

**Confirmation Hearing for Ambassador Robert Portman**  
**Senator Joe Lieberman**  
**May 17, 2006**

Thank you Madam Chairman and welcome Ambassador Portman. I congratulate you on your nomination.

Your experience in the House as vice chairman of the Budget Committee, your membership on the Ways and Means Committee and most recently, your service as White House trade negotiator gives you excellent experience and a unique perspective as you prepare to become director of the Office of Management and Budget (OMB).

I also appreciated your pledge when the President announced your nomination “to work closely with Congress on a bipartisan basis” as we try to get our exploding federal deficit under control.

I have to note at the outset that I feel a special, personal bond with Ambassador Portman. You may or may not know that during the 2000 Presidential campaign, as now Vice President Cheney prepared for the vice presidential debate and Rob Portman played the then Democratic Vice Presidential candidate – me. So, Rob, I may, during the question and answer period, may ask you to ask yourself the questions you think I might ask you.

Let me help by outlining some areas of concern I have with the Office of Management and Budget (OMB) over the past five and a half years.

Obviously, you’re this Administration’s third director of OMB, you won’t be writing on a blank slate. But your performance will be judged by how well you come to grips with some of these problems.

President Bush has said: “A budget is more than a collection of numbers. A budget is a reflection of a nation’s priorities, its needs and its promise.”

I agree, but I would add that: A budget must also be about delivering on those priorities . . . those needs . . . those promises, or else it really is just a collection of numbers without meaning or mission or, ultimately, without responsibility. I know responsibility comes with a good fiscal manager.

Your job is to help the president first prepare the budget and then execute it across 14 cabinet agencies and more than 100 executive agencies, boards and commissions.

As OMB Director, you will recommend how and where every dollar of our budget is spent, how each agency’s programs are managed, and you will oversee the review of vital rules for public health and safety.

I have concerns about how these responsibilities have been carried out.

Let’s start with the budget. We obviously need to get our national budget in order. We are heading, by one estimate, toward \$10 trillion of long-term debt. This is a great country and a strong country and I don’t favor apocalyptic views, but the obvious reality is, we’re spending a lot more than we are taking in. and we are thereby placing on our children and grandchildren and beyond, an enormous debt of interest payments on the debt that is a result of our failure to restore balance.

If we are going to get our fiscal house in order, we have to go back to pay as you go budgeting. I'm in favor of a line-item veto. But ultimately, this is done by the tough decision making to simply but strongly balance revenue and expenditures. And to do that, everything has to be on the table – spending and tax.

We recently passed a \$70 billion tax package that showers tax breaks on the nation's wealthiest, who don't need the help, to the oil industry, which is enjoying record profits, and increases the already enormous national debt. This also leads to a lack of resources to adequately fund vital programs most of us agree are essential to our nation's priorities, needs and promise.

For instance, I believe that we are continuing to under fund education, particularly the No Child Left Behind Act, which, in a lot of places, has become a bad word. But it is a law with a very worthy purpose that was adopted with bipartisan support. We just haven't given the local educators enough support to carry it out.

As a matter of fact, under the budget the President has proposed this year, the Title I, that is education assistance for low income, the budgets of most school districts across the country will be frozen or cut.

In Connecticut, by my tally, 122 out of 166 school districts will see Title I cuts this year. That is wrong.

I fear we are about to repeat the underfunding mistake of No Child Left Behind with the President's recently announced "National Strategy for Pandemic Influenza Implementation Plan." That plan relies heavily on states and localities to carry the burden. But experts tell me these state and local programs are significantly underfunded.

Second, Homeland Security also needs more help. Yet, whenever I challenged the Administration's budget for homeland security, officials countered by citing how much spending has grown in recent years.

Of course it has grown! We were caught unprepared on September 11, 2001. The question is not whether we are spending more, but whether we are spending enough to meet the government's fundamental obligation to protect its citizens.

Too often, the answer is no. We are shortchanging port security, interoperable communications, bioterror preparedness and more.

And as we have learned all too painfully with Katrina, we are shortchanging preparedness for catastrophic natural disasters, as well as terrorist attacks.

Finally, on somewhat different vein, I want to bring to your attention on a matter of budget process, my concerns about the way we are using supplemental budgets to fund the wars in Iraq and Afghanistan.

This approach harms us in two ways.

First, it may conceal the true costs of our defense by putting a large part of the costs off budget. That reduces the scrutiny and discipline our defense budgeting needs and adds to the bill our children are going to pay.

Second, it has had the effect of encouraging our military to put core programs into the supplemental. My fear is, that when, and I would say when – not if – the supplementals come to an end, some of these critically necessary national defense programs will face the possibility that they will not be funded. That will be to our national detriment.

I do not agree that the costs of Iraq and Afghanistan are unknowable and that we can't budget for them.

I do agree that a budget is a statement of our priorities, needs and promises. But without the kind of balance that Chairman Collins have talked about, from the beginning and with good execution afterwards, with proper funding in the beginning –the budget can become just numbers with no meaning or mission.

And that means it fails the American people. And it fails our best values of fiscal responsibilities.

These are some of the serious challenge when, as I trust, you will be confirmed to this position. I look forward to working with you on these issues in the bipartisan way in which you have committed yourself.