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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Nominations**

Emerson called adaptability the best bulwark against hard economic times. He wrote: "The best political economy is the care and culture of men"

Today we would say human capital. In hard economic times, Emerson wrote that the ones to succeed would be, quote: "proper individuals capable of thought, and of new choice and the application of their talent to new labor."

Today, we will consider the nominations of several individuals appointed to important jobs in the economy. And as Emerson counseled, these positions will all require propriety, thought, and the ability to apply their talents to new situations.

Today, we will consider the nominations of Deanna Okun to be Deputy U.S. Trade Representative; Richard Morrison, David Gustafson, and Elizabeth Paris, to be Judges on the U.S. Tax Court; Eric Thorson, to be Treasury Inspector General; and Ed Eck, to be a member of the IRS Oversight Board.

First, the President has nominated Deanna Okun to be Deputy U.S. Trade Representative. She would handle many critical issues and regions, including Asia.

The Deputy USTR job is an important one. The person who fills this role must seek not just to expand trade. She must also ensure that our trade agreements are enforced. The Deputy USTR must engage in the art of diplomacy. She must act simultaneously as a negotiator and an enforcer. And she must first and foremost represent the interests of the United States.

This is no easy task. But Ms. Okun brings with her years of experience in trade, first as a congressional aide to former Senator and Finance Committee Member Frank Murkowski.

Most recently, she has served as Commissioner of the International Trade Commission. In that role, she oversaw the enforcement of U.S. trade laws as they relate to antidumping, countervailing duties, and safeguards.

Ms. Okun's nomination raises questions under a statutory provision that bars appointments of Deputy USTRs who represented a foreign government in a trade dispute with the United States. In the mid-1990s, Congress responded to a similar issue with a joint resolution waiving application of the statute. Additionally, some Senators have indicated that they may have concerns and want to meet with Ms. Okun. Plainly, these concerns will have to be addressed before Ms. Okun's nomination can proceed.

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If she is confirmed, I hope that Ms. Okun will bring a commitment to enforcement with her to USTR. And I hope that she will pursue her duties with America's interests at the forefront of her heart and mind.

Next, three of our nominees today are headed for the Tax Court. The Tax Court plays a central role in the maintenance of our tax laws. Congress created the court in 1969, to be the Federal judiciary's resident tax law experts.

The increasing complexity of the tax laws demands the appointment of highly-skilled judges to the bench. Every day, we hear about new shelters developed that require the expertise to understand the issues, and perspective from years of tax practice to analyze and accurately apply the tax laws.

The Finance Committee takes seriously its role as the gatekeeper for this court. It is the Committee's duty to ensure that judge's nominated to serve on the tax court are prepared to tackle complex tax issues.

All of our nominees bring with them a combination of government and private sector work in the tax field. Their experience and extensive knowledge make them well-suited to be judges on the Tax Court.

Richard Morrison has spent a number of years with the Department of Justice. He is the Deputy Assistant Attorney General of Review & Appellate. He has also practiced with a law firm in Chicago, concentrating on tax law.

David Gustafson has also spent a number of years in the Department of Justice, currently serving as the Chief of the Court of Federal Claims section with the Tax Division. Mr. Gustafson has held a number of positions with the Department of Justice and has also practiced with a firm here in D.C.

And Elizabeth Paris is a familiar face to this Committee. Ms. Paris has spent the past 8 years here with the Senate Finance Committee staff, helping to shepherd through several significant pieces of tax legislation. In addition to her years of government service, Ms. Paris also has extensive experience practicing law in the private sector.

I am confident that all of our Tax Court nominees possess the knowledge and experience necessary to help ensure that our tax laws are administered fairly.

Next, the Treasury's Inspector General.

At the birth of our Nation, the Continental Congress appointed an inspector general to oversee the army. The Continental Congress charged that inspector general with ensuring that its scarce resources were spent wisely during time of war.

There are reports that then-General George Washington resented the presence of someone questioning his decisions. Plainly, not much has changed.

Mr. Thorson, like that first inspector general, will be dealing with some strong personalities. The Treasury Department has responsibility for critical economic, international, and tax issues. And it attracts talented staff with expertise in these complex matters.

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But like any Department, when it comes to management, there are bumps in the road. During the Bush Administration, there have been Treasury Inspector General investigations involving two of the three Secretaries of Treasury.

And this Committee will also rely on the IG to be our eyes and ears in the Treasury. For example, this Committee has been looking at closely the Treasury's Office of Terrorism and Financial Intelligence, or TFI. The Treasury IG's office has briefed us on a management challenge — some would call it a failure — at the TFI: the inability to get up and running a computer system that connects Treasury to the other Intelligence agencies.

I will be counting on Mr. Thorson to monitor this issue and ensure that the professional level of work at the IG office continues.

Mr. Thorson brings with him wide-ranging experience from his current position as Inspector General of the Small Business Administration. And I hope that his previous government service for both the Senate Finance Committee and the Senate Permanent Subcommittee on Investigations has also given him tools that he can use as the Treasury Inspector General.

There are still bruised feelings in the tax community regarding the IRS oversight hearings that Mr. Thorson coordinated in the late 1990s. We won't re-litigate those hearings today, because we have received generally good reports on Mr. Thorson's efforts as IG at the Small Business Administration. But I want to emphasize how critical it is for Mr. Thorson to be fair and impartial as he carries out his duties at the Treasury Department.

Finally, I am very pleased that a fellow Montanan, Ed Eck, has been nominated to be a member of the Internal Revenue Service Oversight Board. The Oversight Board is an independent body responsible for overseeing all aspects of IRS strategy and operations. The IRS Oversight Board was created to improve the IRS, so that it may better serve the public and meet the needs of taxpayers.

Ed was born and raised in Lewistown, Montana, and he currently lives in Missoula. There, he is Dean of the University of Montana School of Law.

Ed brings with him 30 years of experience with the tax laws, as a practitioner, as an Assistant U.S. Attorney in Billings, and as an academic. Over the past 30 years, Ed Eck has looked at the tax laws from all sides. And this vast array of experience will serve him well as he takes on a new role — assisting the IRS Oversight Board in evaluating the IRS's strategies and operations.

And so, I hope that all the nominees before the Committee will be able to serve the Country in difficult economic times. I hope that they will exercise propriety, thought, and the ability to apply their talents to new situations. And I hope that, thereby, they will all be able to succeed.

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