



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

Friday, April 28, 2006

Grassley, Baucus work to protect credibility of Social Security and Medicare public trustees

WASHINGTON — Sens. Chuck Grassley and Max Baucus today continued their effort to protect the credibility of both the nomination process and the role of the public trustees for the Social Security and Medicare programs.

In letters to President George Bush and Dr. John Palmer and Dr. Thomas Saving, the two public trustees who were reappointed last week, Grassley and Baucus said that Palmer and Saving should not sign this year's report, and that the President should submit new nominees to fill their positions.

The senators also said they will introduce legislation next week to limit all future public trustees to a single four-year term.

Grassley is Chairman and Baucus is Ranking Member of the Senate Committee on Finance, which is responsible for Social Security and Medicare legislation and oversight.

The text of their letters follows here.

April 28, 2006

The President
The White House
Washington, DC 20050

Dear Mr. President:

As Chairman and Ranking Member of the Committee on Finance, which oversees the Social Security and Medicare programs, we are writing to express our concerns about the recent recess appointment of Dr. John Palmer and Dr. Thomas Saving as public trustees for the Social Security and Medicare trust funds.

Both Dr. Palmer and Dr. Saving served admirably as public trustees during their term. However, we believe the events surrounding this appointment threaten the integrity of the nomination process and the credibility of the position of public trustee.

First, the position of public trustee was created in 1983 to bring new perspectives and

provide greater public accountability to the annual Social Security and Medicare trustees' reports. No one has ever served more than one term as a public trustee. We believe this important precedent must be maintained. As such, we will introduce legislation to limit all future public trustees to a single four-year term.

Second, the previous term of Dr. Palmer and Dr. Saving expired on March 23, 2005. Their names were submitted to serve a second term on November 7, 2005. This unfortunate delay precluded any meaningful consideration of new nominees or the active participation of new nominees in the development of the 2006 trustees' reports.

Third, we now understand that Dr. Palmer and Dr. Saving worked as "paid consultants" to the Department of Treasury since their terms expired and have been intimately involved in the development of the 2006 reports. The credibility of the public trustees requires their active and independent involvement throughout the process of producing the annual report. The integrity of the nomination process requires that the President nominate individuals and the Senate confirm them. The last minute appointment of paid administration consultants threatens our system of checks and balances and the position of public trustee.

We have written to Dr. Palmer and Dr. Saving to request that they not sign this year's trustees' report. We would also request that you ask them to resign from their position now and that you work with us to find two new individuals to be nominated to the important position of public trustees of the Social Security and Medicare trust funds as soon as possible.

Thank you for your attention to this matter.

Most respectfully,

Charles E. Grassley
Max Baucus

April 28, 2006

Dr. John L. Palmer
319 Eggers Hall
Syracuse University
Syracuse, NY 13244-1020

Dr. Thomas R. Saving
4231 TAMU
Texas A&M University
College Station, TX 77843-4321

Dear Dr. Palmer and Dr. Saving:

As Chairman and Ranking Member of the Committee on Finance, which oversees the Social Security and Medicare programs, we are writing to respectfully request that you do not sign the annual trustees' reports for the Social Security and Medicare trust funds scheduled to be

released on May 1.

The position of public trustee was created in 1983 to bring new perspectives and provide greater public accountability to the annual Social Security and Medicare trustees' reports. Although you have both served admirably during your term in office, no one has ever served more than one term as a public trustee. We believe this important precedent must be maintained. As such, we will introduce legislation to limit all future public trustees to a single four-year term.

When your terms expired following the release of the 2005 trustees' reports on March 23, 2005, we expected the President to submit new nominees. Much to our dismay, the President waited until November 7, 2005 to submit your names to serve a second term. This unfortunate delay and resubmission precluded any meaningful consideration of new nominees or the active participation of new nominees in the development of the 2006 trustees' reports.

We understand that both of you have worked as "paid consultants" to the Department of Treasury since your terms expired and have been intimately involved in the development of the 2006 reports. The President's decision to recess appoint both of you on April 19 will technically allow you to sign the 2006 trustees' reports, which are scheduled to be released on May 1. The credibility of the public trustees, however, requires their active and independent involvement throughout the process of producing the annual report. The integrity of the nomination process requires that the President nominate individuals and the Senate confirm them. The last minute appointment of paid administration consultants threatens our system of checks and balances and the position of public trustee.

Under the circumstances, we believe the most appropriate course of action is for you to not sign this year's trustees' report. We have also written to President Bush and requested that he submit new nominees as soon as possible.

Again, we thank you for your service and ask that you honor our request.

Sincerely yours,

Charles E. Grassley
Max Baucus