

**Opening Statement
Senator Susan M. Collins
Ranking Member, Committee on Homeland Security
and Governmental Affairs**

**Nomination of
James A. Nussle
To be Director of Management and Budget**

July 24, 2007

I want to welcome Representative Nussle to the Committee. He has been nominated for one of the most consequential posts in the federal government. I look forward to hearing his views on how the Office of Management and Budget can help our nation meet its great fiscal and management challenges.

Representative Nussle's congressional service, particularly as chairman of the House Budget Committee, has given him a solid understanding of

the budget, the legislative process, and the importance of good relations between the Executive Branch and Congress.

Close cooperation will be essential as we address the enormous budget deficit, and as we confront the looming structural deficit born of Baby Boom demographics and unfunded entitlement obligations. Finding a mix of fiscal policies that will honor commitments and meet vital needs without throttling economic growth will be a huge challenge.

Following PAYGO-rule discipline for entitlement spending increases and for tax cuts will create a powerful tool for budget restraint, yet the President opposes this tool. This is a subject I intend to explore with Representative Nussle today.

As recognized in the President's Management Agenda in 2001, another tool in meeting that challenge is to improve management and performance in the federal government. The Management Scorecard for each federal agency indicates that, for most agencies, the weak spot is financial management. Poor financial management translates into billions of dollars lost to wasteful practices, excessive sole-source contracting, and outright fraud.

In particular, I would welcome Representative Nussle's thoughts on how we can best improve federal contracting procedures. Four colleagues – Chairman Lieberman, and Senators Carper, Coleman, and McCaskill – are co-sponsors of the

Accountability in Government Contracting Act that I introduced early this year to increase competition and transparency in the contracting process and to promote a better-trained acquisition workforce.

We must also take care that fiscally driven management initiatives don't undermine government's fundamental obligation to protect the American people. Reductions in homeland-security grants to state and local governments, as well as the President's proposed cuts in port-security and infrastructure-protection funding, are all troubling trends.

I look forward to hearing Representative Nussle's view of what he sees as the top management challenges, what might improve

agencies' financial-management scores, and what can be done to achieve the political consensus necessary to tackle the fiscal imbalance in the federal budget.