations of related-party instruments as debt or equity, issued on April 4, 2016  
 Bill number not yet assigned, House Republicans Tax Reform Task Force Blueprint; provisions relating to domestic and international tax policies

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Commerce - Dept of (DOC), Treasury - Dept of, Office of Management & Budget (OMB), Internal Revenue Service (IRS)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Matthew    | Miller    |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code EDU

16. Specific lobbying issues

H.R. 5587, Strengthening Career and Technical Education for the 21st Century Act; all provisions  
Issues related to reauthorization of Carl Perkins Act

17. House(s) of Congress and Federal agencies  Check if None

U.S. HOUSE OF REPRESENTATIVES

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New |
|------------|-----------|--------|---|-----|
| John       | Engler    |        |   |     |
| Dane       | Lin       |        |   |     |
| William C. | Miller    | Jr.    |   |     |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None



10/8/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code ENG

16. Specific lobbying issues

H.R. 1327, Ozone Regulatory Delay and Extension of Assessment Length Act of 2015; all provisions  
 H.R. 1388, Clean Air, Strong Economies Act; all provisions  
 S. 751, Clean Air, Strong Economies Act; all provisions  
 Issues relating to comprehensive energy legislation with a focus on access, efficiency and government support  
 Issues relating to proposed EPA rule regarding carbon pollution emission guidelines for existing stationary sources: electric utility  
 Issues relating to National Ambient Air Quality Standards for Ozone

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Energy - Dept of, Environmental Protection Agency (EPA)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Marian     | Hopkins   |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2018

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code FIN

16. Specific lobbying issues

H.R. 5311, Corporate Governance Reform and Transparency Act of 2016; all provisions  
 H.R. 5983, Financial CHOICE Act of 2016; all provisions  
 Issues relating to Securities and Exchange Commissions regulation of shareholder proposals, proxy advisory firms, board diversity, pay ratio, and disclosure effectiveness

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Securities & Exchange Commission (SEC)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Maria      | Ghazal    |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code GOV

16. Specific lobbying issues

S. 1607, Independent Agency Regulatory Analysis Act of 2015; all provisions  
 S. 1817, Smarter Regs Act of 2015; all provisions  
 Issues relating to regulatory reform  
 Issues relating to greenhouse gas regulations  
 Issues relating to National Ambient Air Quality Standards for Ozone

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Commerce - Dept of (DOC), Office of Management & Budget (OMB), Environmental Protection Agency (EPA)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Elizabeth  | Gusster   |        |   | <input type="checkbox"/> |
| Marian     | Hopkins   |        |   | <input type="checkbox"/> |
| William C. | Miller    | Pr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/8/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code HCR

16. Specific lobbying issues

RIN-3046-AB01, Equal Employment Opportunity Commissions final rule on Employer Wellness Programs  
 Issues related to the House Health Care Task Force Better Way Project  
 Issues related to Affordable Care Act 40 percent excise tax on health benefits  
 Issues related to final Qualified Entity Rule from Centers for Medicare & Medicaid Services  
 Issues related to Workplace Wellness Rules  
 Issues related to regulations on Health Reimbursement Arrangements

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Health & Human Services - Dept of (HHS), Labor - Dept of (DOL), Treasury - Dept of, Equal Employment Opportunity Commission (EEOC)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Sarah      | Arbes     |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/8/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code IMM

16. Specific lobbying issues

Issues relating to immigration reform and border security

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Marian     | Hopkins   |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |
| Matthew    | Somesyn   |        |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code TAX

16. Specific lobbying issues

I.R. 4297, To impose certain requirements on the Secretary of the Treasury relating to transmittals of country-by-country reports for purposes of the Base Erosion and Profit Shifting Action Plan; all provisions  
 IRS Reg 108060-15, Issues relating to the U.S. Treasury Departments proposed rulemaking under Internal Revenue Code Section 385; provisions regarding the determinations of related-party instruments as debt or equity, issued on April 4, 2016  
 Bill number not yet assigned, Presidents Framework for Business Tax Reform (a joint report by the White House and Department of the Treasury); provisions relating to domestic and international tax policies  
 Bill number not yet assigned, House Republicans Tax Reform Task Force Blueprint; provisions relating to domestic and international tax policies  
 Issues relating to the Organisation for Economic Co-operation and Developments (OECDs) Base Erosion and Profit Shifting (BEPS) project; provisions relating to international tax policy and country by country (CbC) reporting  
 Issues relating to comprehensive tax reform including international tax rules; the U.S. corporate tax rate and effective tax rates  
 Issues relating to potential corporate integration tax reform proposals  
 Issues relating to potential international-only tax reforms  
 Issues relating to international tax policy on European Unions state aid investigations and the European Commissions proposed legislation that would require public disclosure of CbC reports from certain EU and non-EU companies

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Commerce - Dept of (DOC), Treasury - Dept of, Internal Revenue Service (IRS)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Andrew     | Belein    |        |   | <input type="checkbox"/> |
| Marian     | Hopkins   |        |   | <input type="checkbox"/> |
| Mathew     | Miller    |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |
| LeAnne     | Retlick   |        |   | <input type="checkbox"/> |
|            | Wilson    |        |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/9/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code TRA

16. Specific lobbying issues

Issues related to construction and maintenance of physical infrastructure

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name    | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|---------------|-----------|--------|---|--------------------------|
| John          | Engler    |        |   | <input type="checkbox"/> |
| William C.    | Miller    | Jr.    |   | <input type="checkbox"/> |
| Matthew       | Sonnesyn  |        |   | <input type="checkbox"/> |
| LaAnne Redick | Wilson    |        |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/9/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code TRD

16. Specific lobbying issues

Issues relating to Trans-Pacific Partnership trade negotiations  
 Issues relating to Trans-Atlantic and Investment Partnership negotiations  
 Issues relating to Trade in Services Agreement negotiations  
 Issues relating to Environmental Goods Agreement negotiations  
 Issues relating to Executive Branch Export Control Reforms

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Commerce - Dept of (DOC), State - Dept of (DOS), Treasury - Dept of, U.S. Trade Representative (USTR)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name    | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|---------------|-----------|--------|---|--------------------------|
| John          | Engler    |        |   | <input type="checkbox"/> |
| Andrew        | Beilein   |        |   | <input type="checkbox"/> |
| William C.    | Miller    | Jr.    |   | <input type="checkbox"/> |
| W. David      | Thomas    |        |   | <input type="checkbox"/> |
| LeAnne Redick | Wilson    |        |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ Country \_\_\_\_\_

21. Client new principal place of business (if different than line 20)

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ Country \_\_\_\_\_

22. New General description of client's business or activities

**LOBBYIST UPDATE**

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

| First Name | Last Name | Suffix | First Name | Last Name | Suffix |
|------------|-----------|--------|------------|-----------|--------|
| 1          |           |        | 3          |           |        |
| 2          |           |        | 4          |           |        |

**ISSUE UPDATE**

24. General lobbying issue that no longer pertains



10/8/2018

LD-2 Disclosure Form

**AFFILIATED ORGANIZATIONS**

25. Add the following affiliated organization(s)

Internet Address:

| Name | Address                |                |     |         | Principal Place of Business<br>(city and state or country) |
|------|------------------------|----------------|-----|---------|--|
|      | Street Address<br>City | State/Province | Zip | Country |  |
|      |                        |                |     |         | City<br>State<br>Country                                   |

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

**FOREIGN ENTITIES**

27. Add the following foreign entities:

| Name | Address                |                |         | Principal place of business<br>(city and state or country) | Amount of contribution for<br>lobbying activities | Ownership<br>percentage in<br>client |
|------|------------------------|----------------|---------|--|---|--------------------------------------|
|      | Street Address<br>City | State/Province | Country |  |   |                                      |
|      |                        |                |         | City<br>State<br>Country                                   |   | %                                    |

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registrant, client or affiliated organization

10/6/2019

LD-2 Disclosure Form

|  |   |
|--|---|
| Clerk of the House of Representatives<br>Legislative Resource Center<br>135 Cannon Building<br>Washington, DC 20515<br><a href="http://lobbyingdisclosure.house.gov">http://lobbyingdisclosure.house.gov</a> | Secretary of the Senate<br>Office of Public Records<br>232 Hart Building<br>Washington, DC 20510<br><a href="http://www.senate.gov/lobby">http://www.senate.gov/lobby</a> |
|--|---|

**LOBBYING REPORT**

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required to Complete This Page

|  |  |
|--|--|
| 1. Registrant Name <input checked="" type="checkbox"/> Organization/Lobbying Firm <input type="checkbox"/> Self Employed Individual<br>Business Roundtable                 |  |
| 2. Address<br>Address1 300 New Jersey Avenue, NW Address2 Suite 800<br>City WASHINGTON State DC Zip Code 20001 Country USA   |  |
| 3. Principal place of business (if different than line 2)<br>City State Zip Code Country   |  |
| 4a. Contact Name<br>Mr. William C. Miller, Jr.   | b. Telephone Number 2028721260<br>c. E-mail <a href="mailto:bmiller@brt.org">bmiller@brt.org</a> |
| 5. Senate ID# 7543-12  |  |
| 7. Client Name <input checked="" type="checkbox"/> Self <input type="checkbox"/> Check if client is a state or local government or instrumentality.<br>Business Roundtable |  |
| 6. House ID# 315840000   |  |

TYPE OF REPORT 8. Year 2016 Q1 (1/1 - 3/31)  Q2 (4/1 - 6/30)  Q3 (7/1 - 9/30)  Q4 (10/1 - 12/31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report  Termination Date \_\_\_\_\_ 11. No Lobbying Issue Activity

| INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13  |  |
|---|--|
| 12. Lobbying<br>INCOME relating to lobbying activities for this reporting period was:<br>Less than \$5,000 <input type="checkbox"/><br>\$5,000 or more <input type="checkbox"/> \$ _____<br>Provide a good faith estimate, rounded to the nearest \$10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client). | 13. Organizations<br>EXPENSE relating to lobbying activities for this reporting period were:<br>Less than \$5,000 <input type="checkbox"/><br>\$5,000 or more <input checked="" type="checkbox"/> \$ 4,170,000.00<br>14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.<br><input type="checkbox"/> Method A. Reporting amounts using LDA definitions only<br><input type="checkbox"/> Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code<br><input checked="" type="checkbox"/> Method C. Reporting amounts under section 162(e) of the Internal Revenue Code |

Signature Digitally Signed By: William C. Miller, Jr. Date 1/23/2017 10:37:41 AM

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code AVI

16. Specific lobbying issues

H.R. 4441, Aviation Innovation, Reform, and Reauthorization Act of 2016; all provisions issues relating to air traffic control

17. House(s) of Congress and Federal agencies  Check if None

U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |
| Matthew    | Souresyn  |        |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2016

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code BUD

16. Specific lobbying issues

Issues related the President's FY2017 Budget Proposal; provisions relating to domestic and international tax policy proposals  
 Issues related to federal budget process reforms  
 Issues related to FY2017 Budget; provisions relating to repeal and replace of the Affordable Care Act

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Treasury - Dept of

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Sarah      | Arbes     |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |
| Matthew    | Miller    |        |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code ECN

16. Specific lobbying issues

Issues related the Presidents FY2017 Budget Proposal; provisions relating to domestic and international tax policy proposals  
 IRS Reg - Final and Temporary Section 385 Regulations, 81 FR 72858, Issues relating to the U.S. Treasury Departments rulemaking under Internal Revenue Code Section 385; provisions regarding the determinations of related-party instruments as debt or equity, issued on October 13, 2016  
 Bill number not yet assigned, House Republicans Tax Reform Task Force Blueprint; provisions relating to domestic and international tax policies

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Commerce - Dept of (DOC), Treasury - Dept of, Office of Management & Budget (OMB), Internal Revenue Service (IRS)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Matthew    | Miller    |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code EDU

16. Specific lobbying issues

S. 3271, Workforce Advance Act; all provisions

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Dane       | Ann       |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code ENG

16. Specific lobbying issues

H.R. 1327, Ozone Regulatory Delay and Extension of Assessment Length Act of 2015; all provisions  
 H.R. 1388, Clean Air, Strong Economies Act; all provisions  
 S. 640, Ozone Regulatory Delay and Extension of Assessment Length Act of 2015; all provisions  
 S. 751, Clean Air, Strong Economies Act; all provisions  
 Issues relating to comprehensive energy legislation with a focus on access, efficiency and government support  
 Issues relating to proposed EPA rule regarding carbon pollution emission guidelines for existing stationary sources: electric utility  
 Issues relating to National Ambient Air Quality Standards for Ozone

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Executive Office of the President (EOP), Energy - Dept of, Environmental Protection Agency (EPA)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Marian     | Hopkins   |        |   | <input type="checkbox"/> |
| William C. | Miller    | Dr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None

10/6/2019

LD-2 Disclosure Form

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code FIN

16. Specific lobbying issues

H.R. 5311, Corporate Governance Reform and Transparency Act of 2016; provisions related to proxy advisory firms  
 H.R. 5983, Financial CHOICE Act of 2016; all provisions  
 Issues relating to Securities and Exchange Commissions regulation of shareholder proposals, proxy advisory firms, board diversity disclosure, pay ratio, and disclosure effectiveness

17. House(s) of Congress and Federal agencies  Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES, Securities & Exchange Commission (SEC)

18. Name of each individual who acted as a lobbyist in this issue area

| First Name | Last Name | Suffix | Covered Official Position (if applicable) | New                      |
|------------|-----------|--------|---|--------------------------|
| John       | Engler    |        |   | <input type="checkbox"/> |
| Maria      | Gibazal   |        |   | <input type="checkbox"/> |
| William C. | Miller    | Jr.    |   | <input type="checkbox"/> |

19. Interest of each foreign entity in the specific issues listed on line 16 above  Check if None



10/6/2019

LD-2 Disclosure Form

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf

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**Attachment 2**

October 31, 2019

Ms. Elizabeth Fischmann  
Associate General Counsel for Ethics  
Designated Agency Ethics Official  
U.S. Department of Health and Human Services  
Room 710-E, Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Ms. Fischmann:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Assistant Secretary for Legislation, U.S. Department of Health and Human Services.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Within 90 days of my confirmation, I will divest my interests in the following holdings:

SPDR S&P Oil & Gas Exploration & Production ETF (XOP);  
Vanguard Energy ETF (VDE).

Until I have completed this divestiture, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of any holding of either of these funds that is invested in the sector that is the focus of the fund, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I understand that I may be eligible to request a Certificate of Divestiture for qualifying assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will ensure that all divestitures discussed in this agreement occur within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets,

If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 CFR § 2640.201(a), or obligations of the United States.

In order to avoid potential conflicts of interest during my appointment as Assistant Secretary for Legislation, I, my spouse, or any minor children of mine will not acquire any direct financial interest in entities listed on the FDA prohibited holdings list or in entities involved, directly or through subsidiaries, in the following industries: (1) research, development, manufacture, distribution, or sale of pharmaceutical, biotechnology, or medical devices, equipment, preparations, treatment, or products; (2) veterinary products; (3) healthcare management or delivery; (4) health, disability, or workers compensation insurance or related services.; (5) food and/or beverage production, processing or distribution; (6) communications media; (7) computer hardware, computer software, and related internet technologies; (8) wireless communications; (9) social sciences and economic research organizations; (10) energy or utilities; (11) commercial airlines, railroads, ship lines, and cargo carriers; or (12) sector mutual funds that concentrate their portfolios on one country other than the United States. In addition, we will not acquire any interests in sector mutual funds that concentrate in any of these sectors.

I understand that as an appointee I must continue to abide by the Ethics Pledge (Executive Order No. 13770) that I previously signed and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

I will meet in person with you during the first week of my service in the position of Assistant Secretary for Legislation in order to complete the initial ethics briefing required under 5 CFR § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with

ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,  
Sarah Arbes

Date: September 21, 2017

MEMORANDUM FOR ELIZABETH J. FISCHMANN  
Designated Agency Ethics Official

SUBJECT: Notification of Commitment to Recuse

This memorandum is to provide you with further details of the recusal arrangement I have implemented to ensure that I comply with certain provisions of Executive Order 13770 (the Ethics Pledge). This recusal obligation is in addition to those detailed in my signed Ethics Agreement dated September 21, 2017.

During the 2 years before the date of my appointment, I was a federally registered lobbyist. Accordingly, under Executive Order 13770 (January 28, 2017), the Ethics Pledge, I will not for a period of 2 years after the date of my appointment, or participate in any particular matter on which I lobbied within the 2 years before the date of my appointment, or participate in the specific issue area in which that particular matter falls, unless covered by a waiver issued pursuant to section 3. The Office of the Counsel to the President has advised that, as used in the Ethics Pledge, the term "specific issue area" means a "particular matter of general applicability." This second term, a particular matter of general applicability, has been defined in regulations issued by the Office of Government Ethics as "a particular matter that is focused on the interests of a discrete and identifiable class of persons, but does not involve specific parties." 5 CFR § 2640.102(m). It may include governmental action such as legislation or policy making that is narrowly focused on the interests of a discrete and identifiable class of person. It does not extend to the consideration or adoption of broad policy options that are directed to the interest of a large and diverse group of persons. In accordance with guidance from the Office of Government Ethics and interpretations of the executive order, and after examination of any relevant information regarding the nature of my lobbying assignments (including reports filed under the Lobbying Disclosure Act), it has been determined that I must recuse from the following particular matter and "specific issue areas":

- 1) H.R. 879, Ax the Tax on Middle Class Americans' Health Plans Act, all provisions;
- 2) H.R. 2050 and S. 2045, Middle Class Health Benefits Tax Repeal Act of 2015, all provisions;
- 3) S. 2075, American Worker Health Care Tax Relief Act of 2015, all provisions;
- 4) RIN-3046-AB01, Equal Employment Opportunity Commission's final rule on Employer Wellness Programs;
- 5) House of Representatives Health Care Task Force;
- 6) House Health Care Task Force Better Way Project;
- 7) Affordable Care Act's 40% excise tax on health benefits;
- 8) Final Qualified Entity Rule from CMS;
- 9) Workplace Wellness rules;
- 10) Regulations on Health Reimbursement Arrangements;
- 11) Federal budget process reforms;
- 12) Exclusions and deductions for employee health benefits;
- 13) ERISA pre-emption.

In order to help ensure that I do not participate officially in these matters, I have taken or will take the following steps, similar to those outlined in my Ethics Agreement (1) Matters from which I am recused will be delegated to another Deputy ASL, or elevated to the ASL, as appropriate, for disposition without my input or recommendation, and (2) I have advised my immediate administrative staff and other appropriate ASL staff of this recusal and directed them to screen all mailers that are processed through them to ensure that any matters that could affect any of these entities are referred to the appropriate people above, to ensure the matter is handled in accordance with this memorandum.

Sarah Arbes

cc: Acting ASL

Deputy Assistant Secretaries for Legislation  
Stanley Olesh, OGC Ethics Division

Date: September 21, 2017

MEMORANDUM FOR THE RECORD

SUBJECT: Ethics Agreement

In order to avoid any financial conflict of interest in violation of 18 U.S.C. 208(a) or the appearance of a financial conflict of interest as defined in the Standard of Ethical Conduct for Employees of the Executive Branch, 5 CFR § 2635.502, and to adhere to the Ethics Pledge instituted by Executive Order 13770 issued on January 28, 2017 and entitled "Ethics Commitments by Executive Branch Appointees" (the Ethics Pledge) I am issuing the following statement.

As an appointee I have signed the Ethics Pledge and I will be bound by the requirements and restrictions therein even if not specifically mentioned in this or any other ethics agreement.

Before beginning the covered Federal position, I resigned from the non-federal position listed on my OGE 278e (Public Financial Disclosure Report) with Business Roundtable. Pursuant to the Ethics Pledge, I will not, for a period of 2 years from the date of my appointment to the covered position, participate in an official capacity in any particular matter involving specific parties that is directly and substantially related to Business Roundtable, unless an exception applies or I am granted a waiver. Under most circumstances, the 2-year Pledge prior-employer recusal obligation will supersede the 1-year prior employer recusal obligation under 5 CFR § 2635.502; however, in the limited circumstances when the Pledge recusal would not apply but the regulatory recusal would still apply, then I agree to be disqualified, for a period of 1 year from the date of my resignation from the respective entity or the date my services for the entity otherwise ceased, from participating in any particular matter involving specific parties in which any of the above entities is a party or represents a party, unless I am first authorized to participate, pursuant to 5 CFR § 2635.502(d).

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver pursuant to section 208(b)(1) or qualify for a regulatory exemption pursuant to section 208(b)(2). I understand that the interests or the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

In order to avoid potential conflicts of interest during my appointment, I agree that I (and anyone whose financial interests are imputed to me, such as a spouse or minor children) will not acquire any further financial interests in entities listed on the FDA prohibited holdings list or in entities involved, directly or through subsidiaries, in the following industries: (1) research, development, manufacture, distribution, or sale of pharmaceutical, biotechnology, or medical devices, equipment, preparations, treatments, or products; (2) veterinary products or cosmetics; (3) healthcare management or delivery; (4) health, disability, or workers compensation insurance or related services; (5) food and/or beverage production, processing or distribution; (6) communications media; (7) computer hardware, computer software, and related internet technologies; (8) wireless communications; (9) social sciences and economic research organizations; (10) energy or utilities; (11) commercial airlines, railroads, ship lines, and cargo carriers; or (12) sector mutual funds that concentrate their portfolios in any of these sectors or on one country other than the United States. If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 CFR § 2640.201(a), or obligations of the United States.

In accordance with Executive Order 13770 (January 28, 2017), the Ethics Pledge, I will not for a period of 2 years after the date of my appointment participate in

any particular matter on which I lobbied within the 2 years before the date of my appointment, or participate in the specific issue area in which that particular matter falls, unless covered by a waiver issued pursuant to section 3. The Office of the Counsel to the President has advised that, as used in the Ethics Pledge, the term "specific issue area" means a "particular matter of general applicability." This second term, a particular matter of general applicability, has been defined in regulations issued by the Office of Government Ethics as "a particular matter that is focused on the interests of a discrete and identifiable class of persons, but does not involve specific parties." 5 CFR § 2040.102(111). It may include governmental action such as legislation or policy making that is narrowly focused on the interest of a discrete and identifiable class of person. It does not extend to the consideration or adoption of broad policy options that are directed to the interests of a large and diverse group of persons. As with any of my recusal obligations, if I have questions about the scope of my obligations under the Ethics Pledge, I will ask for guidance.

A copy of this memorandum will be distributed to the appropriate personnel to enable them to assist in screening matters that may involve my participation and which may be implicated by the above disqualification provisions. Matters from which I am disqualified should be referred to another Deputy ASL, or elevated to the ASL, as appropriate, without my knowledge or involvement. To help ensure that I do not participate officially in these matters, I have instructed my immediate staff and other affected individuals to directly handle, or refer to the appropriate person(s), any matter from which I am recused. In order to ensure that this ethics agreement continues to be effective, I will take the following steps in the future: (1) I will revise and update this memorandum whenever that is warranted by changes in my financial interests or other changed circumstances, and provide the OGC Ethics Division with a copy; and (2) I will advise my immediate administrative staff of any such changes.

Sarah Arbes

cc: Stanley Olesh, OGC/Ethics  
Acting ASL  
Deputy Assistant Secretaries for Legislation

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#### ETHICS PLEDGE

As a condition, and in consideration, of my employment in the United States Government in an appointee position invested with the public trust I commit myself to the following obligations, which I understand are binding on me and are enforceable under law:

1. **Appointees Leaving Government to Lobby Agency.** I will not, within 5 years after the termination of my employment as an appointee in any executive agency in which I am appointed to serve, engage in lobbying activities with respect to that agency.

2. **Appointees Leaving Government.** If, upon my departure from the Government, I am covered by the post-employment restrictions on communicating with employees of my former executive agency set forth in section 207(c) of title 18, United States Code, I agree that I will abide by those restrictions.

3. **Appointees Leaving Government to Lobby Senior Officials.** In addition to abiding by the limitations of paragraphs 1 and 2, I also agree, upon leaving Government service, not to engage in lobbying activities with respect to any covered executive branch official or non-career Senior Executive Service appointee for the remainder of the Administration.

4. **Appointees Acting on Behalf of a Foreign Government or Party.** I will not at any time after the termination of my employment in the United States Government, engage in any activity on behalf of any foreign government or foreign political party which, were it undertaken on January 20, 2017, would require me to register under the Foreign Agents Registration Act of 1938, as amended.

5. **Lobbyist Gift Ban.** I will not accept gifts from registered lobbyists or lobbying organizations for the duration of my service as an appointee.

6. **All Appointees Entering Government.** I will not for a period of 2 years from the date of my appointment participate in any particular matter involving specific parties that is directly and substantially related to my former employer or former clients, including regulations and contracts.

**7. Lobbyists Entering Government.** If I was a registered lobbyist within the 2 years before the date of my appointment, in addition to abiding by the limitations of paragraph 6, I will not for a period of 2 years after the date of my appointment participate in any particular matter on which I lobbied within the 2 years before the date of my appointment or participate in the specific issue area in which that particular matter falls.

**8. Employment Qualification Commitment.** I agree that any hiring or other employment decisions I make will be based on the candidate's qualifications, competence, and experience.

**9. Assent to Enforcement.** I acknowledge that the Executive Order entitled "Ethics Commitments by Executive Branch Appointees," issued by the President on January 28, 2017, which I have read before signing this document, defines certain terms applicable to the foregoing obligations and sets forth the methods for enforcing them. I expressly accept the provisions of that executive order as a part of this agreement and as binding on me. I understand that the obligations of this pledge are in addition to any statutory or other legal restrictions applicable to me by virtue of Government service.

Sarah Cudworth Arbes

April 12, 2017

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QUESTIONS SUBMITTED FOR THE RECORD TO SARAH C. ARBES

QUESTION SUBMITTED BY HON. JOHN THUNE

*Question.* As you know, I've long been concerned with workforce and quality-of-care issues at the Indian Health Service in South Dakota. At times, it has been difficult to navigate inquiries and get answers to important questions. If confirmed, will you commit to ensuring timely responses and overall, to facilitating improved quality of care at IHS?

*Answer.* Yes, I commit to ensuring timely responses. While the Assistant Secretary for Legislation cannot directly facilitate improved quality of care at IHS, I commit to ensuring your ideas to improve the workforce and quality of care at IHS facilities in South Dakota receive full consideration by the appropriate officials in the Department.

---

QUESTIONS SUBMITTED BY HON. RON WYDEN

*Question.* I'm concerned about this administration's treatment of our most vulnerable populations, including children and pregnant women.

Back in October 2019, along with Energy and Commerce Chairman Pallone, I sent Secretary Azar a letter highlighting the unprecedented trend in the number of children losing health coverage under the Trump administration and asking the Secretary for documents and information related to the children's coverage losses in Medicaid and CHIP. I still have not received a response.

When will I receive an answer to this outstanding letter? What will you do to ensure that when Congress asks the Department for information—especially when it relates to our oversight responsibilities to protect the most vulnerable—that members will receive timely and responsive answers?

*Answer.* HHS responded to you and Chairman Pallone on February 11, 2020. I will continue to work to ensure that all congressional communications are answered in an appropriate and timely manner.

*Question.* As discussed during the hearing, neither the Finance Committee nor its members believe the Department of Health and Human Services (HHS) has responded to investigative requests in either a timely or complete manner. In addition, majority and minority Finance Committee staff have repeatedly asked HHS to produce documents in electronic form that are useable for the committee's oversight responsibilities with limited success.

During the question period, you indicated to Chairman Grassley that HHS did not want to produce documents and information in electronic form that were "editable," expressing concern that doing so would threaten a document's integrity. To be clear, the committee has long abided by applicable Senate rules and practices dedicated to protecting the integrity of documents and information it receives.

The bottom line: the committee *must* receive the information it requests in a timely fashion, and have the ability to apply common tools for searching, sorting, and analyzing the information and data produced to it by HHS in *all* of its investigations.

To better understand and improve the processes for responding to congressional oversight requests in place at HHS, please answer the following questions.

Describe the Department's current standard policies and legal basis for producing documents and providing information in response to requests from the following requestors, including but not limited to priority, timeliness, format, content, legal review, redaction, and physical production and delivery: Senate Committees; ranking members; and individual Senators.

**Answer.** The longstanding practice of the HHS legislative affairs oversight team is to respond to letters as soon as practicable. Despite ASL's recent efforts to increase staff devoted to responding to congressional oversight requests, requests for information outpace internal staff resources. Therefore, we follow the guidance from the Office of Legal Counsel, Congressional Research Service, and the Government Accountability Office in responding to congressional requests. In following that guidance, the Department prioritizes letters in order of leadership to chairs/ranking members to committee of jurisdiction members, then to individual members of Congress. Members and staff are always welcome to reach out to me or any member of the HHS legislative affairs team to request expedited consideration as needed.

HHS is committed to providing documents to Congress in a timely manner in a format that facilitates ongoing congressional oversight. Specific to the staff level discussions that have taken place with the Senate Finance Committee, HHS has committed to providing documents in more user-friendly formats. Our ongoing productions of documents in a more user-friendly format illustrates that commitment. Additionally, if an accommodation is required on a specific document to make it more accessible for review and analysis, the committee's requests will be considered on a case-by-case basis.

**Question.** Please explain why HHS is unwilling to provide responses in the form of electronic documents and spreadsheets with common functional capabilities unblocked?

**Answer.** HHS is sensitive to the committee's need for data that can be easily reviewed and analyzed. Pursuant to staff-level discussions, HHS will work to ensure that documents are provided to the committee in a manner that allows meaningful investigative work and enables maximum usability of the documents, while preserving the integrity of the documents. If an accommodation is required on a specific document to make it more accessible for review and analysis, the committee's requests will be considered on a case-by-case basis. This includes transmittal of documents in formats outside of PDFs.

**Question.** If confirmed, what changes will you make to the Department's procedures to ensure that the Department promptly and completely responds to requests from the committee and its members?

**Answer.** Upon assuming the position of Acting Assistant Secretary for Legislation in June 2019, I prioritized responding to an unacceptable backlog of oversight letters, made necessary personnel changes, and altered the mission of our team to be more accommodating to the important oversight role of Congress. That process took several months, and it is my belief that these changes have improved HHS's responsiveness to this committee. Further, my commitment to you in the hearing to provide progress reports every 2 weeks on your request for documents related to the Office of Refugee Resettlement is another step in the right direction toward a constructive working relationship between our offices. If confirmed, I look forward to an open, honest dialogue with the committee about what may be possible to meet your needs.

**Question.** HHS's private-sector and agency peers, including private-sector attorneys, routinely produce documents to the committee in their original electronic file formats (*i.e.*, datasets provided in comma-separated-value (CSV)/Excel Workbooks, and emails, memos, and presentations in Word or text-recognizable PDF). These formats provide information to the committee that are "useable" for investigative purposes since they are in a format in which functions are unlocked, and information is searchable and sortable. For example, when responsive documents are originated in spreadsheets, HHS should furnish the spreadsheets to the committee in formats

that are compatible with Microsoft Excel (either Excel itself or comma-separated values), which allow the committee to use all Excel tools to analyze data therein.

Will you commit to produce documents in useable electronic formats, as detailed above? If not, why not?

Answer. HHS will work to ensure that documents are provided to the committee in a manner that allows meaningful investigative work and enables maximum usability of the documents, while preserving the integrity of the documents.

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QUESTIONS SUBMITTED BY HON. MARIA CANTWELL

*Question.* In your testimony, you point out the importance of responding to congressional inquiries in a timely manner. On January 27, 2020, my colleagues and I sent a letter to Secretary Azar after the first U.S. case of the 2019 novel coronavirus was found in Washington State. During this public health emergency, we expected an expedited reply. To date, we have not yet received a response.

Answer. First, it is important to know that any letter received by a member of Congress is taken very seriously. Upon receipt it is immediately routed to senior leaders in the Department for their awareness and consideration. Further, we endeavor to respond to every letter we receive.

Regarding this specific letter, because of the speed with which matters are evolving related to COVID-19, and because the policymakers who would respond to your letter are the same ones working around the clock to mitigate this public health emergency, HHS has prioritized ensuring members of Congress have the latest developments and information. Congressional letters which would typically receive a timely written response on agency letterhead are instead being responded to immediately through member-level briefings, member-level phone calls with agency principals, and email communications with staff.

The Centers for Disease Control and Prevention (CDC) has offered, and stands ready to facilitate a personal briefing for you with CDC Director Dr. Robert Redfield regarding the original case in your home State. The email your staff recently received to alert you of a transfer of several positive patients from California to one of Washington's premier infectious disease hospitals, and the closed-door briefing with the HHS's top public health experts that you attended with other Senators are other examples of this ongoing and frequent outreach.

*Question.* If confirmed, how will you prioritize responding to letters?

Answer. The longstanding practice of the HHS legislative affairs team is to respond to every policy letter as soon as practicable. Despite ASL's best efforts, the volume of letters we receive outpaces internal staff resources. Therefore, we follow the guidance of the Office of Legal Counsel, Congressional Research Service, and the Government Accountability Office in responding to congressional requests. In following that guidance, the Department prioritizes letters in order of leadership to chairs/ranking members to committee of jurisdiction members, then to individual members of Congress. Members and staff are always welcome to reach out to me or any member of the HHS legislative affairs team to request expedited consideration as needed.

*Question.* Will you commit to providing members of Congress prompt responses to requests for information, particularly in the case of a public health emergency like the coronavirus?

Answer. Yes.

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QUESTION SUBMITTED BY HON. MICHAEL F. BENNET

*Question.* I am currently working on the Verifying Accurate Leading-edge IVCT Development (VALID) Act of 2020 with Senator Burr to develop comprehensive regulation for in vitro clinical tests. As we continue to work on the bill, will you ensure that the administration, including FDA, CDC, and CMS, continues to provide technical assistance to ensure that it provides an effective regulatory framework for in vitro clinical tests?

Answer. Yes. FDA, CDC, and CMS have appreciated the opportunity to provide you with robust technical assistance in drafting this legislation. As long as you have questions, we will be here to help where possible with technical input.



## QUESTIONS SUBMITTED BY HON. SHERROD BROWN

*Question.* Medicaid and lead testing: Childhood lead exposure remains a serious public health challenge for communities across the country. With Medicaid serving as an essential health coverage source for the Nation's children, the Centers for Medicare and Medicaid Services (CMS) plays a critical role in the prevention, screening, and treatment of children affected by lead exposure. For 20 years, Federal law has required blood lead screening "as appropriate for age and risk factors" for all children enrolled in Medicaid. In 2016, CMS under the previous administration took a number of actions aimed at improving blood lead screening and testing for Medicaid-eligible children, including the collection of data to try and help ensure the delivery of blood lead screening. However, despite this progress, according to a recent report from the Government Accountability Office (GAO) (GAO-19-481), data on statutorily mandated blood lead screenings remains incomplete.

In October 2019, several of my colleagues and I sent a letter to CMS requesting information on how the agency planned to address the deficiencies in lead screening data. We have yet to receive a response to our letter or the questions listed below. I ask that you please engage with your colleagues to respond to these questions.

What specific actions has CMS taken or does CMS plan to take to address the issues and recommendations related to blood lead screening included in the 2019 GAO report?

What steps has CMS taken or does CMS plan to take to assist states with planning improvements to ensure complete and accurate reporting of data on blood lead screening?

What actions has CMS taken or does CMS plan to take, in collaboration with the Centers for Disease Control and Prevention (CDC) or other Federal agencies, to develop improved methods of capturing data related to Medicaid beneficiaries who receive blood lead screenings?

In addition to working with the CDC and other Federal agencies to improve lead screening data reporting, how is CMS working with Women, Infants, and Children (WIC) agencies or Head Start programs on ways State agencies can coordinate and partner to identify and screen at-risk children?

What, if any, additional support or oversight authority from Congress does CMS feel it needs in order to ensure the prevention, screening, and treatment for children impacted by lead exposure?

*Answer.* On February 11, 2020, CMS provided you with a fulsome response to your letter and these questions. If you have any follow-up, please reach out and I would be happy to facilitate additional information.

*Question.* Timely responses to member inquiries: There have been several occasions recently where I have sent a letter to HHS or another office within HHS's purview and failed to receive a timely or comprehensive response.

If confirmed, what steps will you take to ensure that CMS and other offices within HHS respond to letters from members of Congress in a timely and comprehensive manner?

*Answer.* The longstanding practice of the HHS legislative affairs team is to respond to every policy letter as soon as practicable. Despite ASL's best efforts, the volume of letters we receive outpaces internal staff resources. Therefore, we follow the guidance of the Office of Legal Counsel, Congressional Research Service, and the Government Accountability Office in responding to congressional requests. In following that guidance, the Department prioritizes letters in order of leadership to chairs/ranking members to committee of jurisdiction members, then to individual members of Congress. Members and staff are always welcome to reach out to me or any member of the HHS legislative affairs team to request expedited consideration as needed.

## QUESTION SUBMITTED BY HON. ROBERT P. CASEY, JR.

*Question.* During your confirmation hearing, I mentioned the importance of Medicaid. It speaks to our values—about how we provide health care to our children, seniors, and people with disabilities, as well as support the economic vitality of hospitals, particularly in underserved urban and rural areas, and communities across the country. Millions of Americans fought to protect Medicaid and the Affordable Care Act in 2017. Yet, for some reason, the administration continues to be obsessed

with undermining the program through massive budget cuts and illegal proposals to cap spending. Equally troubling, there seems to be an administration-wide decision to keep Americans in the dark about how these decisions are made and what the impact might be. The public deserves better. The voices of Americans deserve to be part of the decision-making process.

I have requested a series of documents with respect to Medicaid block grants and Medicaid managed care. During the hearing, you committed to follow up with me on ensuring those documents are produced. Please provide an update on when I should expect a response to the following document requests.

Documents responsive to the requests made in my letter to Secretary Azar dated February 3, 2020 regarding the administration’s “Healthy Adult Opportunity” guidance. This letter follows up on insufficient responses to two prior letters from 2019.

Documents responsive to the requests made in my letter dated July 31, 2019 to Administrator Verma regarding Medicaid managed care.

Answer. The longstanding practice of the HHS legislative affairs oversight team is to respond to letters and accompanying document production request as soon as practicable. Despite ASL’s recent efforts to increase staff devoted to responding to congressional oversight requests, requests for information outpace internal staff resources. Therefore, we follow the guidance of the Office of Legal Counsel, Congressional Research Service, and the Government Accountability Office in responding to congressional requests. In following that guidance, the Department prioritizes letters in order of leadership to chairs/ranking members to committee of jurisdiction members, then to individual members of Congress. Members and staff are always welcome to reach out to me or any member of the HHS legislative affairs team to request expedited consideration as needed.

I have directed ASL and CMS staff to coordinate responses and explore what document productions are possible for the requests referenced above. We will follow up in the near future.

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QUESTION SUBMITTED BY HON. MARK R. WARNER

*Question.* On November 8, 2019, I sent a letter to Mr. Roger Severino, the Director of the Office for Civil Rights at Department of Health and Human Services, expressing concerns about the Department’s failure to act following the mass exposure of sensitive medical images and information by health organizations.

That letter flagged a report revealing that millions of Americans had their private medical images and personal health information exposed online due to unsecured picture archiving and communication servers. I have not received a response from Mr. Severino and—despite my staff following up—the Department has not acted to remove those images. As I write this question, millions of images and sensitive patient information of American citizens remain online.

In your role as the Department of Health and Human Services chief liaison to Congress, how would you improve the Department’s responsiveness to urgent matters such as this?

Can you commit that my letter will receive a response and that the Department will act to address this serious security vulnerability?

Answer. On December 18, 2019, OCR provided you with a fulsome response to your letter and these questions. If you have any follow-up questions, please reach out.

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PREPARED STATEMENT OF JASON J. FICHTNER, PH.D.<sup>1</sup>, NOMINATED TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD, SOCIAL SECURITY ADMINISTRATION

Chairman Grassley, Ranking Member Wyden, and members of the committee, thank you for the opportunity to appear before you today.

My name is Jason Fichtner, and I am a senior lecturer of international economics and associate director of the Masters of International Economics and Finance

<sup>1</sup>The views expressed here are my own and do not necessarily reflect the views of any other person or organization.

(MIEF) program at the Johns Hopkins University School of Advanced International Studies (SAIS). I am also a fellow at the Bipartisan Policy Center (BPC) and on the board of directors of the National Academy of Social Insurance (NASI). All opinions I express today are my own and do not necessarily reflect the views of my employers or any other organization or person.

I want to thank the President for nominating me to serve as a member of the Social Security Advisory Board (SSAB). Over a decade ago, I was privileged to serve in several positions at the Social Security Administration, including as the Acting Principal Deputy Commissioner of Social Security. In that capacity, I worked with the Congress, the White House, the Social Security Advisory Board, stakeholders, and the public to support the vital programs administered by the Social Security Administration and to improve the service the organization provides. I was also the Secretary to the Social Security Board of Trustees. Additionally, I was instrumental in improving the administration's communication materials to the public, including "When to Start Receiving Retirement Benefits," a publication that informs people how Social Security benefits fit into their retirement decision and that is still used today.

I believe that my educational and professional experiences make me an ideal candidate to serve on this Board. With respect to my education, I received my undergraduate degree from the University of Michigan, my master's degree in public policy from Georgetown University, and my Ph.D. in public administration and policy from Virginia Tech. Professionally, along with my previous service at the Social Security Administration, I've worked as an Economist for the Internal Revenue Service and as a Senior Economist for the Joint Economic Committee of the United States Congress.

I have a long record of published research on issues related to Social Security's retirement and disability programs, as well as retirement security in general. I also have a long history of working in a bipartisan manner, bringing people together to discuss, deliberate, and address the challenges facing the Social Security Administration and the vital programs it administers. The Social Security Advisory Board makes recommendations to the President, the Congress, and the public that, among other things, will ensure the quality of service delivery that the Social Security Administration provides, including increasing the public's understanding of program benefits.

The heart of any organization is its employees, those who work tirelessly every day to fulfill the mission and deliver quality services. One of the accomplishments of which I am most proud from my tenure at the Social Security Administration was getting to know the employees of the agency, many of whom I remain in contact with to this day. It is a truly a great privilege to once again be asked to serve the public and work with those at the Social Security Administration.

The Social Security Advisory Board plays an important role in advising how our Nation's important social insurance programs can be improved and strengthened, and providing advice and guidance to the Social Security Administration on ways to improve the administration of these valuable programs. Should I be confirmed as a member of the Social Security Advisory Board, I pledge to continue working in a bipartisan manner to ensure that our Nation's social security programs provide the best possible service to the public.

Thank you again for inviting me to testify today, and I would be happy to answer any questions.

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## **SENATE FINANCE COMMITTEE**

### **STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

#### **A. BIOGRAPHICAL INFORMATION**

1. Name (include any former names used): Jason Janas Fichtner.
2. Position to which nominated: Member, Social Security Advisory Board.
3. Date of nomination: August 28, 2018.
4. Address (list current residence, office, and mailing addresses):

5. Date and place of birth: August 1, 1971, Detroit, Michigan.
6. Marital status (include maiden name of wife or husband's name):
7. Names and ages of children:
8. Education (list all secondary and higher education institutions, dates attended, degree received, and date degree granted):
 

Ernest W. Seaholm High School, Birmingham, Michigan. Attended: September 1985–June 1989. High school diploma, June 1989.

Pennsylvania State University. Attended September 1989–December 1990; transferred to University of Michigan.

University of Michigan. Attended January 1991–December 1992. Bachelor of arts degree, December 1992.

Georgetown University. Attended August 1993–May 1995. Master of public policy, May 1995.

Virginia Tech University. Attended September 1999–December 2005. Doctor of philosophy (Ph.D.) in public administration and policy, December 2005.
9. Employment record (list all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment for each job):
 

Johns Hopkins University, Paul H. Nitze School of Advanced International Studies, Washington, DC; senior lecturer, international economics, associate director, Masters of International Economics and Finance (MIEF) program, July 2018–present.

Bipartisan Policy Center, Washington, DC, fellow, April 2018–present; performed academic research.

Mercatus Center at George Mason University, Arlington, VA; senior research fellow, September 2010–June 2018; performed academic research.

U.S. Social Security Administration, Washington, DC; August 2007–September 2010. Positions held: Deputy Commissioner for Social Security (Acting); Chief Economist; and Associate Commissioner for Retirement Policy.

  - Served as the Principal Deputy Commissioner for the Social Security Administration, providing leadership and management of the Social Security programs (retirement, survivors, and disability), as well as the Supplemental Security Income (SSI) program.
  - Served as Secretary to the Board of Trustees of the Social Security Trust Funds and as the lead executive for the Social Security Administration on the Trustees Working Group, which oversees the methodologies and assumptions for the Annual Report.
  - Responsible for executive leadership to develop and execute economic policy for the agency.
  - Managed Ph.D. and master level research staff in the conduct of social insurance policy analysis based on major social initiatives and economic trends.

Joint Economic Committee—United States Congress, Washington, DC; Senior Economist, 1999 (106th Congress)–2007 (110th Congress).

  - Advised members of Congress and their staffs on matters of economic policy.

Arthur Andersen LLP, Office of Federal Tax Services, Economic Analysis Group, Washington, DC; senior consultant, 1998–1999.

  - Developed econometric models to evaluate intercompany transfer pricing practices of multinational corporations in various industries to ensure compliance with U.S. and international tax regulations.

U.S. Department of Treasury, Internal Revenue Service, Washington; DC; Compliance Research Division—Projections and Forecasting Group Economist, 1995–1998.

- Forecasted electronically filed individual and business tax returns, Forms 1040PC, and tax returns of exempt organizations, individual refunds, and fiduciary tax returns.

Independent Sector, Washington, DC; research assistant, 1993–1994.

- Researched and analyzed statistical data on the nonprofit sector for inclusion in Independent Sector research publications.

Johns Hopkins University, Paul H. Nitze School of Advanced International Studies, Washington; DC; adjunct professor, 2011–2018.

Georgetown University, McCourt School of Public Policy, Washington, DC; adjunct professor, 2006–2017.

Virginia Tech, Center for Public Administration and Policy, Alexandria, VA; adjunct professor, 2008–2010.

10. Government experience (list any current and former advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments held since college, including dates; other than those listed above):

None other than those listed above.

11. Business relationships (list all current and former positions held as an officer, director, trustee, partner (*e.g.*, limited partner, non-voting, etc.), proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution):

Aside from those previously listed above: TIAA—Editing services for Financial Literacy and Retirement Security Project; MSL Group—Research services—Author research paper on financial security; Committee for a Responsible Federal Budget—Writing research papers on Social Security Disability Insurance; MJ Willard/National Telecommuting Institute, Inc.—Consulting on Social Security Disability demonstration project design; Urban Institute—Honorarium for focus group on research project; and American Retirement Association—Honorarium for co-authoring research paper.

12. Memberships (list all current and former memberships, as well as any current and former offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations dating back to college, including dates for these memberships and offices):

National Academy of Social Insurance—Board member, current treasurer; member from 2017–present; board member, 2017–present; and treasurer from May 2018–present.

National Rifle Association, life member since 2000 (est.).

Georgetown University, McCourt School Alumni Board, 2005–2014; chair, 2005–2006; fund-raising chair, 2007–2010.

Academic association memberships—Pre-2010/2011. But no longer a member of any of the following: member of the American Economic Association; member of the National Tax Association; member of the Association for Public Policy Analysis and Management; and member of the American Society for Public Administration.

13. Political affiliations and activities:

- a. List all public offices for which you have been a candidate dating back to the age of 18.

N/A.

- b. List all memberships and offices held in and services rendered to all political parties or election committees, currently and during the last 10 years prior to the date of your nomination.

N/A.

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years prior to the date of your nomination.

Tobias Reed, candidate for Treasurer, State of Oregon, 2016, \$250.

Trey Hollingsworth, candidate for U.S. Congress, 2016, \$150.

John McCain, candidate for President of the United States, 2008, \$250.

14. Honors and awards (list all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement received since the age of 18):

As listed in my CV:

U.S. Department of Treasury, Internal Revenue Service, Washington, DC; performance awards, 1996, 1997, and 1998; Chief Compliance Officer's award, 1997; and special act award, 1995.

Virginia Polytechnic Institute and State University (Virginia Tech), Blacksburg and Alexandria, VA; Pi Alpha Alpha Honor Society, Phi Kappa Phi Honor Society, and Outstanding Recent Alumnus of the College of Architecture and Urban Studies for 2009–2010 Award.

Georgetown University, Washington, DC; Public Policy Department Scholar, and Colin Campbell Alumni Award, 2006.

University of Michigan, Ann Arbor, Michigan; Class Honors Graduate; and Princeton University Foundation for Student Communication Scholar, 1992.

15. Published writings (list the titles, publishers, dates, and hyperlinks (as applicable) of all books, articles, reports, blog posts, or other published materials you have written):

I do not maintain, nor can I recall or create, a list of all published materials. To the best of my knowledge, below is a list of those published works for which I do maintain records. Hyperlinks are provided, and most of these publications are also available for download from the following website: <https://sites.google.com/site/jasonfichtner/publications>.

#### Publications

“Supplemental Transition Accounts for Retirement: A Proposal to Increase Retirement Income Security and Reform Social Security,” with Gary Koenig and William G. Gale. *Public Policy and Aging Report*, Vol. 28, No. Suppl. 1. August 2018.

“Global Aging and Public Finance,” *Business Economics*, Vol. 53, No. 2, April 2018. First online January 2018.

“Legislative Impact Accounting: Incorporating Prospective and Retrospective Review Into a Regulatory Budget,” with Patrick A. McLaughlin and Adam N. Michel. *Public Budgeting and Finance*, Vol. 38, No. 2, Summer 2018. First online December 2017.

“Supplemental Transition Accounts for Retirement (START): A Proposal to Increase Retirement Income Security and Reform Social Security,” with Gary Koenig and William G. Gale. AARP Public Policy Institute, January 2018.

“Enhancing U.S. Retirement Security Through Coordinated Reform of Social Security Disability and Retirement Insurance Programs,” with Jason S. Seligman. *The Journal of Retirement*, Vol. 4, No. 1. Summer 2016.

“Beyond All or Nothing: Reforming Social Security Disability Insurance to Encourage Work and Wealth,” with Jason S. Seligman. Chapter 13 in *SSDI Solutions: Ideas to Strengthen the Social Security Disability Insurance Program*, McCreery-Pomeroy SSDI Solutions Initiative, Committee for a Responsible Federal Budget, Infinity publishing, 2016.

“The Hidden Cost of Federal Tax Policy,” with Jacob M. Feldman, The Mercatus Center at George Mason University, 2015.

“Hospitals and the Proposed Virginia Medicaid Expansion,” with Marc D. Joffe. The Thomas Jefferson Institute for Public Policy, April 2015.

“The Power of the Purse: Rethinking Runaway Debt and a Broken Budgeting Process,” in *Triumphs and Tragedies of the Modern Congress*, M. Angerholzer III, J. Kitfield, C. Lu, and N. Ornstein (eds.), Praeger, October 2014.

*The Economics of Medicaid: Assessing the Costs, and Consequences*, J. Fichtner (ed.), The Mercatus Center at George Mason University, 2014. “The Federal Side of the Budget Equation,” Chapter 3.

“Public Disability Insurance Programs in the Context of Pension Reforms,” with Jason S. Seligman. Chapter 7 in *Pensions: Policies, New Reforms and Current Challenges*, T. Reilly (ed.), Nova Science Publishers, 2014.

“Retirement Behavior and the Global Financial Crisis,” with John W.R. Phillips and Barbara A. Smith. Chapter 5 in *Reshaping Retirement Security: Lessons From the Global Financial Crisis*, R. Maurer, O. Mitchell, and M. Warshawsky (eds.), Oxford University Press, 2012.

“Social Security Reform and Economic Growth,” with Charles Blahous. Chapter 15 in *The 4% Solution: Unleashing the Economic Growth America Needs*, B. Minter (ed.), Crown Business Publisher, Random House, Inc., 2012.

“Three Approaches to Fostering Economic Competitiveness,” Chapter 5 in *Governing to Win: Enhancing National Competitiveness Through New Policy and Operating Approaches*, C. Prow (ed.), IBM Center for the Business of Government, Rowman and Littlefield Publishers, Inc., 2012.

“Revenue Estimation: A Comparison of Tax Distribution Tables,” *Tax Notes*, Vol. 105, No. 13, December 20, 2004.

“A Comparison of Tax Distribution Tables: How Missing or Incomplete Information Distorts Perspectives,” a report of The Heritage Center for Data Analysis, The Heritage Foundation, November 9, 2004. Included as Chapter 7 in *The Secret Chamber or the Public Square?—What Can Be Done to Make Tax Analysis and Revenue Estimation More Transparent and Accurate*, D. Mastromarco, D. Burton, and W. Beach (eds.), The Heritage Foundation, 2005.

The Mercatus Center, George Mason University. “Consequences of Financing Paid Parental Leave Using Social Security,” with Veronique de Rugy and Charles Blahous. Mercatus Policy Brief, June 2018.

“Reforming the Social Security Disability Insurance Program to Encourage Work and Labor Force Participation: Lessons from the United Kingdom,” with Jack Salmon. Mercatus Policy Brief, June 2018.

“Curbing the Surge in Year-End Federal Government Spending: Reforming ‘Use It or Lose It’ Rules—2018 Update,” with Joe Albanese. Mercatus Research, June 2018.

“Saving Social Security Disability Insurance: Designing and Testing Reforms Through Demonstration Projects,” with Jason S. Seligman. Mercatus Working Paper, June 2018.

“The Role of the Interest Deduction in the Corporate Tax Code,” with Hunter Cox. Mercatus on Policy, March 2018.

“Integrating Corporate Taxes: An Important Element of Tax Reform,” with Tracy C. Miller. Mercatus on Policy, December 2017.

“Getting to True Tax Reform in 2017: A Better Way,” with Adam N. Michel, Veronique de Rugy, and Angela S. Kuck. Mercatus Policy Primer, April 2017.

“Border Adjustment Tax: What We Know (Not Much) and What We Don’t (All the Rest),” with Veronique de Rugy and Adam N. Michel. Mercatus Policy Brief, February 2017.

“Curbing the Surge in Year-End Federal Government Spending: Reforming ‘Use It or Lose It’ Rules—2016 Update,” with Adam N. Michel. Mercatus Research, September 2016.

“‘Fixing’ the Tax Code: Key Principles for Successful, Sustainable Reform,” with Veronique de Rugy, Matthew D. Mitchell, Angela S. Kuck, and Adam N. Michel. Mercatus Economic Perspectives, May 2016.

“The OECD’s Conquest of the United States: Understanding the Costs and Consequences of the BEPS Project and Tax Harmonization,” with Adam N. Michel. Mercatus Research, March 2016.

“Biennial Budgeting: A Look at Intent vs. Outcomes,” with Angela S. Kuck and Adam N. Michel. Mercatus on Policy, March 2016.

“Don’t Put American Innovation in a Patent Box: Tax Policy, Intellectual Property, and the Future of R&D,” with Adam N. Michel. Mercatus on Policy, December 2015.

- “Locking Out Prosperity: The Treasury Department’s Misguided Regulation to Address the Symptoms of Corporate Inversions While Ignoring the Cause,” with Courtney S. Michaluk and Adam N. Michel. *Mercatus on Policy*, December 2015.
- “Can a Research and Development Tax Credit Be Properly Designed for Economic Efficiency?,” with Adam Michel. *Mercatus Research*, July 2015.
- “Legislative Impact Accounting: Rethinking How to Account for Policies’ Economic Costs in the Federal Budget Process,” with Patrick A. McLaughlin. *Mercatus Working Paper*, June 2015.
- “Saving Social Security Disability Insurance: Reforms Within the Context of Holistic Social Security Reform,” with Jason S. Seligman. *Mercatus Working Paper*, March 2015.
- “Options for Corporate Capital Cost Recovery: Tax Rates and Depreciation,” with Adam Michel. *Mercatus Research*, January 2015.
- “Curbing the Surge in Year-End Federal Government Spending: Reforming ‘Use It or Lose It’ Rules,” with Robert Greene. *Mercatus Working Paper*, September 2014.
- “The United States’ Debt Crisis: Far From Solved,” with Veronique de Rugy. *Mercatus on Policy*, August 2014.
- “Reforming the Mortgage Interest Deduction,” with Jacob Feldman. *Mercatus Working Paper*, June 2014.
- “Medicaid Overview,” with John Pulito. *Mercatus Research*, December 2013.
- “Budget Conference 2013: Principles for a Credible Deal,” with Veronique de Rugy. *Mercatus Research*, December 2013.
- “The Debt Limit Debate 2013: Addressing Key Myths,” with Veronique de Rugy. *Mercatus Economic Perspectives*, October 2013.
- “The Hidden Costs of Tax Compliance,” with Jacob Feldman. *Mercatus Research*, May 2013.
- “The Debt Ceiling: Assets Available to Prevent Default,” with Veronique de Rugy. *Mercatus Research*, January 2013.
- “Reducing Debt and Other Measures for Improving U.S. Competitiveness,” with Jakina Debnam. *Mercatus Research Paper*, November 2012.
- “Limiting Social Security’s Drag on Economic Growth,” with Charles Blahous. *Mercatus Research Paper*, November 2012.
- “Taxing Marriage: Microeconomic Behavioral Responses to the Marriage Penalty and Reforms for the 21st Century,” with Jacob Feldman. *Mercatus Working Paper*, September 2012.
- “‘Fixing’ the Tax Code: Key Principles for Successful Reform,” with Veronique de Rugy and Matthew D. Mitchell. *Mercatus Economic Perspectives*, November 2011.
- “When Are Tax Expenditures Really Spending? A Look at Tax Expenditures and Lessons From the Tax Reform Act of 1986,” with Jacob Feldman. *Mercatus Working Paper*, November 2011.
- “Why the United States Needs to Restructure the Corporate Income Tax,” with Nick Tuszynski. *Mercatus Working Paper*, November 2011.
- “A Sisyphean Task? Attempts to Control Medicare Spending via the Inpatient Prospective System and the Fee-for-Service Physician Reimbursement System,” with John Pulito. *Mercatus Working Paper*, September 2011.
- “The Debt Limit Debate,” with Veronique de Rugy. *Mercatus Working Paper*, May 2011.
- “The Debt Ceiling Debate: What Is at Stake,” with Veronique de Rugy. *Mercatus Research Summary*, April 2011.
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man. 2017 Symposium—Saving and Retirement in an Uncertain Financial Environment. Pension Research Council, Wharton Business School, University of Pennsylvania, Philadelphia, Pennsylvania. May 4–5, 2017.

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“Restoring and Modernizing Social Security Through Sustainable Reform.” United States House of Representatives, Committee on the Budget. Hearing on “Restoring the Trust for Americans at or Near Retirement.” July 13, 2016.

“Restoring Equity and Fairness to the Social Security Windfall Elimination Provision (WEP) and Government Pension Offset (GPO).” United States House of Representatives, Committee on Ways and Means, Subcommittee on Social Security. Hearing on “Social Security and Public Servants: Ensuring Equal Treatment.” May 22, 2016.

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- “The retirement age for Social Security needs to rise to 70” (November 7, 2016).
- “The good news and the bad news about the 2017 Social Security increase” (October 19, 2016).
- “Social Security insolvency is now one year closer” (July 11, 2016).
- “Will change come to the Social Security Windfall Elimination Provision?” (April 5, 2016).
- “Crisis in Social Security disability insurance averted, but not gone” (November 30, 2015).
- “How to fix the Social Security Disability Insurance program” (September 30, 2015).
- “No cost-of-living adjustment for Social Security in 2016?” (July 28, 2015).
- “Social Security disability fund will run empty next year” (April 3, 2015).
- “Why finding a good doctor will get even harder” (March 23, 2015).
- “Lee-Rubio tax-reform plan presents huge win for retirees” (March 17, 2015).
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- “Keep up the pressure to save Social Security” (June 25, 2013).
- “Give up tax breaks for retirement savers?” (February 11, 2013).
- “Chained CPI: Diet COLA for Social Security” (December 20, 2012).
- “Convert to a Roth IRA before taxes go up” (December 19, 2012).
- “Top money move for a secure retirement” (November 14, 2012).

#### *The Hill*

- <http://thehill.com/opinion/finance/359355-paint-by-numbers-lawmaking-waters-down-tax-reform> (November 8, 2017).
- <http://thehill.com/blogs/pundits-blog/finance/334215-is-there-really-a-retirement-savings-crisis-in-the-us> (May 19, 2017).
- <http://thehill.com/blogs/pundits-blog/economy-budget/327666-reforming-earned-income-tax-credit-could-be-a-bipartisan> (April 18, 2017).
- <http://thehill.com/blogs/congress-blog/economy-a-budget/238769-an-actuarial-ombudsman-for-the-public> (July 18, 2012).

#### *Roll Call*

- <http://www.rollcall.com/news/opinion/opinion-no-news-bad-news-looming-social-security-crisis> (June 11, 2018).

#### *U.S. News and World Report*

- <https://www.usnews.com/opinion/economic-intelligence/2014/04/28/congress-wasteful-tax-extend-bill-is-bad-for-the-economy> (April 18, 2014).
- <https://www.usnews.com/opinion/blogs/economic-intelligence/2013/05/28/the-complex-tax-code-hurts-the-economy> (May 28, 2013).
- <https://www.usnews.com/opinion/blogs/economic-intelligence/2012/09/18/eliminate-the-marriage-tax-penalty> (September 18, 2012).
- <https://www.usnews.com/debate-club/should-the-buffett-rule-become-law/reducing-spending-not-taxing-millionaires-is-a-real-solution> (April 16, 2012).
- <https://www.usnews.com/debate-club/do-the-rich-pay-their-fair-share-in-taxes/claim-that-rich-dont-pay-enough-based-on-perception-not-fact> (December 16, 2011).

16. Speeches (list all formal speeches and presentations (e.g., PowerPoint) you have delivered during the past 5 years which are on topics relevant to the position for which you have been nominated, including dates):

“Supplemental Transition Accounts for Retirement,” with Gary Koenig. Presentation to the National Association of Plan Advisors. Washington, DC. July 24, 2018.

“Panel Discussion of Henry J. Aaron’s Lunch Keynote Address on Social Security,” National Academy of Social Insurance, 30th Annual Policy Research Conference. Washington, DC. January 30, 2018.

“Global Aging and Public Finance,” National Association of Business Economics, 59th Annual Meeting, Cleveland, Ohio. September 24, 2017.

“Household Reactions and Strategic Responses to Retirement Wealth Building and Decumulation in a Low Interest Rate Environment,” with Jason S. Seligman. 2017 Symposium—Saving and Retirement in an Uncertain Financial Environment. Pension Research Council, Wharton Business School, University of Pennsylvania, Philadelphia, Pennsylvania May 4–5, 2017.

“Discussion: Academy Report to the New Administration—Restoring Social Security to Long-term Balance,” National Academy of Social Insurance, 29th Annual Policy Research Conference. Washington, DC. January 26, 2017.

“Beyond All or Nothing: Reforming SSDI to Encourage Work and Wealth,” with Jason S. Seligman. McCrery-Pomeroy SSDI Solutions Conference, Committee for a Responsible Federal Budget. Washington, DC. August 4, 2015.

Although I did not have a formal speech written or PowerPoint presentation, the following discussions on Social Security were broadcast on C-SPAN:

“Social Security Solvency,” June 8, 2018; <https://www.c-span.org/video/?446714-1/representatives-john-larson-tom-rice-discuss-social-security>.

Additional C-SPAN broadcasts on other topics besides Social Security can be found here: <https://www.c-span.org/search/?searchtype=All&query=Jason+Fichtner>.

Although I did not have a formal speech written or PowerPoint presentation, the following discussions on retirement security issues were taped and broadcast by the Brookings Institution:

“Fixing the U.S. retirement system—does Canada have the answers?,” November 2, 2017; <https://www.brookings.edu/events/fixing-the-u-s-retirement-system-does-canada-have-the-answers/>.

“Are new directions needed in State retirement policy?,” October 7, 2015; <https://www.brookings.edu/events/are-new-directions-needed-in-state-retirement-policy/>.

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

I have served in numerous positions in the Social Security Administration, providing leadership and management of the Social Security programs. I have served as the Secretary to the Board of Trustees of the Social Security Trust Funds and as the lead executive for the Social Security Administration on the Trustees Working Group, which oversees the methodologies and assumptions for the Annual Report. I have helped develop and execute policy for the Social Security Administration. While at the Social Security Administration, I served as a liaison with the Social Security Advisory Board, the White House, the National Economic Council, the Office of Management and Budget, the Senate Finance Committee, the House Ways and Means Committee, and various other government and nongovernmental stakeholders. All of these experiences qualify me to serve as a member on the Social Security Advisory Board.

## B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections (including participation in future benefit arrangements) with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not provide details.

No. The position for which I am being considered does not require me to sever all connections with my current employers or associations. I will however be bound by ethics agreements made with the Office of Government Ethics (OGE), and will sever any current or future potential or actual conflicts of interest that are identified by OGE.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

Yes. The position for which I am being considered does not require me to sever all connections with my current employers or associations. I will continue to maintain my employment with Johns Hopkins University and my association as a fellow with the Bipartisan Policy Center. I will also continue my association

(unpaid) with the National Academy of Social Insurance. I will however be bound by ethics agreements made with the Office of Government Ethics (OGE), and will sever any current or future potential or actual conflicts of interest that are identified by OGE.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.  
No.
4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next presidential election, whichever is applicable? If not, explain.  
Yes.

### C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any current and former investments, obligations, liabilities, or other personal relationships, including spousal or family employment, which could involve potential conflicts of interest in the position to which you have been nominated.  
N/A.
2. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years (prior to the date of your nomination), 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.  
N/A.
3. Describe any activity during the past 10 years (prior to the date of your nomination) in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.  
N/A.
4. Explain how you will resolve any potential conflict of interest, including any that are disclosed by your responses to the above items. (Provide the committee with two copies of any trust or other agreements.)  
I will consult with the designated agency ethics officer, and I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of those in which I have a business affiliation past, present, or future.
5. Two copies of written opinions should be provided directly to the committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.  
See attached document for draft preclearance letter from OGE.

### D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency (*e.g.*, an Inspector General's office), professional association disciplinary committee, or other ethics enforcement entity at any time? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? If so, provide details, regardless of the outcome.  
No.
2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county, or municipal law, regulation, or ordinance, other than a minor traffic offense? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? If so, provide details.  
No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.  
No.
4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.  
No.
5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.  
None.

**E. TESTIFYING BEFORE CONGRESS**

1. If you are confirmed by the Senate, 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. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?  
I will provide an appropriate response to such requests for information.

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**United States Office of  
Government Ethics**

1201 New York Avenue, Suite 500  
Washington, DC 20005

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January 22, 2019

The Honorable Charles E. Grassley  
Chairman  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

Dear Mr. Chairman:

Under the Ethics in Government Act of 1978, Presidential nominees requiring Senate confirmation who are not expected to serve in their Government positions for more than 60 days in a calendar year are not required to file public financial disclosure reports. The Act, as amended, however, contains a provision in section 101(b) that allows the committee with jurisdiction to request any financial information it deems appropriate from the nominee.

We understand that your committee desires to receive a financial disclosure report from any Presidential nominee for a position on the Social Security Advisory Board of the Social Security Administration, along with a written opinion from this Office regarding any possible conflicts of interest. Therefore, I am forwarding a copy of the confidential financial disclosure report (OGE Form 450) of Jason J. Fichtner, who has been nominated by President Trump for the position of Member of the Social Security Advisory Board.

We have reviewed the report and have also obtained advice from the agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an ethics agreement outlining the actions that the nominee will undertake to avoid conflicts of interest. Unless a date for compliance is indicated in the ethics agreement, the nominee must fully comply within three months of confirmation with any action specified in the ethics agreement.

Based thereon, we believe that this nominee is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David J. Apol  
General Counsel

Enclosures

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Mr. Daniel F. Callahan  
Designated Agency Ethics Official  
Social Security Administration  
Room 617 Altmeyer Building  
6401 Security Boulevard  
Woodlawn, MD 21235

July 19, 2018

Dear Mr. Callahan:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed as a Member of the Social Security Advisory Board.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(6)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me; any spouse or minor child of mine any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I am an employee of Johns Hopkins University. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Johns Hopkins University, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I have resigned from my positions with the Mercatus Center at George Mason University and Georgetown University. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 CFR § 2635.502(d).

I received consulting fees from TIAA and MSL Group. For a period of one year after I last provided service to each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 CFR § 2635.502(d).

I received honoraria from AARP, the Bipartisan Policy Center, the University of Pennsylvania, and the Urban Institute. For a period of one year after I last provided service to each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 CFR § 2635.502(d).

I have been advised that I will likely serve on the board for no more than 60 days in any period of 365 consecutive days. Accordingly, I understand that I may not, under 18 U.S.C. §§ 203(c)(1) and 205(c)(1), provide any representational services or act as agent or attorney for another in any particular matter involving specific parties in which I have participated personally and substantially as a government official. I also understand that I may not receive a share of any payment made for such representational services performed by another. I understand that additional requirements of 18 U.S.C. § 203(c)(2) and 205(c)(2) will apply to me if I serve for more than 60 days in any period of 365 consecutive days. In that event, I will comply with

all applicable requirements, and I will consult your office if I have any questions about those requirements.

I will meet in person with you before my first meeting of the Social Security Advisory Board in order to complete the initial ethics briefing required under 5 CFR §2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

Sincerely,  
Jason J. Fichtner

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QUESTIONS SUBMITTED FOR THE RECORD TO JASON J. FICHTNER, PH.D.

QUESTIONS SUBMITTED BY HON. CHUCK GRASSLEY

*Question.* Some members of this committee asked prior nominees for advisory positions related to Social Security questions related to whether the nominees would refrain from freely writing about issues related to Social Security while they served in the advisory positions.

For the advisory board to which you have been nominated, the authorizing statute states that “. . . members shall be chosen on the basis of their integrity, impartiality, and good judgment. . . .”

My view, and the view of many others, is that you meet those criteria. And, partly because of that, I don't believe that there should be any restriction on what you write or your free speech.

My question is whether, in your writing, you strive to be impartial and exercise good judgment?

Answer. Yes. I always strive to be impartial and exercise good judgement in both my research, writing, public speaking and teaching.

*Question.* Your resume says that you are a fellow at the Bipartisan Policy Center. Can you describe any work related to Social Security that you have done at that Center, and whether you have worked in collaboration with Democrats, as the bipartisan part of the Center's title suggests?

Answer. Thank you for the question, Senator. Just to provide you and members of the committee with two examples of where I've worked in a bipartisan manner at the Bipartisan Policy Center, including Democrats, the first was BPC's report on improving SSDI. The full report and the list of those I worked with on the report can be found here: <https://bipartisanpolicy.org/report/ssdi-program/>.

Below is the list of the working group members—which includes those who identify themselves as conservatives, liberals, Republicans, and Democrats: Doug Badger; Alison Barkoff; Henry Claypool; Lisa Ekman; Jason J. Fichtner; Marty Ford; Connie Garner; Martin Gerry; G. William Hoagland; Andrew J. Imparato; Pam Mazerski; Martin McGuinness; Jennifer Laszlo Mizrahi; Jeanne Morin; Lauren Rothfarb; Robert “Bobby” Silverstein; James Smith; David Stapleton; Madeleine Will; Aliya Wong; and Ethel Zelenske.

The second was a paper published by BPC that I co-authored with Bill Gale of the Brookings Institution and Jeff Trinca on IRS Tax Administration. The full paper can be downloaded here: <https://bipartisanpolicy.org/wp-content/uploads/2019/04/Tax-Administration-Compliance-Complexity-Capacity.pdf>.

Additionally, though not a BPC project, I published two papers with the Committee for a Responsible Federal Budget (CRFB) on SSDI reform chaired on a bipartisan basis by former Congressman Earl Pomeroy and Congressman Jim McCreery, former Democratic and Republican chairs of the Social Security Subcommittee of the House Committee on Ways and Means. For more information, please see the following internet links: <http://www.crfb.org/project/ssdi/ssdisolutions-book> and <http://www.crfb.org/project/ssdi/selected-proposals-phase-ii>.

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QUESTIONS SUBMITTED BY HON. JOHN CORNYN

*Question.* As a member of the Social Security Advisory Board, you will be making recommendations on the quality of service that the Social Security Administration



(SSA) provides to the public. With this mind, concerns remain about the SSA's decision not to allow States to test and evaluate all available options to modernize its processing system for disability claims ("Disability Case Processing System" (DCPS)). Congress expressed support for these efforts through appropriations report language in the past 4 fiscal years. Furthermore, in its December 2019 report, the SSA Inspector General stated it "could not conclude that SSA's cost and schedule estimates for developing and implementing DCPS were reasonable." Critics also argue that the DCPS project demonstrates that SSA is not operating in the best interests of the American public and that States should have the option to select the best available choice that provides the best quality of service to the American public.

What is your understanding of the States' permission to install, test, and select the best option to modernize their case processing systems?

Do you acknowledge each State's option of this choice? If not, why not?

What is your understanding of SSA's support to ensure each State can exercise this option?

Answer. Senator, in general, I am supportive of SSA's efforts to provide consistency and reliability to the Disability Determination Services (DDS) and the disability determination process. In concept, the Disability Case Processing System (DCPS) is designed to accomplish this goal and, if successful, will help reduce future infrastructure costs. However, in the December 2019 report you referenced, the OIG noted that ". . . SSA plans to continue developing DCPS beyond November 2019, and it is unknown when DCPS will provide the functionality needed for a DDS to completely stop using its existing case processing system." I am not familiar with any specific State-level requests to select their own options for modernizing the disability case processing system, and therefore can't speak to the merits of any specific State-level request. That said, I would be concerned if different States that had different processes for determination led to different and inconsistent results across the Nation. I do think it is important that determination processes be applied uniformly across the country to ensure consistency and fairness in the delivery of services. If confirmed as a member of the Social Security Advisory Board, I pledge to discuss with issue further with my colleagues on the SSAB and to look into the matter further with SSA.

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QUESTION SUBMITTED BY HON. JOHN THUNE

*Question.* As someone who has worked in multiple roles within the Social Security Administration, what do you think the agency's biggest challenge is? In other words, knowing what you know, what topics do you think the Social Security Advisory Board should be focusing on?

Answer. Senator, thank you for the question. It's not just one big challenge. There are multiple big challenges that the Social Security Administration faces, and which the Social Security Advisory Board should be focusing on. For example, SSA faces significant budgetary constraints. In an environment where many government agencies are being asked to do more with less, SSA needs to effectively staff and manage approximately 1,200 field offices and work to reduce the disability backlog. Further, SSA needs to continue to modernize its Information technology infrastructure for records management and service delivery. Additionally, SSA needs to constantly strive to protect its systems from cyber-attacks and protect beneficiary information. SSA also needs to remain vigilant in reducing improper payments, including issues where SSA made a mistake in calculating the proper benefit amount or sent payment to the wrong person; a failure to obtain accurate information necessary to continue benefits or provide the proper benefit amount; prevent individuals from fraudulently claiming benefits, and strive to minimize and prevent identify theft. I will also note that I think the SSAB should continue to provide opportunities for Board members to visit field offices, meet and talk with employees, and talk with members of the public. This of course requires budgetary resources, but meetings with the employees and the public should be one of the Board's priorities.

## QUESTIONS SUBMITTED BY HON. RON WYDEN

## VALUE ADDED

*Question.* I know you are familiar with the reports and work that the Advisory Board has produced. There are lots of organizations that produce reports on Social Security policy: CRS, GAO, CBO, to just name a few. I think the unique value of the Advisory Board is that the Advisory Board members often meet with people all across the country: Social Security employees, beneficiaries, young workers, and community-based organizations.

I hope you will work to promote this unique aspect of the Advisory Board.

Can you comment on what outreach you will undertake if confirmed?

*Answer.* Senator Wyden, thank you for this question. As you note, it is very important that members of advisory boards meet with the public and receive input from those that are directly affected by agency decisions and board recommendations. I mentioned in a response to a question from Senator Thune that I felt one of the areas that the SSAB should prioritize is meeting with the public. In my response I wrote that “. . . I think the SSAB should continue to provide opportunities for Board members to visit field offices, meet and talk with employees, and talk with members of the public. This of course requires budgetary resources, but meetings with the employees and the public should be one of the Board’s priorities.” This would include meeting with employers, employees, beneficiaries, younger workers, older workers, community-based organizations, and members of Congress and their staff.

## CONSENSUS STYLE OF THE BOARD

*Question.* As you are probably aware, most of the material the SSAB produces are the consensus opinion of the Board. It is a rare SSAB product that includes “minority views” or “dissenting opinions,” although it does seem to be happening more recently these days. Striving for consensus is a very important—and refreshing—feature of the Advisory Board.

Do you agree about the importance of continuing the consensus operating style of the Advisory Board?

*Answer.* Yes, I do. The SSAB is an advisory board, not a governing board. Both the Board’s ability for its recommendations to carry weight and the legitimacy of its recommendations rest in the Board’s ability to reach consensus in a bipartisan manner.

## BALANCING ROLES

*Question.* You’ve testified many times before Congress and are a strong advocate—by writing articles and giving speeches—for your policy views. There’s nothing wrong with that. The committee wants smart people who know the material working for the SSAB. At the same time, we want you to be able to work collegially with your colleagues.

Do you see any problem with nominees to a Federal advisory board like the SSAB writing articles on controversial subjects, especially on issues that may come before the Board?

*Answer.* I actually currently have a good collegial working and personal relationship with members of the SSAB. Further, I always strive to be impartial and exercise good judgement in my research, writing, public speaking, and teaching. I do think that it’s okay to write articles on issues that may come before the Board, but I think it’s important that my role on the Board, if confirmed, not be one that uses the position as a vehicle to advance any personal opinions that I may have. If confirmed, I would help make sure that the best possible information on all the issues possible to improve the programs and the administration of the Social Security Administration are presented to the Congress, the White House, and the public in an objective manner.

## QUESTIONS SUBMITTED BY HON. MARIA CANTWELL

## SOCIAL SECURITY ADMINISTRATION ACCESSIBILITY ISSUES

*Question.* Over the past 20 years, nearly one in 10 Social Security field offices has closed, and average wait times have increased (source: *Washington Post*). In Washington State, two of our Social Security benefits offices—in the Belltown and International District neighborhoods—were merged into the Jackson Federal building in downtown Seattle. This has created access issues for many beneficiaries who have to navigate public transportation and other barriers in order to reach the new office. In-person help is crucial for seniors to understand their benefits. These office consolidations are not only reducing access, but they are also contributing to longer wait times while a record number of people are reaching retirement age every day.

Will you commit to providing recommendations to the Social Security Administration (SSA) to review the office closures and their effects on wait times and access?

*Answer.* If confirmed, I will work with my colleagues on the SSAB to provide recommendations to SSA on how best to determine whether field offices should be closed or consolidated, or whether and where new field offices should be open, balancing SSA's resource constraints with service delivery needs, including effects on wait times and access.

*Question.* Will you prioritize keeping field offices open to ensure seniors have access to in-person assistance with their Social Security benefits?

*Answer.* The SSAB does not have the authority to direct the allocation of SSA's resources. As an advisory board, it only makes recommendations. If confirmed, I will work with my colleagues and SSA on recommendations to ensure that in-person service delivery needs remain a viable option for beneficiaries and the public.

## ADMINISTRATIVE LAW JUDGES AT SOCIAL SECURITY

*Question.* As you know, administrative law judges (ALJs) perform adjudication of Social Security benefit cases, such as appeals. It is essential that they remain independent and not politically influenced in making decisions about earned benefits. However, in July 2018, President Trump issued an executive order to reclassify ALJs so they can be selected based on their political views. That is why I introduced a bipartisan bill—S. 2348, the ALJ Competitive Service Restoration Act—to restore administrative law judges to the competitive service. One of the functions of the Social Security Advisory Board is to make recommendations with respect to the quality of service that SSA provides the public.

If confirmed, will you commit to respecting the independence of ALJs at the Social Security Administration? What steps would you take to ensure non-partisanship is restored to the system?

Will you respect the independence of any audits by the Inspector General into the agency's administrative law judges?

*Answer.* I fully agree with ensuring due process and that people denied benefits should have a right to have their case heard before an independent administrative law judge (ALJ). I also believe that justice applied inconsistently across the country denies justice fairly applied to all. An ALJ should not face political pressure for partisan purposes or gain. But that doesn't mean quality standards shouldn't be used or that ALJs are above oversight or review by the OIG. Further, I've always respected the independence of the OIG and will continue to do so.

## QUESTIONS SUBMITTED BY HON. SHERROD BROWN

*Question.* On November 18, 2019, the Social Security Administration issued a Notice of Proposed Rulemaking, "Rules Regarding the Frequency and Notice of Continuing Disability Reviews."

Are you at all concerned that this proposal will negatively affect disabled Social Security and Supplemental Security Income beneficiaries?

Are you concerned that this proposal will add to—instead of reduce—the Social Security Administration's disability backlog?

*Answer.* Any concern I may have would depend on how the rule is implemented and evaluated. Continuing Disability Reviews, or CDRs, are an important part of

SSA's program integrity measures. CDRs help to ensure that beneficiaries who have medically improved and no longer meet program eligibility rules no longer continue to receive benefits. Any change to the rules regarding the administration of the SSDI and SSI programs should be done in a manner so that proper evaluation can be performed to ensure any rule changes are having their intended effects and are not placing an undue burden on beneficiaries. Any change to the rules that would increase CDRs could result in additional appeals that would have to first be addressed at the State-level disability determination offices, which if not properly funded, could result in less resources dedicated to reducing the SSDI backlog. I fully support the budgetary funding necessary for SSA to provide both adequate staffing levels to conduct and complete CDRs on a timely basis and continue to reduce the SSDI backlog, and to ensure that there is adequate staffing to handle any additional appeals as a result of cessation of benefits due to CDRs.

*Question.* Office of Management and Budget Director Mick Mulvaney has stated SSDI is "a very wasteful program." Do you agree with that?

*Answer.* I do not know the context in which Director Mulvaney made such a statement. From my own viewpoint, if the term "wasteful" is meant profligate or extravagant, then no, I do not think the SSDI program is wasteful. If "wasteful" is meant money that is spent that shouldn't be, then there is some amount of improper payments in the SSDI program, which is why I support SSA's efforts to improve program integrity in the SSDI program.

*Question.* Do you believe too many people receive SSDI benefits?

*Answer.* I neither believe that too many, nor too little, people receive SSDI benefits. Those who meet the program's eligibility requirements should receive benefits.

*Question.* Do you believe there are people currently receiving SSDI benefits who should not be? If so, do you believe it is possible to develop a means to identify beneficiaries, based off of demographic data or other trends, who are likely to be people receiving benefits who should not be?

*Answer.* First, while not rampant, there is fraud in the SSDI program and, hence, by definition, there are some people receiving benefits who should not be. I'm encouraged by the joint work of SSA and the OIG Cooperative Disability Investigation (CDI) units in helping to reduce fraud in the program. Second, the use of data analytics and probability modeling can help identify people who are likely to receive SSDI benefits and fast-track a determination. SSA does this, for example, with the Quick Disability Determinations process. Data can also be used to model and suggest which people might no longer be eligible for benefits. But such models should only help inform and prioritize workload and resource allocation resources for the agency, including CDRs, or for targeting those that may be better suited for work demonstration projects. Such models should never be the sole determination though of who should and should not receive benefits.

*Question.* Do you believe the Social Security Administration should monitor the social media posts of SSDI applicants and beneficiaries, for any reason?

*Answer.* I do think there are some valid reasons for SSA to review social media posts for purposes of ensuring that fraud isn't being committed. That said, social media posts can be misleading or someone reviewing social media posts may not understand the full and proper context. Hence, social media posts should never be the sole determination through which a person is denied benefits or removed from a program, and it's probably best to leave any review of social media under the domain of the OIG.

*Question.* The SSI program's asset limits have not been updated since 1989. In what ways, if any, do you believe it would be appropriate to reform SSI's asset limits?

*Answer.* The SSI's program asset limits are confusing to beneficiaries and have not been updated to reflect inflation. I support a review of the current asset limits to bring them up to 2020 dollar values and further research on how to better communicate program rules to the public.

*Question.* In your position on the Advisory Board, do you plan to advocate for raising the Social Security retirement age or means testing Social Security benefits? If you'd support means testing Social Security benefits, please describe the circumstances under which you believe this is appropriate and how you would apply it.

*Answer.* Should I be confirmed as a member of the Social Security Advisory Board, I would not view my position as one that should or would advocate for any

particular reform position, but rather help make sure that the best possible information on all the reforms possible to improve the programs and ensure the solvency of the trust funds are presented to the Congress, the White House, and the public in an objective manner.

*Question.* Do you agree that it is crucial for the due process of the American people that they have Social Security hearings in front of administrative law judges who are independent and completely free from political pressure? Are you concerned with the ongoing effort to obstruct that independence from this administration?

*Answer.* I fully agree with ensuring due process and that people denied benefits should have a right to have their case heard before an independent administrative law judge (ALJ). I also believe that justice applied inconsistently across the country denies justice fairly applied to all. An ALJ should not face political pressure for partisan purposes or gain. But that doesn't mean quality standards shouldn't be used or that ALJs are above oversight or review by the OIG.

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QUESTIONS SUBMITTED BY HON. ROBERT P. CASEY, JR.

*Question.* You have written extensively about how you believe Social Security should be reformed and in what ways you believe Social Security retirement and disability benefits should be modified. For example, you have stated that the full retirement age for Social Security retirement benefits should be increased, and in a February 2019 paper with Jason Seligman titled "Developing Social Security Disability (SSDI) Reform Demonstrations to Improve Opportunities and Outcomes Based on Lessons Learned," you proposed making all disability benefit awards temporary. Do you continue to stand by all of the proposals to reform Social Security retirement and disability benefits that you have put forward in the past? Will you continue to advocate for those changes to Social Security retirement and disability benefits if you are confirmed?

*Answer.* I stand by my research. That said, should I be confirmed as a member of the Social Security Advisory Board, I would not view my position as one that should or would advocate for any particular reform position, but rather help make sure that the best possible information on all the reforms possible to improve the programs and ensure the solvency of the trust funds are presented to the Congress, the White House, and the public in an objective manner.

*Question.* During the hearing, you stated that one of your top research priorities would be "fraud, waste, and abuse." Can you state specifically what you consider to fall into these categories and exactly what you intend to focus on should you be confirmed?

*Answer.* Issues of "fraud, waste, and abuse" are often collectively referred to under "improper payments." Examples include issues where SSA made a mistake in calculating the proper benefit amount or sent payment to the wrong person, a failure to obtain accurate information necessary to continue benefits or provide the proper benefit amount, individuals fraudulently claiming benefits, and identify theft. Reducing improper payments is a priority for SSA and will be a priority of mine, should I be confirmed. Improper payments can be reduced through more data sharing agreements, staffing Cooperative Disability Investigations (CDIs), improving SSA's IT infrastructure, ensuring adequate staffing to process beneficiary requests.

*Question.* During the hearing, you stated that among your top research priorities are demonstration projects for individuals on SSDI. Can you state specifically what types of demonstration projects you are referring to and how you believe these demonstration projects should be implemented?

*Answer.* Sections 821–23 of the Bipartisan Budget Act of 2015 granted expanded authority for the Social Security Administration to engage in demonstration projects aimed at improving the opportunity for disability beneficiaries to remain attached to the labor force or return to work. Piloting reforms via demonstration projects is an important part of that process. However, while there is strong interest in pilots, there is also strong skepticism in them given prior experiences with SSDI demonstration projects. U.S. government agencies and the research community generally agree the demonstration process has suffered from weak design and execution. Thus, strong interest in pilots now includes some basic questions: which agency or entity should design them, who should administer them, how to ensure adequate data collection, whether participation should be voluntary, and when pilots should be expanded or discontinued. Fortunately, past demonstration projects and the pro-

gram design literature offer important lessons. If confirmed, I will work with my colleagues on the SSAB and stakeholders to help provide recommendations to SSA in the proper design and evaluation of demonstration projects that are meant to strive toward three objectives: (1) understanding whether and to what extent each feature might increase reengagement in the workforce, (2) reducing exit from the workforce, and (3) better understanding the interacting benefits of other social support programs.

*Question.* Any changes to the way in which Social Security programs are administered or benefits are delivered to beneficiaries can have serious and significant effects on the lives of millions of Americans. To understand these potential effects, it is important to not only consult academic experts and Social Security career professionals, but stakeholder and advocacy organizations that work with Social Security claimants daily as well. If you are confirmed, will you commit to meeting with constituent and advocacy groups of Social Security claimants when evaluating current Social Security practices and policy?

Answer. Yes.

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QUESTION SUBMITTED BY HON. CATHERINE CORTEZ MASTO

*Question.* As you know well, seniors on Social Security who have elected to enroll in Medicare Part B have their premiums for that program deducted from their Social Security checks. It's an incredibly convenient mechanism that boosts enrollment in Part B, helping to ensure seniors' access to physician services. But we've begun to hear from some organizations that it would be helpful to have the option to pull Social Security out of the mix and pay those premiums directly to CMS on behalf of their members. Is that a request you've come across before? As a Social Security advisor, what would your take be on efforts to boost enrollment in Part B by allowing for premium sponsorship?

Answer. I am not familiar with that request. But I pledge to you that I will look into this issue further, should I be confirmed as a member of the Social Security Advisory Board. Obviously, ensuring that Medicare Part B premiums continue to be paid in a convenient and secure manner is very important.

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PREPARED STATEMENT OF HON. CHUCK GRASSLEY,  
A U.S. SENATOR FROM IOWA

Today the Finance Committee will hear from three nominees. We will hear from a nominee to be an Assistant Secretary at the Department of the Treasury, a nominee to be an Assistant Secretary at the Department of Health and Human Services, and a nominee to the Social Security Advisory Board.

First we will hear from Kipp Kranbuhl, nominated to be Assistant Secretary of the Treasury for Financial Markets. This position is responsible for Federal debt management and essentially works to finance the Federal Government. Though this position certainly does not set Federal fiscal policy, which is done by Congress, it carries out the day-to-day operations to keep the government funded so it may carry out all of the programs our constituents depend on.

Next we will hear from Sarah Arbes, who is nominated to be Assistant Secretary for Legislation at the Department of Health and Human Services. Ms. Arbes has been Acting Assistant Secretary for Legislation for the past 8 months, so I'm pleased we are working to confirm her for this important position. Senators on this committee and their offices are likely familiar with Ms. Arbes, as she was the Deputy ASL prior to her serving in the acting capacity. I have greatly appreciated her assistance on efforts to lower prescription drug costs and on other issues. I know we are working through problems with HHS regarding its responses to written inquiries and requests from myself and other Senators on this committee. I appreciate those efforts, and I am pleased that the committee finally seems to be receiving some digital productions on very longstanding requests. However, I have been frustrated by the pace of these negotiations and that certain productions so far have been provided multiple times in an unusable format. I look forward to resolving this issue quickly and hope our staffs can continue a productive dialogue. I have long held that the Department must be responsive to congressional inquiries, and I ask that Ms. Arbes focus on ensuring prompt, meaningful, and efficient responses. I also note that, while the ASL serves as top advisor to the Secretary on legislative matters,

the position is not directly responsible for regulations issued by the Department or its agencies. I ask Senators to keep that in mind as we conduct this hearing.

Finally, we will hear from Jason Fichtner, nominated to the Social Security Advisory Board. Created as a “bipartisan, independent Federal Government agency established in 1994 to advise the President, the Congress, and the Commissioner of Social Security on matters of policy and administration,” the Social Security Advisory Board is comprised of seven members. Dr. Fichtner is one of the three who are appointed by the President.

Thank you all for your willingness to serve and for your testimony here today.

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PREPARED STATEMENT OF KIPP KRANBUHL, NOMINATED TO BE ASSISTANT SECRETARY FOR FINANCIAL MARKETS, DEPARTMENT OF THE TREASURY

Chairman Grassley, Ranking Member Wyden, and members of the committee, thank you for the opportunity to appear before you today. I am honored to be the President’s nominee to be Assistant Secretary of the Treasury for Financial Markets, and I am grateful for Secretary Mnuchin’s confidence in me.

Before proceeding, I would like to take a moment to acknowledge the love and support of my family, colleagues, and friends, including those here with me: my wife of 16 years, Page, whose years of public service working on Capitol Hill for Senator Alexander and others has inspired me; our two curious and determined children, Curry and Turner; my mother, Dr. Ann Weichert Kranbuhl; and my father, Dr. Michael Kranbuhl, who was unable to join us today. Their tireless work as physicians in southwest Ohio instilled in me the value of helping others.

For the past 22 years, I have worked in the financial markets and securities industry. Through this work, I developed practical experience with many of the policy issues covered by Treasury’s Office of Financial Markets. This has enabled me to appreciate the impact that many of our Nation’s policies and regulations have on all Americans.

Since the spring of 2017, I have been privileged to serve in a variety of capacities within the Office of Domestic Finance at the Treasury Department, and I have appreciated the opportunity to engage with many of you and your staff throughout this time.

I began my work at the Treasury Department as the Deputy Assistant Secretary for Small Business, Community Development, and Affordable Housing Policy. After roughly a year, I was asked to take on the role of Acting Assistant Secretary for Financial Institutions. I held this position for nearly a year prior to taking on my current role as the Principal Deputy Assistant Secretary for Financial Markets, where I have worked with Treasury’s teams from the Offices of Federal Finance, Capital Markets, and Public Finance.

In my time at Treasury, I have led or participated in hundreds of stakeholder meetings in order to gather input from a broad range of sources so as to inform our perspectives. Through these efforts, I have worked with others at Treasury to formulate policy recommendations that have led to significant progress toward improving the competitiveness of the American financial system, while ensuring that taxpayer protection and safety and soundness are at the forefront of everything that we do. We have worked closely with our executive branch colleagues in other departments and regulatory agencies, as well as Congress, in order to reduce the risks to the financial markets and the American people, while fostering the functioning of vibrant financial markets.

We are also responsible for the financing of the Federal Government and the management and issuance of Federal debt—the Treasury Department’s original purpose, and one of its most important. Here, we have worked diligently and successfully to maintain our commitment to achieving the lowest cost of financing for the American taxpayer by expanding both our product portfolio and our investor base.

Additionally, while keeping the interests of our Nation at the top of mind, we have worked closely with our international partners in order to prepare for the continuing evolution of the global financial markets amidst ever-changing times.

As I approach the Treasury building each morning on my way to work, I walk past scores of visitors who have come to Washington from all parts of our country, and who are lined up to catch a glimpse of our Federal buildings and of how our government functions. As I do, I am reminded of the responsibility and commitment

that I have made to each of them as Americans. They inspire, focus, and motivate me.

If confirmed for this position, I look forward to continuing to work closely with Congress, Secretary Mnuchin, the outstanding Treasury staff, and others in the administration, and to continuing to serve the American people.

Thank you again for the honor of this hearing, and I look forward to answering your questions.

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## SENATE FINANCE COMMITTEE

### STATEMENT OF INFORMATION REQUESTED OF NOMINEE

#### A. BIOGRAPHICAL INFORMATION

1. Name (include any former names used): Michael Kipp Kranbuhl. I primarily use the name Kipp Kranbuhl.
2. Position to which nominated: Assistant Secretary for Financial Markets, United States Department of the Treasury.
3. Date of nomination: October 15, 2019.
4. Address (list current residence, office, and mailing addresses):
5. Date and place of birth: Cincinnati, Ohio, September 17, 1976.
6. Marital status (include maiden name of wife or husband's name):
7. Names and ages of children:
8. Education (list all secondary and higher education institutions, dates attended, degree received, and date degree granted):
  - Cincinnati Country Day School.**  
Dates attended: August 1990 to June 1994.  
Degree received: High school diploma.  
Date degree granted: June 1994.
  - Vanderbilt University.**  
Dates attended: August 1994 to May 1995.  
Degree received: N/A.  
Date degree granted: N/A.
  - Duke University.**  
Dates attended: August 1995 to May 1998.  
Degree received: Bachelor of arts (May 1998); Major: political science; Minor: economics.
  - University of Michigan Business School.**  
Dates attended: August 2002 to April 2004.  
Degree received: Masters of business administration (April 2004).
9. Employment record (list all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment for each job):
  - Wheat First Union Securities/First Union Securities, Inc.**  
Title and description of job: Financial analyst (investment banking and corporate finance).  
Location: Richmond, Virginia.  
Dates of employment: July 1998 to June 2000
  - Petra Capital Partners.**  
Title and description of job: Associate (direct lending and private equity investing).  
Location: Nashville, Tennessee.  
Dates of employment: July 2000 to June 2002.



**Overseas Private Investment Corporation.**

Title and description of job: Summer associate (direct lending).

Location: Washington, DC.

Dates of employment: May 2003 to August 2003.

**Gladstone Management Corporation.**

Title and description of job: Associate/principal/director (direct lending and private equity investing).

Location: McLean, Virginia.

Dates of employment: March 2005 to February 2016.

**Self-Employed.**

Description of job: Private equity consulting.

Location: Washington, DC.

Dates of employment: February 2016 to June 2017.

**U.S. Department of the Treasury.**

Title: Principal Deputy Assistant Secretary, Financial Markets.

Location: Washington, DC.

Dates of employment: August 2019 to present.

Title: Acting Assistant Secretary, Office of Financial Institutions.

Location: Washington, DC.

Dates of employment: July 2018 to June 2019.

Title: Deputy Assistant Secretary, Small Business, Community Development, and Affordable Housing Policy.

Location: Washington, DC.

Dates of employment: June 2017 to August 2019.

10. Government experience (list any current and former advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments held since college, including dates, other than those listed above):

None other than those listed in question 9.

11. Business relationships (list all current and former positions held as an officer, director, trustee, partner (*e.g.*, limited partner, non-voting, etc.), proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution):

Board positions for Gladstone Investment Corporation and Gladstone Capital Corporation Portfolio companies:

- Chase Doors Corporation, board member of the Gladstone Investment Corporation portfolio company and its affiliates, April 2009 to December 2010.
- Cavert Wire Company, board member of the Gladstone Investment Corporation portfolio company and its affiliates, May 2009 to September 2015.
- Sunshine Media True North Custom Publishing, board member of the Gladstone Capital Corporation portfolio company and its affiliates, January 2011 to April 2013.
- Behrens Manufacturing, board member of the Gladstone Investment Corporation and Gladstone Capital Corporation portfolio company and its affiliates, December 2013 to February 2016.

Consulting Relationships:

- Gladstone Management Corporation, employed full time—March 2005 to February 2016. Consulting on strategic options for various Gladstone portfolio companies and paid directly by Gladstone Management Corporation—February 2016 to September 2016.
- Behrens Manufacturing, LLC, consulting on corporate strategy and paid directly by Behrens Manufacturing—October 2016 to December 2016. Board member (per the above) of the Gladstone Investment Corporation and Gladstone Capital Corporation portfolio company and its affiliates, December 2013 to February 2016.
- Galaxy Technologies, consulting on corporate strategy—July 2016 to November 2016 and paid directly by Galaxy Technologies.
- Kathryn A. Weichert, M.D., Inc., consulting and assisting on record-keeping activity—2004–2011.

## Charitable or Educational Organizations:

- Weichert-Kranbuhl Family Foundation, treasurer of the Charitable Foundation, 1998 to June 2017.
- National Child Research Center (Washington, DC), board member of the school, 2012 to 2015.
- Nashville's Table (Nashville, TN), board member of the charitable organization focused on food rescue and distribution, 2001–2003.
- The Tomorrow Fund (Nashville, TN), board member of charitable foundation within the Community Foundation of Middle Tennessee, 2001–2002.

## Professional Organizations:

- Nashville Healthcare Council's Leadership Healthcare (Nashville, TN), board member of the professional organization, 2010 to 2013.

12. Memberships (list all current and former memberships, as well as any current and former offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations dating back to college, including dates for these memberships and offices):

Social Organizations: Chevy Chase Club (Chevy Chase, MD)—member 2010 to present; Metropolitan Club (Washington, DC)—member 2018 to present; Kappa Sigma Fraternity, Duke University—member 1996 to 1998.

13. Political affiliations and activities:

- a. List all public offices for which you have been a candidate dating back to the age of 18.

None.

- b. List all memberships and offices held in and services rendered to all political parties or election committees, currently and during the last 10 years prior to the date of your nomination.

None.

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years prior to the date of your nomination.

Portman for Senate Committee (Senator Rob Portman).

Date: June 2, 2015.

Amount: \$250.

Carter for Governor (Jason Carter for Governor of Georgia).

Date: June 30, 2014.

Amount: \$150.

Alexander for Senate (Senator Lamar Alexander).

Date: May 13, 2013.

Amount: \$500.

14. Honors and awards (list all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement received since the age of 18):

University of Michigan merit scholarship recipient.

Date: August 2002–April 2004.

Cum laude, Duke University.

Date: May 1998.

15. Published writings (list the titles, publishers, dates, and hyperlinks (as applicable) of all books, articles, reports, blog posts, or other published materials you have written):

None.

16. Speeches (list all formal speeches and presentations (*e.g.*, PowerPoint) you have delivered during the past 5 years which are on topics relevant to the position for which you have been nominated, including dates):

Deputy Assistant Secretary, Small Business, Community Development and Affordable Housing Policy:

- Urban Institute/JP Morgan Chase Convening, Washington, DC—September 25, 2017.
- National Development Council Panel, Washington, DC—October 23, 2017.
- American Bar Association, Community Reinvestment Act Discussion, Washington, DC—January 19, 2018.
- Consumer Bankers Association, Orlando, Florida—March 13, 2018.
- House of Representatives—Committee on Oversight and Government Reform: Subcommittee on Intergovernmental Affairs, and Subcommittee on Government Operations—May 22, 2018.

Acting Assistant Secretary, Financial Institutions:

- P-20 Conference (Electronic Payments Industry), Atlanta, Georgia—October 10, 2018.
- Council of Independent Insurance Agents and Brokers, Annual Insurance Legislative Summit, Washington, DC—February 13, 2019.

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

I have worked in the securities industry focusing on investing debt and equity capital since 1998 and have first-hand experience with policy issues covered by the Office of Financial Markets within the Office of Domestic Finance. I believe that I bring an experiential lens to analyzing many of these issues, as I am able to quickly assess the practical impact of many of our Nation's policies and regulations.

Additionally, I have been working at the Department of Treasury since June 2017, where I have been a leader within the Office of Domestic Finance, serving as a Deputy Assistant Secretary throughout that period. I have also held a number of related roles, including serving as Acting Assistant Secretary for Financial Institutions for nearly a year from July 2018 until late June 2019, and Principal Deputy Assistant Secretary for Financial Markets since August 2019.

I would be honored to serve the Department of the Treasury and the American people in this new capacity and would do so with focus, dedication, and commitment to the tasks at hand and to the challenges that will inevitably be presented.

#### **B. FUTURE EMPLOYMENT RELATIONSHIPS**

1. Will you sever all connections (including participation in future benefit arrangements) with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

I do not have any current connection with any employer other than the U.S. Department of Treasury.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

No.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next presidential election, whichever is applicable? If not, explain.

Yes.

#### **C. POTENTIAL CONFLICTS OF INTEREST**

1. Indicate any current and former investments, obligations, liabilities, or other personal relationships, including spousal or family employment, which could involve potential conflicts of interest in the position to which you have been nominated.

Any potential conflicts of interest have been identified and resolved in accordance with the terms and conditions of my ethics agreement with the Department of the Treasury, which is documented by the letter to Brian Sonfield, Des-

ignated Agency Ethics Official and Assistant General Counsel for General Law and Ethics. Should any potential conflict of interest arise in the future, I will seek guidance from a Treasury ethics official.

2. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years (prior to the date of your nomination), 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.

Any potential conflicts of interest have been identified and resolved in accordance with the terms and conditions of my ethics agreement with the Department of the Treasury, which is documented by the letter to Brian Sonfield, Designated Agency Ethics Official and Assistant General Counsel for General Law and Ethics. Should any potential conflict of interest arise in the future, I will seek guidance from a Treasury ethics official.

3. Describe any activity during the past 10 years (prior to the date of your nomination) in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

In my roles at Gladstone and with the Nashville Healthcare Council, I participated in occasional industry "fly-in" events on Capitol Hill.

4. Explain how you will resolve any potential conflict of interest, including any that are disclosed by your responses to the above items. (Provide the committee with two copies of any trust or other agreements.)

Any potential conflicts of interest have been identified and resolved in accordance with the terms and conditions of my ethics agreement with the Department of the Treasury, which is documented by the letter to Brian Sonfield, Designated Agency Ethics Official and Assistant General Counsel for General Law and Ethics. Should any potential conflict of interest arise in the future, I will seek guidance from a Treasury ethics official.

#### **D. LEGAL AND OTHER MATTERS**

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency (*e.g.*, an Inspector General's office), professional association, disciplinary committee, or other ethics enforcement entity at any time? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? If so, provide details, regardless of the outcome.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county, or municipal law, regulation, or ordinance, other than a minor traffic offense? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? If so, provide details.

No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

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

None.

### E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, 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. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.

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#### QUESTIONS SUBMITTED FOR THE RECORD TO KIPP KRANBUHL

##### QUESTIONS SUBMITTED BY HON. CHUCK GRASSLEY

*Question.* Recent reports identify that Treasury will issue a 20-year debt security, and is considering other long-term debt instruments. As I understand it, over the past several years, Treasury and the Treasury Borrowing Advisory Committee—or TBAC—and other market participants have analyzed and proposed issuing the 20-year Treasury bond.

My understanding is also that over many administrations, Treasury’s financing objective has been “to achieve the lowest borrowing cost, over time, for the Federal Government’s financing needs.” And that is done by Treasury’s commitment to regular and predictable issuance of securities across a wide range of types of securities.

As former Treasury Secretary Lew said: “We seek to finance the government at the least possible cost to taxpayers over time, and we will continue to evaluate other potential new products to meet that goal.” So, it sounds like Treasury is fairly regularly looking at various ways in which we issue debt.

Could you give an overview of the depth of analysis that Treasury seems to regularly engage in, including work with the TBAC, to ensure that we achieve the lowest borrowing cost over time?

*Answer.* As part of our mission to finance the government at the least cost to the taxpayer over time, Treasury is always evaluating its existing financing approach and considering how best to prepare for future financing needs. Treasury regularly engages with a broad range of market participants, including the primary dealers, the Treasury Borrowing Advisory Committee, and investors. Input from market participants helps Treasury to understand key developments in the Treasury market and identify consistent sources of demand for Treasury securities. As an example, Treasury recently announced plans to introduce a 20-year bond, which we expect to increase Treasury’s financing capacity based on strong demand from many segments of the market, including from pensions and other long-term investors.

*Question.* Members of this committee had difficult times getting information from Treasury Secretaries Geithner and Lew when the U.S. approached a debt limit. That is very unfortunate, because information about our government’s finances, including how much cash is in the Federal till, should not be something that is withheld from members of this committee or from the American people.

In response to reasonable requests for information from Congress, do you commit to a policy of responsiveness?

*Answer.* Yes.

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#### QUESTION SUBMITTED BY HON. JOHN THUNE

*Question.* As you mentioned in your opening statement, the issuance of Federal debt is one of the key functions of the Treasury Department that you would oversee as Assistant Secretary. In an effort to accommodate our Nation’s future borrowing needs in the most fiscally responsible way for taxpayers, what specific actions has Treasury taken as of late to finance our debt that you feel have been most effective toward meeting this end?

*Answer.* Treasury’s mission in debt management is to finance the government at the least cost to the taxpayer over time. Treasury is always evaluating its existing financing approach and considering how best to prepare for future financing needs.

To this end, Treasury has recently taken several important actions to improve our suite of securities offerings. As announced on January 16, 2020, Treasury plans to introduce a 20-year bond in the first half of this year. Additionally, Treasury in recent years enhanced and expanded its Treasury Inflation Protected Securities offerings and launched a 2-month Treasury bill. These actions were informed by deep engagement with a broad range of market participants and help Treasury to maximize demand for its securities, thereby delivering the lowest-cost financing for the taxpayer.

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QUESTIONS SUBMITTED BY HON. TODD YOUNG

*Question.* Can you explain the overall interest and strategy behind issuing a 20-year bond in this economic environment?

*Answer.* Treasury aims to finance the government at the lowest cost to the taxpayer over time. Treasury is always evaluating its existing financing approach and considering how best to prepare for future financing needs. As part of this process, Treasury regularly engages with a broad range of market participants, including the primary dealers, the Treasury Borrowing Advisory Committee, and investors. Treasury concluded that there would be strong and consistent demand for a 20-year bond from many segments of the market, including from pensions and other long-term investors. The 20-year bond will increase Treasury's financing capacity over the long term, and help Treasury achieve its low-cost financing goal.

*Question.* With LIBOR scheduled to be phased out by the end of 2021, how is your office working on the transition from LIBOR to SOFR?

*Answer.* Treasury is taking several steps to help ensure a smooth transition from LIBOR to SOFR. As an ex-officio member of the Alternative Reference Rates Committee (ARRC), Treasury participated in the development of the Paced Transition Plan, and continues to engage with the ARRC in the support and implementation of this plan. Treasury's Office of Financial Research (OFR) adopted a final rule in February 2019 that establishes a data collection on centrally cleared repo transactions; those data will be used to support the Federal Reserve's calculation of SOFR. In October 2019, Treasury and the Internal Revenue Service (IRS) issued proposed regulations allowing taxpayers to avoid adverse tax consequences from changing the terms of debt, derivatives, and other financial contracts to replace reference rates based on LIBOR and similar rates with certain alternative reference rates, including SOFR. Finally, in the most recent Quarterly Refunding Statement, Treasury announced its intent to issue a request for information (RFI) in the first half of 2020 to solicit input from the public on the demand for a SOFR-indexed floating-rate note (FRN).

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QUESTIONS SUBMITTED BY HON. SHERROD BROWN

*Question.* Fannie Mae and Freddie Mac have a statutory duty to serve underserved housing markets. One of the three underserved markets defined in the duty to serve statute is preservation of affordable housing. One of the most important tools for affordable housing development and preservation is the Low-Income Housing Tax Credit (LIHTC).

Do you support and will you continue to support the GSEs' multifamily businesses facilitating loans for and providing equity investments in LIHTC properties in their regular business and as part of their duty to serve obligations?

*Answer.* I support the GSEs' longstanding role in promoting access to affordable mortgage credit, including access by low- and moderate-income, rural, and other historically underserved borrowers. As stated in the Treasury Housing Reform Plan, "[a]ccess to affordable housing is far too difficult for many Americans, with rising housing costs forcing many families to dedicate larger shares of their income to housing."<sup>1</sup> Sustainable home ownership for American families should be a benchmark for success for housing finance reform.

Each GSE also has a statutory duty to serve underserved markets requirement to provide leadership in developing products to facilitate a secondary market for

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<sup>1</sup> See U.S. Department of the Treasury Housing Reform Plan (September 2019), available at <https://home.treasury.gov/system/files/136/Treasury-Housing-Finance-Reform-Plan.pdf>.

mortgages in three specific markets: rural housing, manufactured housing, and preservation of affordable housing. Under the statute, the Federal Housing Finance Agency (FHFA) implements the Duty to Serve requirement, including reviewing and approving the types of products and services the GSEs may offer through their Underserved Markets Plans. I support affordable housing activities that effectively target support for low- and moderate-income and historically underserved borrowers and believe Congress and the FHFA should promote efficient, transparent, and accountable mechanisms for delivering this support.

*Question.* Treasury launched a review of the Community Reinvestment Act (CRA) back in 2017. This law is critical to ensure that banks are lending and making investments in underserved communities. I am concerned about the OCC's recent CRA proposal, which incentivizes banks to make the easiest possible investments, rather than investing in more complex—but more beneficial—community development efforts, like those involving Low-Income Housing Tax Credits and New Markets Tax Credits.

Have you been or will you be involved in the Treasury Department's work on CRA? If not, please indicate which division within Treasury is responsible for this work.

*Answer.* In my previous role as Treasury's Deputy Assistant Secretary for Small Business, Community Development, and Affordable Housing Policy, I oversaw the development of the memorandum Treasury published in April 2018 with recommendations to the Federal banking regulators on ideas for modernizing the CRA. The implementation of those recommendations, or other CRA reforms, is the responsibility of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System. Treasury's recently renamed Office of Community and Economic Development continues to monitor the banking regulators' rulemaking process. However, I no longer lead that office.

*Question.* Will you and the administration commit to focus CRA on lending and investments that truly make a difference for low- and moderate-income people and neighborhoods?

*Answer.* As stated in Treasury's April 2018 memorandum and recommendations on the CRA, Treasury believes that the purpose of the CRA is to encourage banks to meet the credit and deposit needs of the communities they serve, including low- and moderate-income communities, and that CRA activities should align with those needs. I support efforts to fulfill that statutory goal. The independent Federal banking regulators are responsible for implementing and enforcing the CRA in a manner consistent with its requirements.

*Question.* When asked about the Treasury Department's position on maintaining the existing affordable housing goals, statutory duty to serve, and Housing Trust Fund and Capital Magnet Fund during your nomination hearing, you said that "these goals are all important, that they need to be revised, reformed to allow for greater accountability, but we recommend no cuts to any of these positions, any of these goals." I am concerned that "reforming" any of these provisions may not be consistent with "maintaining" these provisions.

As you know, these three programs are measured in different ways. The affordable housing goals are percentages of acquisitions devoted to low-income families, families in low-income areas, and very low-income families, while the Housing Trust Fund and Capital Magnet Fund contributions are a set number of basis points of unpaid principal balance on originations and duty to serve is not quantified in statute. Please clarify what you mean when you say that Treasury recommends "no cuts to any of these positions, any of these goals."

*Answer.* Treasury does not propose, and indeed opposes, reducing or eliminating the GSEs' longstanding support for affordable housing. Comprehensive housing finance reform legislation could preserve and improve support for low- and moderate-income and other historically underserved borrowers and renters.

With respect to the statutory affordability mandates enumerated in the Treasury Housing Reform Plan, Treasury's recommended reforms are focused primarily on the statutory affordable housing goals for the GSEs' acquisitions of mortgage loans to low- and moderate-income borrowers and mortgage loans to borrowers in low-income areas. In particular, Treasury recommends that "Congress should replace the GSEs' statutory affordable housing goals with a more efficient, transparent, and accountable mechanism for delivering tailored support to first-time home buyers and

low- and moderate-income, rural, and other historically underserved borrowers, with a portion of the associated funding potentially transferred to HUD to expand its affordable housing activities.”

Except to suggest that reforms could “more effectively target support for affordable housing,” the Treasury Housing Reform Plan did not include specific recommendations to alter the duty to serve specified underserved markets or the periodic contributions to the Housing Trust Fund and Capital Magnet Fund.

*Question.* Does Treasury recommend statutory revisions to any of these three programs?

Answer. See previous answer to Senator Brown’s question.

*Question.* Please clarify how Treasury recommends that all three of these statutory provisions be “reformed.”

Answer. See previous answer to Senator Brown’s question.

*Question.* During your nomination hearing, we discussed the growing role of private equity in the housing market, including through private equity acquisitions of apartment buildings and manufactured housing communities. You stated that you would need to learn more about the specific challenges that private equity ownership presents for residents. Unfortunately we have seen these challenges in manufactured housing communities in my home State of Ohio, as well as Finance Committee Chairman Grassley’s home State of Iowa. In some cases the GSEs facilitate these transactions, while in others they use purely private financing. As documented in the articles below, in some cases these firms have raised rent by 58 percent to 69 percent, resulting in massive rent burdens for tenants, many of whom are very low-income, elderly, or on fixed incomes.

I have also been informed of changes in policies by these new owners that, in addition to raising rent, now require residents to pay utilities and other fees separately, resulting in still further cost increases. In the case of manufactured housing, residents often own the home but rent the pad underneath and may be financially unable to relocate from the community to escape rising rents. They face the impossible choice between paying more than they have or losing their home.

You stated that Treasury was “aware” of the situation described above. Has the Treasury Department been monitoring the purchase of residential real estate, including single-family homes, apartments, and manufactured housing communities by private equity firms? If so, please describe the tools Treasury is currently using to monitor this important trend and its impact on housing affordability. If not, please explain why Treasury does not believe that this is a priority.

Answer. Treasury engages regularly with market participants and stakeholders across the housing finance marketplace to monitor trends and to inform administration policy. Insufficient affordable housing across the country is a critical challenge. As stated in the Treasury Housing Reform Plan, “Access to affordable housing is far too difficult for many Americans, with rising housing costs forcing many families to dedicate larger shares of their income to housing.” Treasury is engaged in efforts to address the critical shortage of affordable housing through its participation on the White House Council on Eliminating Regulatory Barriers to Affordable Housing, established under Executive Order 13878. Federal, State, and local efforts to address these barriers and encourage the development, rehabilitation, and preservation of affordable housing can help remediate the supply constraints that artificially raise the cost housing development, and, as a result, raise housing costs for hardworking families.

*Question.* After reviewing the articles below [at end of document], do you agree that residents face new affordable housing challenges when their manufactured housing communities are purchased by private equity companies?

Answer. I agree that, based on these articles, many residents of the referenced communities appear to have experienced new affordable housing challenges.

*Question.* Based on the articles below [at end of document], do you believe that the growth in private equity ownership of residential housing could exacerbate housing affordability challenges in manufacturing housing communities and throughout the country?

Answer. Based on the referenced articles, I believe that the residents in the referenced communities appear to have experienced new affordable housing challenges. However, without further review of the specific cases, it would be inappropriate to



draw general conclusions about the impact of certain types of market participants on housing affordability. A dynamic housing market should accommodate diverse forms of capital, competing to promote consumer choice.

I support efforts underway at Treasury and across the administration to address regulatory barriers that limit affordable housing supply and artificially raise the cost of housing development. As stated in the Treasury Housing Reform Plan, “Access to affordable housing is far too difficult for many Americans, with rising housing costs forcing many families to dedicate larger shares of their income to housing.” Treasury is engaged in efforts to address the critical shortage of affordable housing through its participation on the White House Council on Eliminating Regulatory Barriers to Affordable Housing, established under Executive Order 13878. Federal, State, and local efforts to address these barriers and encourage the development, rehabilitation, and preservation of affordable housing can help remediate these supply constraints and help relieve affordability challenges, including for manufactured housing.

*Question.* Do you believe that the Treasury Department and other Federal regulators have a role to play in maintaining the affordability and accessibility of housing, including through oversight of private equity ownership? If so, please describe what steps Treasury or other regulators can take. If not, please explain why not.

*Answer.* The Federal Government has a longstanding role promoting affordable housing through a range of programs and subsidies spanning multiple Federal agencies. One critical way Treasury is supporting efforts to maintain and expand affordable housing is through our participation on the White House Council on Eliminating Barriers to Affordable Housing, as established by Executive Order 13878. Access to affordable housing is far too difficult for many Americans, with rising housing costs forcing many families to dedicate larger shares of their income to housing. Treasury continues to engage through the White House Council to identify and address Federal, State, and local barriers that artificially raise the cost of affordable housing.

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HON. SHERROD BROWN SUPPLEMENTAL ARTICLES  
(for question 4)

From Associated Press,<sup>2</sup> April 20, 2019

PRIVATE EQUITY FIRMS RAPIDLY INVESTING IN MOBILE HOME PARKS

A growing number of large private equity firms are investing into mobile home park ownership across the country.

By Zachary Oren Smith, *Iowa City Press-Citizen*

IOWA CITY, Iowa (AP)—Mobile home owners who for years have enjoyed some immunity from rising housing costs are increasingly finding themselves subjected to massive rent increases, not just here in Iowa,<sup>3</sup> but across the country.

Havenpark Capital, a Utah-based<sup>4</sup> real estate investment firm, raised eyebrows—along with rents—after it purchased parks in the Iowa City and Des Moines metro areas and immediately announced plans for rent spikes. In North Liberty, rents at Golfview Mobile Home Park will rise 58 percent and in Waukee, rents at Midwest Country Estates will rise 69 percent. Havenpark Capital recently purchased two more mobile communities: Iowa City’s Sunrise Village and West Branch’s West Branch Village. And as it turns out these are just the tip of the iceberg, the *Iowa City Press-Citizen* reported.

There is a growing trend among some of the largest private equity firms and institutional investors to acquire assets in the manufactured housing sector, according to a 2019 report put together by three housing advocates groups: Private Equity Stakeholder Project, Manufactured Housing Action and Americans for Financial Reform Education Fund.

The top 50 manufactured housing community owners together own 680,000 home sites—a 26-percent increase between 2016 and 2018, according to data from the Na-

<sup>2</sup> <https://www.usnews.com/topics/author/associated-press>.

<sup>3</sup> <https://www.usnews.com/news/best-states/iowa>.

<sup>4</sup> <https://www.usnews.com/news/best-states/utah>.

tional Manufactured Home Owners's Manufactured Housing Institute. The authors of the report note that the need to produce greater profits is leading to cost increases for park residents nationwide.

"Manufactured home communities are interesting communities," said Kevin Borden, co-director of Manufactured Housing Action, a Washington D.C.-based nonprofit that organizes residents of mobile home parks to pursue housing affordability and resident protections. "They are relatively affordable for low income workers immigrant workers and seniors on fixed incomes. They provide folks with a sense of a home community."

In 2018, there were approximately 8.5 million manufactured homes in the United States, accounting for nearly 10 percent of the Nation's housing stock, according to the Manufactured Housing Institute. This has been a source of affordable housing, in particular for rural and low-income residents.

"These are affordable homes for low-income folks," said Liz Voigt of Manufactured Housing Action and a co-author of the 2019 report. "That's what the market has been for a long time. It hasn't really occurred to people that they could gouge them for 80 percent of their Social Security check. That's the analysis that these companies have seen: they could make a very big increase in profits based on rent increases in nearly any conditions."

In a statement to the *Press-Citizen* in reference to their rent increase in North Liberty, Havenpark Capital said the previous owner's rent prices had not kept pace with the market. They wrote that if it were not for Havenpark stepping in, the property might have been taken over by commercial retail developers. But even if the land remained a park, seniors on fixed incomes, low-wage earners on limited incomes may not have much of an option in the end.

Part of the issue is residents commonly own their mobile home but not the land underneath it. If lot rents become unaffordable, residents may have no other option but to try and sell their home to the park or abandon it all together. Moving homes to another park can cost thousands of dollars and moving often means sustaining damage to the home, further depreciating its value.

The 2019 report quotes material from Mobile Home University, a project of RV Horizons aimed at educating aspiring mobile home park investors on the revenue model: "The fact that tenants can't afford the \$5,000 it takes to move a mobile home makes it easy to raise rent without losing any occupancy."

Compared to larger private equity firms like YES! Communities, which own 54,000 home sites, Havenpark Capital is relatively small. But Voigt and Borden said the private real estate firm benefits from the same investment strategy.

To create protections for these communities, there are three "buckets" of policy solutions Voigt pointed to that she said localities and States should pursue to add protections for manufactured home owners in their communities.

"There is a regulatory environment in which (these firms) operate that has created an enormously profitable business on the backs of poor people," Voigt said.

The first strategy would be to find some consistent means of regulating rent. Voigt emphasized that these regulations look different in different places.

One example is in Humboldt County, California<sup>5</sup> where voters passed an ordinance to regulate rent increases for spaces in mobile home parks with ten or more spaces in the unincorporated area of Humboldt County. Rents can only legally be increased to keep up with the consumer price index; to afford capital improvements with approval of a majority of tenants; or in the case of a new resident, at a maximum of 5 percent.

In Delaware,<sup>6</sup> property owners can raise rent above the consumer price index provided they have not received any violations that threaten the health or safety or residents that persists for more than 15 days and the increase is directly related to operating, maintaining or improving the manufactured home community.

"There are different ways to get there," Voigt said. "But the idea is (property owners) shouldn't just have total control over setting these arbitrary rent increases."

<sup>5</sup> <https://www.usnews.com/news/best-states/california>.

<sup>6</sup> <https://www.usnews.com/news/best-states/delaware>.

The second strategy is for residents to have a say in how the park they live in is improved, and an avenue for making complaints if it is not being taken care of properly.

“(Large firms) don’t seem to have a long term investment in the community’s ongoing infrastructure and communities sustained health,” Voigt said. “There are laws in most places about basic code standards, but making those clear responsibilities for the community owner would incentivize investment.”

In addition, Voigt said it is important for residents to have a clear path to report problems with health and safety risks, management, lease provisions, invoices and other problems. When the owner is out of State, this might mean site managers and mandated grievance procedures.

The third strategy is more complicated. Even if there are limits on the amount rent can be increased and residents have the ability to reliably file grievances, an investment firm is in business to generate revenue. While this doesn’t necessarily put them at odds with residents, a 58-percent tax increase does.

“There needs to be a clear path toward alternative forms of ownership,” Voigt said.

They ask States to enact laws that give mobile park tenants and associations a chance to buy their park if property owners are approached with an offer. Voigt said that if our goal is to keep these parks affordable in the long term, drastic changes in ownership might be one of the few ways to keep the needs of tenants at the heart of decision making.

“As this trend picks up and bigger and bigger private equity groups with huge access to capital buy more and more of these communities, it is going to put increasing pressures on mom and pop parks to sell out,” Voigt said.

<https://www.usnews.com/news/best-states/iowa/articles/2019-04-20/private-equity-firms-rapidly-investing-in-mobile-home-parks>.

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From *The Des Moines Register*, April 1, 2019

AFTER MOBILE HOME PARK OWNER RAISES RENTS BY 69 PERCENT,  
NEIGHBORS WORRY ELDERLY, FIXED-INCOME RESIDENTS MAY LOSE THEIR HOMES

By Ian Richardson

Janet Hook has done the math, and she’s concerned.

On Friday, the single mother of two found a letter taped to the door of her white and green mobile home announcing that Midwest Country Estates in Waukee, where she’s rented a lot for 12 years, has a new owner.

As one of its first acts, the Utah-based company said it was increasing her rent \$205 per month to \$500, starting June 1st—a 69-percent increase.

“It would leave me with \$88 for food and gas after all my bills are paid,” said Hook, who works at Waukee High School during the school year and Dairy Queen in the summer. “I’m going to have to get a second job other than the ones I already have.”

She’s not alone. Every resident of the 300-lot manufactured home park received the same letter. Among them are more single parents, elderly residents and people on fixed incomes.

“It’s going to take me right down to my last dollar,” said 91-year-old Arletta Swain. “I’m afraid.”

Swain has lived in the mobile home park for nearly 50 years. Her only income is her Federal pension.

The new owner, Havenpark Capital, said the rent increase is necessary to bring it more in line with what it says are similar quality communities in the metro. “Without raising your rent, our community would be at risk of going away because it is in a high-growth area—one of the fastest growing in the country,” the letter to residents says.

Iowa law does not set a cap on how much landlords are allowed to increase rental rates as long as they provide adequate notice and respect existing lease agreements.

Residents said relocating to a less expensive park likely won’t be an option for many since the mobile homes they own are too old to move.

“We’re sitting ducks is what we are,” Hook said. “There’s a lot of us out here who don’t know what we’re going to do.”

#### **New Owners Blame Rising Land Values**

Havenpark Capital taped the rent increase announcement to residents’ doors two days after purchasing the roughly 64-acre site for \$17.5 million.

“Rent will be going up to protect our community,” the letter says. “If the rent did not go up, the land where Midwest Country Estates sits today would have been more valuable if it were changed into apartments, or a large retail store, causing all of our residents to be evicted.”

The company set a standard monthly rent of \$500 for basic lots. Residents at Midwest Country Estates own their own mobile homes, but rent the land from the company.

Those on corner lots or double-wide homes face an additional \$25 per month “premium site” fee.

Each resident must sign a new lease within 30 days, the letter says.

In a statement, the company said rental rates at Midwest Country Estates have “fallen significantly behind comparable four-star manufactured home communities in the Des Moines area,” which makes it a “ripe target” for redevelopment. It said a survey of comparable parks in the Des Moines metro showed an average lot rate of \$522 per month.

“Our purchase and investment in the park will ensure this area remains available for housing rather than be taken over by commercial retail developers,” the statement says.

An NAI Iowa Realty Commercial survey of 13 mobile home parks in the Des Moines metro from October 2018 showed rents ranging from \$244 to \$596 per month, with an average monthly rent of \$436.

Joanne Stevens, an NAI Iowa Realty agent who helped with the Midwest Country Estates sale, said owners that want to stay in the mobile home business long-term need market rate rents to keep parks operational and well-maintained.

“I think that’s very much needed in that community,” she said.

Havenpark Capital owns properties in nine States, including North American Mobile Home Park in Indianola.

The company said it plans to invest more than \$1 million into Midwest Country Estates over the next 12 months to install 20 new homes, build a safe play area for children, repave sections of road, install new mailboxes, build a new entryway monument sign and complete landscaping projects.

The company said it does not want to lose residents but will assist any who are moving out with the sale of their homes.

Built in 1969 along Hickman Road, Midwest Country Estates is now surrounded on three sides by single-family homes.

A row of businesses including a bank, dental office, and fast food restaurants now sits between the mobile home park and Hickman Road.

Over the past 4 years, the property’s assessed value has grown from approximately \$1.3 million to \$3.8 million, according to Dallas County assessor’s data. The mobile home park’s taxes have increased nearly \$10,000—from \$81,042 in the 2015–2016 tax year to \$90,481.59 in 2018–19.

The property is specifically zoned for a mobile home park, Waukee Development Services Director Brad Deets said. However, apartments or retail space could fit within the city’s comprehensive plan for the area, which includes a mixture of commercial and residential land along the Hickman Road corridor, he said.

#### **“Mobile Homes Depreciate in Value Like a Car”**

Alex Kornya, assistant litigation director with Iowa Legal Aid, said tenants of mobile home parks often find themselves in difficult positions when rents rise because moving their homes often isn’t feasible.

“They are built with the intention they could be moved, but it is almost never the case that they can be,” Kornya said. “Mobile homes depreciate in value like a car, and it doesn’t take long for them to acquire the problems where moving them is not possible.”

Residents of mobile home parks are more likely to be older and have lower incomes or net worth, according to a 2014 study by the Consumer Finance Protection Bureau.<sup>7</sup>

Kornya said when people make an investment in their own mobile home, many people end up forfeiting the investment because they can't move the home with them.

However, rent increases are typically legal if made with at least a 60-day advanced notice for tenants who own their own homes and at least 30 days for tenants who rent homes.

A rent increase cannot be made until a tenant's original lease term is concluded. Midwest Country Estates residents who spoke to the Register said they were on month-to-month leases.

Kornya said Iowa Legal Aid, which offers free civil legal assistance to the elderly, low-income, veterans and other vulnerable groups, sees a "high proportion" of people coming to its office with mobile home-related issues. It offers assistance to tenants in landlord-tenant disputes.

#### **"Some Compassion Would Be Lovely"**

Since receiving the letter, Midwest Country Estates residents have been working together to learn more about the purchase and how the rent increase will affect the park's low-income renters.

Matt Chapman started a Facebook group where residents are posting their stories. He has gathered accounts from several residents who say it will be difficult to budget for the increase with their fixed incomes.

Chapman said he knows the new company is abiding by the law and the rent increase will likely happen, but he wants to be sure those facing tough decisions don't fly under the radar.

"We want to find out who the most vulnerable people in here are and we want to make sure they don't lose their home or they're not going to be cutting their medications in half or going without them," he said.

Chapman said he wants to organize a forum where residents can meet with each other and community leaders, as well as learn about what available resources can help them out financially.

Hook, the single mother, said she would like to see a third party mediate discussions between residents and the company. She's hopeful that could result in the company adopting an incremental increase.

"We've looked into the laws and all they have to do is give us 60-day notice," she said. "But some compassion would be lovely."

<https://www.desmoinesregister.com/story/news/local/waukee/2019/03/27/waukee-midwest-country-estates-mobile-home-park-havenpark-capital-utah-rent-increase-rates-iowa/3267410002/>.

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#### QUESTIONS SUBMITTED BY HON. CATHERINE CORTEZ MASTO

*Question.* If you are confirmed to serve as Assistant Secretary for Financial Markets, will you seek any effort to restrict Fannie Mae and Freddie Mac financing for about apartment buildings, condominiums, and cooperatives and other multi-family homes?

*Answer.* The GSEs continue to provide liquidity to the multifamily lending market, in particular to support the availability of rental units that are affordable to low- and moderate-income and other historically underserved renters. Treasury's Housing Reform Plan recommends that Congress authorize an explicit, paid-for guarantee of qualifying mortgage-backed securities collateralized by eligible multifamily mortgage loans. The funding advantage conferred by an explicit guarantee could risk crowding out existing private sector funding of multifamily loans. As such, Treasury recommends that Congress and the FHFA revisit the framework for ensuring that the Federal Government's support of the multifamily secondary market is tailored to an affordability mission. In September 2019, the FHFA announced

<sup>7</sup> [https://files.consumerfinance.gov/f/201409\\_cfpb\\_report\\_manufactured-housing.pdf](https://files.consumerfinance.gov/f/201409_cfpb_report_manufactured-housing.pdf).

changes to the restrictions on GSE multifamily loan purchases.<sup>8</sup> Treasury believes these changes are consistent with the recommendations in the Treasury Housing Reform Plan.

*Question.* The Supreme Court's June 2017 unanimous decision in *Kokesh vs. SEC* limited the Security and Exchange Commission's ability to make fraudsters repay ill-gotten gains (disgorgement) to a 5-year statute of limitations. Do you think the Supreme Court's *Kokesh* decision, limiting the SEC's ability to obtain disgorgement within a short, 5-year period will harm investors and make markets riskier?

Answer. The U.S. capital markets are the largest, deepest, and most vibrant in the world and are critically important in supporting the U.S. economy. Protecting retail investors, and punishing those who violate our securities laws, are important efforts to maintain confidence in our markets. The SEC Chairman has publicly expressed his concerns about the impacts of the Supreme Court's decision in *Kokesh vs. SEC* and has expressed his interest in working with Congress to address this issue.<sup>9</sup> I am supportive of his efforts.

*Question.* What is your plan to ensure a smooth transition from LIBOR to SOFR?

Answer. Treasury is taking several steps to help ensure a smooth transition from LIBOR to SOFR. As an ex-officio member of the Alternative Reference Rates Committee (ARRC), Treasury participated in the development of the Paced Transition Plan, and continues to engage with the ARRC in the support and implementation of this plan. Treasury's Office of Financial Research (OFR) adopted a final rule in February 2019 that establishes a data collection on centrally cleared repo transactions; those data will be used to support the Federal Reserve's calculation of SOFR. In October 2019, Treasury and the Internal Revenue Service (IRS) issued proposed regulations allowing taxpayers to avoid adverse tax consequences from changing the terms of debt, derivatives, and other financial contracts to replace reference rates based on LIBOR and similar rates with certain alternative reference rates, including SOFR. Finally, in the most recent Quarterly Refunding Statement, Treasury announced its intent to issue a request for information (RFI) in the first half of 2020 to solicit input from the public on the demand for a SOFR-indexed floating-rate note (FRN).

*Question.* After the financial crisis, the largest banks were required to maintain sufficient capital and liquidity to ensure their resiliency against economic and financial shocks. In recent years, banking regulators have loosened these restrictions. Do you think the largest banks are appropriately capitalized? Are you concerned that stress tests for the largest banks might not capture the actual risks?

Answer. The safety and soundness of banks of all sizes is of paramount importance to the strength of the U.S. economy and the stability of our financial system. The largest banks now have significantly more capital and liquidity than they did before the financial crisis, which increases their ability to withstand future stresses. At the same time, it is important to tailor these requirements based on the risks posed by the institutions. Similarly, stress-testing requirements should appropriately reflect the size and complexity of the banks.

*Question.* Do you think that the credit rating agencies like Moody's, Fitch, and S&P are accurately evaluating risk?

Answer. The Dodd-Frank Wall Street Reform and Consumer Protection Act eliminated regulatory reliance on credit rating agencies' ratings by requiring that references to credit ratings be removed from Federal laws and regulations. Dodd-Frank also enhanced the SEC's supervisory authority over registered credit rating agencies, including new requirements pertaining to internal controls, reporting, disclosure, and accountability. These reforms have improved the process by which ratings are assigned. At the same time, credit rating agencies continue to play an important gatekeeper role in certain markets. The SEC should continue to closely monitor the role that credit ratings play in financial markets and the processes the ratings agencies use in evaluating risks.

<sup>8</sup> See "FHFA Revises Multifamily Loan Purchase Caps for Fannie Mae and Freddie Mac" (September 13, 2019), available at <https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Revises-Multifamily-Loan-Purchase-Caps-for-Fannie-Mae-and-Freddie-Mac.aspx>.

<sup>9</sup> See SEC Chairman Jay Clayton, keynote remarks at Mid-Atlantic Regional Conference (June 4, 2019), available at <https://www.sec.gov/news/speech/clayton-keynote-mid-atlantic-regional-conference-2019>.

*Question.* Do you support changes made to the Volcker rule implementation? Do you have any concerns that permitting financial institutions to invest on their own behalf provides them an unfair advantage compared to other investors?

*Answer.* Regulators have tailored the rule's compliance requirements based on the size of a firm's trading assets and liabilities, with the most stringent requirements applied to banking entities with the most trading activity. I support regulators' efforts to implement changes to the Volcker Rule consistent with Treasury's previous recommendations<sup>10</sup> and the requirements under the Economic Growth, Regulatory Relief, and Consumer Protection Act.

*Question.* What will the Treasury Department do to increase the home ownership rate for African Americans and Latinos?

*Answer.* Treasury recently published its Housing Reform Plan, as directed by the President's March 27, 2019 memorandum. Consistent with the Presidential Memorandum, sustainable homeownership for American families should be a benchmark for success for housing finance reform. In its Housing Reform Plan, Treasury recommends replacing the GSEs affordable housing goals with a more efficient, transparent, and accountable mechanism for delivering tailored support to first-time homebuyers and low- and moderate-income, rural, and other historically underserved borrowers. Critically, the legislative reforms Treasury recommends in Treasury's Housing Reform Plan should preserve and improve support for low- and moderate-income and other historically underserved groups. Legislative reforms should also preserve and improve support for low- and moderate-income and other historically underserved renters.

A robust affordable housing policy starts with a strong economy. Since the President's 2016 election, the economy has added 7 million jobs, wages have grown more than 3 percent for 18 consecutive months, and the unemployment rate remains at near historic lows, including for African American and Hispanic households. Treasury will continue to support the President's economic agenda to help working families.

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QUESTIONS SUBMITTED BY HON. MAGGIE HASSAN

*Question.* As you know, Community Development Financial Institutions (CDFIs) are Treasury-certified financial institutions which specialize in addressing the needs of underserved, economically disadvantaged communities. In my home State of New Hampshire, the New Hampshire Community Loan Fund is a CDFI which has been expanding access to affordable housing and business capital for over 35 years. However, despite the success of CDFIs across the country, the FY 2018, 2019, and 2020 Treasury Department budget proposals would have eliminated funding for Community Development Financial Institution programs. What role, if any, did you play in developing these budget proposals while serving at the Treasury Department? Do you support eliminating funding for Community Development Financial Institution programs?

*Answer.* As Deputy Assistant Secretary for Small Business, Community Development, and Affordable Housing Policy and as Acting Assistant Secretary for Financial Institutions, I administered the programs at the funding levels appropriated by the Congress.

*Question.* Currently, about \$26 billion in matured U.S. savings bonds, such as paper bonds issued during World War II, have not been redeemed by the holders of these bonds. New Hampshire bond holders own about \$100 million of these unclaimed bonds. I am a cosponsor of Senator Kennedy's bill, the Unclaimed Savings Bonds Act, which directs Treasury to work with States, like New Hampshire, to return unclaimed U.S. savings bonds to their rightful bondholders. Can you describe the ongoing efforts at Treasury aimed at returning matured but unclaimed U.S. savings bonds to their owners? If confirmed, will you commit to working with Congress to address this issue?

*Answer.* The issue of matured unredeemed savings bonds does not fall under the purview of the Assistant Secretary for Financial Markets, and so neither I nor my team is directly involved in this matter. However, Treasury has assembled a dedi-

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<sup>10</sup>See "Treasury, a Financial System That Creates Economic Opportunities: Banks and Credit Unions" (June 2017), available at <https://www.treasury.gov/press-center/press-releases/Documents/A%20Financial%20System.pdf>.

cated team that is working with Senator Kennedy on the issue of matured unredeemed debt. Treasury has launched a new and secure version of Treasury Hunt, an online tool that allows bond owners to determine whether they own matured savings bonds. In addition, Congress appropriated \$25 million this year for digitizing bond records. To make the best use of these funds, Treasury is conducting market research and hosted an industry day designed to identify the most promising and cost-effective technologies to digitize and improve the accessibility of savings bond records. Using the funds Congress made available, we are committed to improving access to our savings bonds records and helping bond owners redeem their matured savings bonds. Treasury looks forward to working collaboratively with the States and Congress on this effort.

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QUESTIONS SUBMITTED BY HON. SHELDON WHITEHOUSE

*Question.* Numerous respected economists and financial institutions are warning of severe economic risks from climate change and from policy inaction. These risks include the crashing of fossil-fuel-related stocks and the flooding of coastal communities due to sea-level rise. Does the Treasury Department take these warnings seriously?

*Answer.* As Secretary Mnuchin has stated, Treasury believes that there are a range of important environmental issues, including climate change, that can have an impact on the economy.

*Question.* What is Treasury doing to address these warnings and to prepare the economy for any fallout?

*Answer.* Treasury is committed to working with others in the executive branch to review and study the potential economic impacts that environmental issues present.

*Question.* What influence does the fossil fuel industry exert with respect to the Treasury Department's response to climate change?

*Answer.* I am not aware of any efforts of the fossil fuel industry to exert influence with respect to Treasury's efforts related to climate change.

*Question.* What is the Treasury Department doing to protect the financial system against climate-related risks?

*Answer.* Treasury is committed to working with others in the executive branch to review and study the potential economic impacts that environmental issues present.

*Question.* If confirmed, do you plan to address and to elevate the issue of climate change within Treasury? If so, how?

*Answer.* As Secretary Mnuchin has stated, there are a range of important environmental issues, including climate change, that can have an impact on the economy. Treasury is committed to working with others in the executive branch to review and study the potential economic impacts that environmental issues present. I support this commitment and, if confirmed, I hope that we can all work together on these important issues.

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PREPARED STATEMENT OF HON. RON WYDEN,  
A U.S. SENATOR FROM OREGON

This morning the Finance Committee meets to consider three nominations: Jason Fichtner is nominated to serve on the Social Security Advisory Board, Sarah Arbes is nominated to serve as HHS Assistant Secretary for Legislation, and Kipp Kranbuhl is nominated to serve as Assistant Treasury Secretary for Financial Markets.

I'll have just a few brief remarks on these nominees. If confirmed, Mr. Fichtner will dive into important work the Social Security Advisory Board is doing with respect to customer service and IT. The Board is also working hard to address challenges that come with serving some of the most vulnerable Social Security beneficiaries, individuals who are unable to manage their own finances.



If confirmed, Mr. Kranbuhl will take on a job at the Treasury Department that deals with a lot of tough subjects including debt management, housing finance, and the stability of our financial markets.

Both are important roles that can affect the well-being of millions of Americans. They call for an even-handed approach from individuals willing to work with people from all sides. I hope these nominees serve in that manner.

Finally, Sarah Arbes is nominated to serve in a role at HHS that involves working directly with the Congress as the Department's chief point of contact between us. One of our top priorities on this committee, for example, is bringing down the cost of prescription drugs. This committee also takes its oversight role very seriously. That means we've sent oversight letters to HHS on a variety of topics, including the appalling treatment of migrant children and families at our southern border, and the waste of taxpayer dollars on public relations contracts for the head of CMS.

At times, it has been awfully hard to get HHS to respond to our oversight inquiries. I understand that there's been some recent progress on the committee's bipartisan investigation of children's shelters, and I'm thankful for that. But to my mind, it's consistently been much harder than it needs to be to get the information that this committee and its members need to carry out our oversight responsibilities. This committee has worked closely and productively with Ms. Arbes in the past, so we're going to count on her to help turn that around. But make no mistake, there needs to be improvement in how HHS responds to this committee. My expectation is that HHS will provide the remaining information over the next several days. If that is the case, I will support moving this nomination forward.

