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NOMINATIONS OF DAVID L. AARON, MARY ANN COHEN, MARGARET ANN HAMBURG, M.D., STANFORD G. ROSS, PH.D., AND DAVID W. WILCOX, PH.D.

HEARING

BEFORE THE

COMMITTEE ON FINANCE UNITED STATES SENATE

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

ON THE

NOMINATIONS OF

DAVID L. AARON, TO BE UNDER SECRETARY OF COMMERCE FOR INTERNATIONAL TRADE; MARY ANN COHEN, FOR REAPPOINTMENT TO BE A JUDGE OF THE U.S. TAX COURT; MARGARET ANN HAMBURG, M.D., TO BE ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES; STANFORD G. ROSS, PH.D., TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD; AND DAVID W. WILCOX, PH.D., TO BE ASSISTANT SECRETARY OF THE TREASURY

OCTOBER 29, 1997

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CONTENTS

OPENING STATEMENTS

ADMINISTRATION NOMINEES

ALPHABETICAL LISTING AND APPENDIX MATERIAL

NOMINATIONS OF DAVID L. AARON, MARY ANN COHEN, MARGARET ANN HAMBURG, M.D., STANFORD G. ROSS, PH.D., AND DAVID W. WILCOX, PH.D.

WEDNESDAY, OCTOBER 29, 1997

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

The hearing was convened, pursuant to notice, at 10:06 a.m., in room SD-215, Dirksen Senate Office Building, Hon. William V. Roth, Jr. (chairman of the committee) presiding.

Also present: Senators Chafee, Grassley, Hatch, Murkowski, Nickles, Jeffords, Mack, Moynihan, Baucus, Rockefeller, Moseley-Braun, Bryan, and Kerrey.

OPENING STATEMENT OF HON. WILLIAM V. ROTH, JR., A U.S. SENATOR FROM DELAWARE, CHAIRMAN, COMMITTEE ON FINANCE

The CHAIRMAN. The committee will please be in order.

As you well know, we are near the end of the session and it is a busy time. We have a vote scheduled for 11:30 this morning. Because I want to expedite your confirmation as rapidly as possible, I will consider the five nominees en bloc.

First, let me welcome each and every one of you here and say how much we appreciate your cooperation.

Ambassador David Aaron, who is currently serving as our ambassador to the OECD, has been nominated to be Under Secretary for International Trade at the Commerce Department.

Judge Mary Ann Cohen, who has served with distinction for 15 years as a judge of the U.S. Tax Court, is being reappointed to that position again.

Ms. Margaret Ann Hamburg has been nominated to be Assistant Secretary of HHS. It is a pleasure to welcome you.

Dr. Stanford Ross is going to be a member of the Social Security Advisory Board.

Mr. David Wilcox, formerly with the Federal Reserve, is to be Treasury Assistant Secretary.

I have asked all of our members to make every effort to be present at 11:00 a.m. this morning so that we can establish a quorum and vote on recommendations for nominees. Senator Moynihan will be here soon, but he is attending another committee meeting first.

At this time I would like to ask if there are any members of your family here you would like to introduce, Mr. Aaron.

Ambassador AARON. No, sir. Thank you.

The CHAIRMAN. Ms. Cohen?

Judge COHEN. Unfortunately, no. Thank you, Senator.

The CHAIRMAN. Ms. Hamburg?

Dr. HAMBURG. Well, I think I make up for them.

The CHAIRMAN. Good for you.

Dr. HAMBURG. I have my husband, Peter Brown, my daughter Rachel Brown.

The CHAIRMAN. Please stand.

Dr. HAMBURG. My mother-in-law, Betsy Brown, and my mother, Betty Hamburg.

The CHAIRMAN. It is a great pleasure to welcome all of you here. I know it is a proud day for you.

Dr. HAMBURG. Thank you.

The CHAIRMAN. And Dr. Ross, do you have any?

Dr. ROSS. No, sir.

The CHAIRMAN. Dr. Wilcox?

Dr. WILCOX. Mr. Chairman, I would like to introduce my wife Melynda.

The CHAIRMAN. Would you please rise?

Dr. WILCOX. If I have the privilege of coming back to the committee in a few months, I will also be able to introduce to you, not one, but two of the youngest economists in America. [Laughter.]

Also here is my father, Robert Wilcox, and my next-door-neighbor, Pete Taylor, who is every bit of much an additional father for both Melynda and me.

The CHAIRMAN. Well, it is a pleasure to welcome all of them.

I am going to ask all of you to rise.

Senator D'AMATO. I am not Mr. Ross, Mr. Chairman.

The CHAIRMAN. You could have fooled me.

Senator D'AMATO. I do not know if he would like to make that switch. [Laughter.]

The CHAIRMAN. I was going to ask all of the nominees to rise so I can swear each of you in. Would you please rise, everybody by Senator D'Amato, and raise your right hand.

[Whereupon, the nominees were duly sworn.]

The CHAIRMAN. Thank you. Please be seated.

I am going to ask my good friend and colleague, Senator D'Amato, to make whatever remarks he would like to make at this time.

STATEMENT OF HON. ALFONSE M. D'AMATO, A U.S. SENATOR FROM NEW YORK

Senator D'AMATO. Well, thank you very much, Mr. Chairman. Let me apologize. I am conducting a hearing right now, our Banking Committee, simultaneously on securities reform litigation. I think it is something very important to this country.

But something of equal import, if not more, is the health of our country and the health of our seniors in terms of the policies and programs that will be carried out. I want to commend the administration and President Clinton for putting forth the nomination of

Dr. Margaret Hamburg to be the Assistant Secretary for Planning and Evaluation within the Department of HHS.

She has probably one of the most distinguished records in public service that a person of her tender, early years could ever possibly achieve. If you would bear with me, let me just touch on some of these areas.

She has served as New York City's 39th commissioner of Public Health longer than anyone in the history of the city. Prior to Dr. Hamburg's service as New York City's commissioner she was the assistant director of the National Institute of Allergy and Infectious Disease, where she was instrumental in shaping age research strategies and policies.

During her tenure, she was credited with the design and implementation of a major tuberculosis control program that led to a dramatic decline, a 35.8 percent decrease, between 1992 and 1995. We begin to look worldwide and we see what is taking place just in that one area.

We understand the implications of AIDS and the devastation that it brings. To have someone of Dr. Hamburg's reputation and experience and integrity that cuts across political lines and goes to the problem is something that is absolutely paramount.

In addition, she has developed initiatives to improve child care immunization rates, including a computerized immunology registry. She was also instrumental in reducing infant mortality rates to below 1,000 deaths per year in 1996, the lowest level in New York City's history.

Mr. Chairman, let me say, there are not enough superlatives when it comes to recommending and commending Dr. Hamburg for what she has done and what she can and will do in the future. I am pleased to put forth, and strongly support, Dr. Hamburg's nomination.

I see we are being joined by the Ranking Member and the distinguished senior Senator from New York, and I know that he, too, will join in the strong support of Dr. Hamburg.

The CHAIRMAN. We will let you play musical chairs.

OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, A U.S. SENATOR FROM NEW YORK

Senator MOYNIHAN. Good morning. Sir, you are aware that this is called end of session. Dr. Hamburg, you may not know. We have been doing this on the Finance Committee. Senator Baucus is here.

I stand by every word Senator D'Amato has said. As you know, Dr. Hamburg has a proven carer and as challenging a job in public health as ever there could be, which is to be the health commissioner of New York City.

To all her credentials, I cannot say more, but as a student at Harvard Radcliff she took her statistics course from Fred Mosteller. If you can get through that, you can take on anything.

We welcome her. We are very happy and proud, and fortunate to have her.

Dr. HAMBURG. Thank you very much.

The CHAIRMAN. Well, I have to say to Dr. Hamburg, I have rarely heard such warm introductions. [Laughter.]

We will now as for any statements that each one of you may care to make.

Did you have any comments you want to make, Senator Baucus?

Senator BAUCUS. Mr. Chairman, may I make a statement, please?

The CHAIRMAN. Yes, please. My good friend, Senator Baucus.

OPENING STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR FROM MONTANA

Senator BAUCUS. If I could, please, I would like to introduce to the committee David Aaron to be Under Secretary of Commerce. David has been a person I have known for quite some time, 20 years at least. He is a good friend. I want to point out some of the extraordinary accomplishments that he has made.

First, I think it is important to remember how much our economy has changed in the last 20 years. In the 1970's, our exports and imports totaled about one-eighth of our economy. Now, in 1997 it is about one-third. One-third of our economy is dependent upon imports and exports, so the role of Under Secretary of Commerce is even more important today than it might have been several years ago.

We have tremendous challenges facing us. The integration of the former Communist countries, from Russia to the Ukraine, from Viet Nam to China, that alone is enough. We have also to concern ourselves with the challenges of Latin America and the ever-more daunting challenges of the Asian economies, particularly Southeast Asia, witness the recent financial turmoil, as well as dealing with developed countries, Europe, et cetera.

David has tremendous experience in dealing with all of that. For example, he has been ambassador to the OECD. When he entered the OECD we had a huge problem. That is, a good number of countries would bribe foreign countries to get contracts.

In fact, in Germany and France bribes were tax deductible not too long ago. But Ambassador Aaron, now that he is leaving the OECD, has negotiated an international treaty banning bribes, which is no small accomplishment at all.

He has had a lifetime of service in the public sector as a foreign service officer, obviously at OECD, as well as Deputy National Security Advisor in the previous administration, and also experienced in the private sector as a banker, and with particular knowledge in high-tech industries, and most particularly cryptography.

I am very pleased to introduce Ambassador Aaron. I think he would be a terrific Under Secretary of Commerce.

The CHAIRMAN. Thank you, Senator Baucus.

Senator MOYNIHAN. Mr. Chairman, might I say a word about Dr. Wilcox?

The CHAIRMAN. Please, Senator Moynihan.

Senator MOYNIHAN. It is just a very special privilege for us to have a scholar and a practitioner of David Wilcox's achievement and performance. I would like to say, sir, and you might want to comment on this, that he, with a colleague, has written a scholarly paper on the subject of the Consumer Price Index, and has come out pleasingly parallel to judgments that have been offered to this committee by the Boskin Committee and estimates made by the chairman of the Federal Reserve Board.

I wonder if Dr. Wilcox would simply just comment on that work. I assume, in the councils of government, as we resume the consideration of this matter in terms of the Social Security Administration and other things, you will have a say on the subject.

The CHAIRMAN. Well, I would say, we will look forward very much to Dr. Wilcox's comments because of our mutual interest in this matter. We look forward to his serving in that capacity because I think he can be very helpful in perhaps moving the issue forward. So, we are appreciative of the interest you have shown in that matter, Dr. Wilcox.

I will now, unless there is some further comment, ask Ambassador Aaron, would you care to comment at this time and make your opening statement? We would ask everybody to keep them to 5 minutes, with the full statement being included as if read.

STATEMENT OF DAVID L. AARON, TO BE UNDER SECRETARY OF COMMERCE FOR INTERNATIONAL TRADE

Ambassador AARON. Thank you very much, Mr. Chairman. I do have a statement for the record, so I will be very brief today.

First of all, I want to thank you, Mr. Chairman and the members of the Senate Finance Committee. It is a great honor for me to be here today as President Clinton's nominee for the position of Under Secretary of Commerce for International Trade.

I look forward to establishing a strong working partnership with you, Mr. Chairman, with the members of the committee, and your staff. I appreciate in particular this committee's work on trade issues, such as the recent bipartisan approval of fast track and the expansion of the Caribbean Basin initiative.

If recommended by this committee and confirmed by the Senate, I will aim to foster a new level of cooperation between the International Trade Administration and your committee.

First, I would like to tell you a little bit about my background and how my career in government and business has, I believe, prepared me to take on the responsibility of Under Secretary of Commerce.

I joined the Foreign Service in 1962. My initial assignment, interestingly enough, was as a commercial officer in Guayaquil, Ecuador, where my first job was to put on a U.S. trade fair. This was an enormously satisfying initial assignment, where I had an opportunity to assist U.S. exporters directly.

In the 1970's I worked here in the Senate, both as a committee staffer, and for then-Senator Walter Mondale. Here I learned of the crucial role of the legislative branch in the formulation and execution of public policy. Later, I served as Deputy National Security Advisor in the Carter Administration, where I was involved in the security aspects of our international trade policy.

Upon leaving government I became vice president at the investment bank Oppenheimer and Company, and a member of the board of Oppenheimer International. Working in the private sector provided me with an important understanding of the financial dimensions of foreign trade.

Finally, for the last 4 years I have served as an ambassador to the organization for economic cooperation and development. As you know, the OECD is deeply involved in international trade issues, including the multilateral agreement on investment and efforts to criminalize the bribery of foreign government officials.

Let me describe briefly, if I may, my priorities for the International Trade Administration, if I am confirmed as Under Secretary. As you may know, ITA has four units: Trade Development, whose industry sector specialists provide information and analysis to U.S. exporters and policy makers; Market Access and Compliance unit, where one finds unparalleled country-specific commercial expertise essential for opening foreign markets and ensuring compliance with trade agreements; the U.S. and Foreign Commercial Service, which provides business counseling to U.S. exporters in 98 offices across the United States and in 70 foreign countries; and finally, the Import Administration, which safeguards the American economy from unfairly priced and subsidized imports.

These are the four essential legs of the ITA table, so to speak, and each is vital to the success of our important trade mission.

If confirmed, my goals for the organization will support Secretary Daley's trade objectives. I will place the highest priority on compliance with trade agreements and enforcement of the antidumping and countervailing duty laws to ensure a level playing field for U.S. companies and workers.

On the export promotion side, I will ensure that both our advocacy efforts and our trade missions are organized and conducted in a fair and impartial manner, as directed by Secretary Daley. I plan to work closely with the Secretary to use the Trade Promotion Coordinating Committee to its full potential.

To improve our small business efforts, I will work more closely with the Small Business Administration, the trade finance agencies, and our small business community to encourage more participation and provide better tools to succeed in international markets.

As for the next generation of trade issues, I will pursue the promise of electronic commerce, especially for small- and medium-sized business, continue the fight against bribery, and work to ensure that standards do not become the trade barriers of the next century.

Finally, I plan to place great emphasis on the Commerce Department's and ITA's special responsibility to push for economic policies and activities which support our country's foreign policy. We must continue to support the peace process in the Middle East, Bosnia, Northern Ireland, and the ongoing democratic transitions in Africa, the newly-independent states, and Central Europe.

Peace and economic prosperity go hand-in-hand. The development of trade and the improvement of economic conditions are two of our most efficient policy instruments in our fight against instability.

This administration, with the support of Congress, has clearly shown that international economic policy and foreign policy can no longer be regarded separately.

Looking ahead to the challenges of preparing for the next century, I am committed to finding better ways to communicate the benefits of international trade to the American people in a clearer and concrete fashion.

I look forward to working with this committee and Congress in this, and all other aspects of my responsibilities. Thank you for your time. I would be pleased to take your questions and begin what I hope is a frequent and open dialogue.

Thank you, Mr Chairman.

The CHAIRMAN. Thank you.

[The prepared statement of Ambassador Aaron appears in the appendix.]

The Chairman. Judge Cohen, do you have a statement you care to make?

STATEMENT OF MARY ANN COHEN, REAPPOINTMENT TO BE A JUDGE OF THE U.S. TAX COURT

Judge COHEN. Thank you, Mr. Chairman, Senator Moynihan, members of the committee.

My resume is shorter than anyone else here this morning, and so is my statement. I have submitted it in writing, and I primarily wish to thank you very much——

Senator MOYNIHAN. But your opinions are legendary and voluminous.

Judge COHEN. Thank you very much for scheduling this hearing and for allowing me to be here this morning, because I am very anxious to resume the job that I have had for the last 15 years, which is half of my professional career. I had the pleasure 15 years ago to appear before Senator Moynihan.

I have been watching what you have been doing, so I am very well aware of how busy you are. So, I will simply say that, if I am confirmed for a second term, I plan to continue with the Court and our primary responsibilities of implementing Congressional intentives expressed in the legislation that you may adopt, and in giving the parties a speedy, inexpensive, and just determination of every case. I am available for questions.

The CHAIRMAN. Well, thank you very much, Judge Cohen. I cannot tell you how much emphasis I place on the U.S. Tax Court, and you certainly have had a very distinguished career as Chief Judge and Trial Judge. So, we are pleased to have you here before us again.

[The prepared statement of Judge Cohen appears in the appendix.]

The CHAIRMAN. At this time I would like to call on Dr. Hamburg.

STATEMENT OF MARGARET ANN HAMBURG, TO BE ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES

Dr. HAMBURG. Thank you very much, Mr. Chairman, Senator Moynihan, and members of the committee.

My name is Dr. Margaret Hamburg and I am honored to be here today as President Clinton's nominee to be the Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services.

The Office of the Assistant Secretary for Planning and Evaluation, or ASPE as it is often called, functions as a principal advisor to the Secretary on policy development, program planning, and evaluation.

In this capacity, ASPE conducts a variety of evaluation and policy research studies on issues of national importance. ASPE is also responsible for department-wide coordination of planning and evaluation activities.

This is a challenging time for the Department of Health and Human Services and for our Nation. We are in the midst of enormous transformations in our health care system, welfare, and an array of other public services that touch the lives of families, children, the elderly, the disabled, indeed, virtually every American.

If confirmed, I believe that I would bring the breadth of experience and effective leadership to the Office of the Assistant Secretary for Planning and Evaluation necessarily to address meaningfully the complex and demanding issues before us.

For almost 6 years, beginning in 1991, I served as the commissioner of Health for New York City. I was responsible for the management of a large agency, a broad array of programs and services, and the administration of numerous research, surveillance, and evaluation activities. My role also included that of principal health and science advisor to the mayor, first Mayor Dinkins, then Mayor Guiliani.

Prior to joining the New York City Department of Health I served as the assistant director of the National Institute of Allergy and Infectious Diseases, one of the institutes of the National Institutes of Health, where I was responsible for research administration and policy development.

My Federal Government experience also includes several years in the Office of Disease Prevention and Health Promotion at the Department of Health and Human Services.

As Senator Moynihan indicated, I am a graduate of Harvard College, and also Harvard Medical School. My residency training was in internal medicine and it was done at New York Hospital Cornell, and I am certified by the American Board of Internal Medicine.

As I hope my record indicates, I have a strong background and extensive experience in health and science policy and planning, program implementation, and broad expertise in research design and execution, including basic clinical, behavioral, and epidemiologic research.

At both the local and the Federal level I have had in-depth experience with the legislative process, management and budget matters, and the development and administration of research and grant programs.

While my background has a strong health orientation, I want to underscore that throughout my professional life I have been engaged in broad-based efforts to improve the status of all Americans, especially our most vulnerable and under-served.

Particularly as New York City's health commissioner, I have been deeply immersed in problems directly at the intersection of health, human services, and economic issues.

I come before you today committed to public service and eager to apply my energy and experience to the full range of health and human service issues that confront our Nation.

I deeply believe in the need to support policy development and programmatic activities with strong science, to translate effectively new understandings into meaningful programs and services for those that need them, and the critical value of early and ongoing evaluation of programs to ensure that they are, in fact, achieving our desired goals. I am also convinced that meaningful answers to the real-world problems before us require multi-disciplinary approaches and cross-cutting strategies.

If confirmed by the Senate, I would seek to ensure that the administration's policies and programs are based on the soundest, most thorough analysis possible, at the same time never forgetting that behind every statistic there is a very human face.

Among ASPE's key responsibilities and my own anticipated goals for the position I would certainly include evaluating the implementation and effect of welfare reform, the Children's Health Insurance expansion, improving methods to protect the health of the public, helping to define the child care needs of working families, promoting active aging, and furthering advances in medical and public health science, to name just a few.

I am committed to working in partnership with the Congress, State and local government, the private sector, and communities on these important efforts. If confirmed, I look forward to the opportunity to work with you, Mr. Chairman, and the members of this committee to achieve our mutual goals of improving the health and well-being of the American people.

Thank you, and I would be happy to answer any questions you may have.

The CHAIRMAN. Thank you, Dr. Hamburg.

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

The CHAIRMAN. Dr. Ross?

STATEMENT OF STANFORD G. ROSS, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD

Dr. ROSS. Thank you, Mr. Chairman, Senator Moynihan, and other members of the committee.

I am honored to appear before you as a nominee of the President to be a member of the bipartisan Social Security Advisory Board. As you know, the President has announced that if I am confirmed by the Senate he will also designate me as chair of the board.

The 1994 legislation making the Social Security Administration an independent agency also established an independent Social Security Advisory Board. These were important and creative steps by the Congress to establish a better way to address the problems of Social Security.

By providing for a standing advisory board, the Congress recognized the value of having a permanent institution to which the Congress, the President, and the commissioner of Social Security can turn for bipartisan advice and assistance.

The Senate confirmed the first commissioner of the newly-independent Social Security Administration recently, and if the Senate votes to confirm me as chair of the Advisory Board as well, I believe the leadership team that the members of this committee and the Congress designed more than 3 years ago can finally begin to function as you intended.

I believe strongly in the importance of a bipartisan approach to Social Security. I served for over five years as one of the two public trustees for the Social Security and Medicare programs, from 1990 to 1995.

Our served bridged two administrations, one Republican and one Democratic, and two advisory councils, one appointed by a Republican administration and one by a Democratic administration.

My Republican colleague and I operated on a fully bipartisan basis. Every statement we made over five years was by consensus and without partisan content or political dissonance.

We worked in this way because we believed that the Social Security and Medicare programs were too important to be politicized.

If confirmed by the Senate, I will do everything I can to ensure that the Social Security Advisory Board operates in this same bipartisan spirit.

By law, the board has the responsibility of advising the President and the Congress on policies that will ensure the solvency of the Social Security program, recommending ways to improve the quality of service that the Social Security Administration provides to the public, increasing public understanding of Social Security, making recommendations for coordinating the Social Security and Supplemental Security Income programs with the Medicare and Medicaid programs, and performing other important duties as well.

This is a challenging time for Social Security. There currently are issues with respect to long-term solvency, disability, and quality of service to the public.

Mr. Chairman, it would be a privilege and an honor to have the opportunity to be part of the effort to address these critical needs and to fulfill the mandate which you have given the Social Security board.

Obviously, what the board can accomplish is dependent on the resources available and the relationships it builds with other much larger institutions important to the future of Social Security. Yet the coming period is critical to establish the role of the board, and I pledge to you to maximize the contribution of the board to achieving the goals of the 1994 legislation you enacted.

I believe my experience in both the public and private sectors qualifies me to serve on the board. As I indicated, I was the public trustee from 1990 to 1995, and I had the privilege of serving as the Commissioner of Social Security under President Carter.

In all of these jobs, I have learned that approaching Social Security and related issues in a nonpartisan and professional manner and building broad bipartisan support for solutions is the best way to make a contribution to the system.

If confirmed, I will look forward to working with Congress, the administration, and the Commissioner of Social Security in addressing the important issues that are of great concern to the American public.

I am interested now, and at all times in the future, in receiving any guidance or suggestions you may wish to provide me and the board. I recognize the formidable challenges that confront the board, and I ask for your support as we tackle the challenges.

I thank you for offering me this hearing, and would be happy to answer any questions that you may have. I would especially note that in all of my prior jobs in Social Security, Senator Moynihan has been a pillar of support for me and is someone who I always feel that if there is a problem that needs addressing, he is the one who will guide the way.

Thank you, sir.

The CHAIRMAN. Thank you, Dr. Ross.

Senator MOYNIHAN. Thank you, sir.

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

The CHAIRMAN. Dr. Wilcox?

STATEMENT OF DAVID W. WILCOX, TO BE ASSISTANT SECRETARY OF THE TREASURY

Dr. WILCOX. Mr. Chairman, Senator Moynihan, distinguished members, I am honored to appear before this committee as the President's nominee to be Assistant Secretary of the Treasury for Economic Policy.

I am grateful to the President and to the Secretary of the Treasury for their confidence in putting my name forward for this position.

I was born and raised in the Chicago area, the fourth of five children. I graduated from Williams College in Massachusetts in 1980 with a B.A. in mathematics, and from the Massachusetts Institute of Technology in 1987 with a Ph.D. in economics.

For the last 11 years, I have had the privilege of serving on the staff of the Federal Reserve Board here in Washington. My responsibilities at the Fed have included a wide variety of topics in macroeconomics and monetary policy.

For the first several years of my time at the Fed I helped prepare the economic forecast that the staff presents to the Open Market Committee before each of its policy setting meetings.

More recently, the bulk of my assignments have involved issues related to the strategy of monetary policy and, as the Chairman alluded to, to the measurement of the cost of living.

Now I look forward to the possibility of moving into a new area of public service. I firmly believe that I and my colleagues in the Office of Economic Policy will best serve the President, the Congress, and the American people if we strive to develop economic analysis with two simple characteristics.

First, it should be hard-headed and rigorous, firmly grounded in the basic principles of economics. Second, it should never lose sight of the fact that it pertains to real people with real lives, real hopes, and real aspirations. I see no contradiction in these twin objectives.

If confirmed, I look forward to working with you and the members of your staff to address the important economic challenges that confront the American people today.

Now I look forward to answering any questions that you may have.

The CHAIRMAN. Thank you, Dr. Wilcox.

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

The CHAIRMAN. We do have three standard questions we ask all nominees who come before the Finance Committee, so I will propound those and ask each of you to answer, in the interest of expediting the process.

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

Dr. Ross?

Dr. ROSS. No, sir.

The CHAIRMAN. Dr. Hamburg?

Dr. HAMBURG. No, there is not.

The CHAIRMAN. Ambassador Aaron?

Ambassador AARON. No, sir.

The CHAIRMAN. Judge Cohen?

Judge COHEN. No.

The CHAIRMAN. Dr. Wilcox?

Dr. WILCOX. No.

The CHAIRMAN. Second, do 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 for which you have been nominated?

Dr. Ross?

Dr. ROSS. No, sir.

The CHAIRMAN. Dr. Hamburg?

Dr. HAMBURG. No, sir.

The CHAIRMAN. Ambassador Aaron?

Ambassador AARON. No, sir.

The CHAIRMAN. Judge Cohen?

Judge COHEN. No, sir.

The CHAIRMAN. Dr. Wilcox?

Dr. WILCOX. No.

The CHAIRMAN. Third, do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress, if you are confirmed?

Dr. Ross?

Dr. ROSS. Yes, sir.

The CHAIRMAN. Dr. Hamburg?

Dr. HAMBURG. Yes, it would be my pleasure.

The CHAIRMAN. Ambassador Aaron?

Ambassador AARON. Yes, Mr. Chairman.

Judge COHEN. Yes, Mr. Chairman.

The CHAIRMAN. You had better be a little careful about saying it would be a pleasure. [Laughter.]

Dr. HAMBURG. I am new at this.

The CHAIRMAN. Dr. Wilcox?

Dr. WILCOX. Yes.

Senator MOYNIHAN. Could I interrupt, Mr. Chairman?

The CHAIRMAN. Yes, please.

Senator MOYNIHAN. Just to call attention to the cleverness with which you conduct these hearings. You have carefully programmed each of these witnesses to say, no, sir, no, sir, then you twist the question and around and the answer is yes, sir. [Laughter.]

Senator MOYNIHAN. So you have obviously got a bunch of very bright people. [Laughter.]

The CHAIRMAN. Without question. Without question.

Let me ask you this, Mr. Aaron. How are you planning to revitalize the Commerce Department's trade promotion efforts?

Ambassador AARON. Thank you for that question, Mr. Chairman. I think that trade promotion is the backbone of the International Trade Administration. It is its fundamental mission, and I intend to make that a very high priority for my administration, if I am confirmed by the Senate.

The first thing I want to do is to try to see, within the constraints that we have of the budget, whether we cannot devote more resources to the issue of trade promotion.

We have approximately 100 domestic offices in the United States working with business, small business, medium-sized business, in an effort to help them export. We have roughly 300 people doing that. That is sort of three people per office, and some offices do not have that many.

I think we need to look and see if, by streamlining our management of the International Trade Administration, by clarifying missions and responsibilities, if we cannot free up some resources to strengthen our domestic presence, and also our foreign presence for trade promotion.

The second thing I want to do, is to take a look at how we are managing this trade promotion effort. This is a marketing effort. We need to reach out and find businesses and encourage them to export. We need to be able to help them when we do contact them, and help them effectively.

So what I want to do is to look at this marketing effort, see if it is effective, see if we are delivering the right services, see if we are being efficient in doing that.

I also want to be effective in leading the Trade Promotion Coordinating Committee. We have some 29 agencies involved in trade promotion activities in the U.S. Government, and you, Mr. Chairman, have been a leader in encouraging greater coordination and consolidation of that effort.

I will be very active in chairing the working group under the Secretary of Commerce to make that an effective effort and to pursue the agenda of the Trade Promotion Coordinating Committee, particularly in seeking new and innovative ways to support the financing of exports by small business, and second, by developing a strategy for our big emerging market countries and regions so that we can really coordinate our efforts and encourage promotion of our exports.

Finally, I plan to continue our advocacy efforts, particularly focusing not just on big companies, but on smaller companies. In the last year we have actually been able to get $1.5 billion worth of contracts for small- and medium-sized businesses through our advocacy efforts. I think the Commerce Department is quite proud of that. I would like to even better it, if I possibly could.

Thank you, Mr. Chairman.

The CHAIRMAN. Let me turn a moment to the antidumping/countervailing duty laws. Do you have any thoughts on how they should apply to countries like Russia as they make the transition to a market economy?

Ambassador AARON. As I know you are aware, Mr. Chairman, our countervailing duty laws and antidumping laws really only create two categories of countries, market economies and non-market economies.

This administration in the past made an effort, in connection with the Uruguay Round, to try to suggest that perhaps we needed a third category between those two to take into account economies in transition, economies that had some mixed characteristics as they were evolving. Unfortunately, that did not command the support of the Congress, nor for that matter did it, as I understand it, command the support of industry.

So at the present time we have these two categories. It is my responsibility to enforce our antidumping and countervailing duty laws, and I intend to do so rigorously and forcefully.

The one point that I think that can be made here is that these countries can, in the context of a particular case, request a review of their status as a non-market economy. Two countries have done that, to my knowledge. Poland did, in the case of a particular antidumping case, and they were reviewed based on the criteria which exists in the legislation and they succeeded in having their status change. Ukraine did the same thing, but they did not measure up to the criteria and they were not changed.

The CHAIRMAN. Let me turn to trade and labor standards. You are on record as advocating the establishment of core labor standards within the OECD. Would these standards be voluntary or mandatory for all OECD members?

Ambassador AARON. This would be an entirely voluntary situation, particularly in the OECD. What we were doing in the OECD, is there has been, as you know, a great debate about labor standards and how it relates to trade, what impact it has on economies.

So what we were doing in the OECD was saying, are there a set of core labor standards that almost every country ought to abide by, and if we did have that set of core labor standards, that would its effect be on the economy of those countries, what would its effect be on their trading position?

We developed a consensus among all 29 countries that there were 5 core labor standards—freedom of association, freedom of bargaining, no forced labor, rules on child labor, and so forth—and we looked at, what was the experience in history about the impact of this on economies.

Interestingly enough, contrary to some developing countries' fears, countries that had strong labor standards were not disadvantaged economically. Indeed, insofar as there was a correlation, it was a positive correlation.

So we felt this was a useful exercise of kind of dispelling some of the myths about labor standards and their impact on economic development.

The CHAIRMAN. Well, as you know there has been considerable concern that we not try to impose on our domestic law standards that were not adopted through our duly constitutional process. So the suggestion here is not intended to be mandatory or to try to impose, that is still a matter for the individual country.

Ambassador AARON. In no way, Mr. Chairman.

The CHAIRMAN. Let me ask you this. Are you calling for the enforcement of such standards through trade sanctions?

Ambassador AARON. Being that this was an exercise simply to try to codify what was best practice among the developing countries, there was no question of sanctions of any kind.

The CHAIRMAN. Thank you, Mr. Aaron.

I would now like to turn to——

Senator MOYNIHAN. Mr. Chairman, could I just interject one moment to say, Mr. Aaron, welcome back.

Ambassador AARON. Thank you.

Senator MOYNIHAN. We are glad to have you here.

Ambassador AARON. Thank you, Senator.

Senator MOYNIHAN. It is more fun having lunch with you in Paris, but I will not get into that.

The OECD surely recognized that the five core labor standards you were referring to were those representing international labor conventions adopted by the International Labor Organization, which is a triparthied group involving government, business, and labor.

In our proposal reported out by the Chairman, unanimously in this committee with one exception, we proposed that the ILO be energized to collect these five core standards, just as you said, to promote and enforce the freedom of association, the right to organize and bargain collectively, prohibition on use of forced labor, prohibition on the exploitation of child labor, and prohibition on discrimination. Add to it the all-important invention of this half of the 20th century, which is inspection, which we begin with the Atomic Energy Age.

You see, my little joke in the Cabinet Room is to say to the President, he had some of us down, you know, you cannot have an election anywhere in the world without Jimmy Carter checking out the polling places. But you notice just yesterday there was an agreement with China that we would send three religious leaders to look at their religious controls. That is sort of looking at things on the ground. But this is an ILO creation and I think we do not need to overlap, we need to concentrate on the place where it began.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Moynihan.

Judge Cohen, you have had over 30 years' experience on tax policy. As was pointed out, you practiced in the private sector, spent one term on the Tax Court bench. Reflecting on these experiences, could you offer any recommendations or your views on how to simplify the income tax system in three minutes, please. [Laughter.]

Judge COHEN. Well, I am afraid that many better minds than mine have worked extensively on that project. I will say that, based on my experience, I think that should be a priority because many of the cases that we see in litigation do involve failure to understand, on the part of the taxpayers, particularly the pro se taxpayers that we deal with, why this item that is in the tax law does not apply to them the way that they perceive that it does.

I know it is very frustrating for them, and often very disappointing, when the Court has to tell them that, although it looks good to them, it does not apply in their case.

The CHAIRMAN. Let me ask you a question about restructuring. The Finance Committee will have legislation before us in the near future on restructuring the Internal Revenue Service. The House bill includes a proposal to shift the burden of proof against the Service at the litigation stage. What are your views on this proposal?

Judge COHEN. Well, we at the Court, of course, have been watching that with great interest and we have been unable to define our position. We have studied the legislative language and we have many questions about it. At this point, I really could not state a position.

Senator MOYNIHAN. Mr. Chairman, could I ask the Judge if she anticipates that you would have a position, that you would provide it to us?

Judge COHEN. Well, our Legislation Committee, which is ably chaired by my colleague Judge Colvin, who is here and who is well-known to you, is certainly studying the legislation as it comes out. We have hesitations about whether we should take a position, but certainly if we were asked for our views we would give them.

The CHAIRMAN. I appreciate your not taking a stand. Could you give your views on the pros and cons of the change?

Judge COHEN. Well, certainly that is what I am trained to do as a judge, hearing the arguments on both sides.

I understand that it is a matter of great dissatisfaction with the public to perceive that this is a matter of guilt until proven innocent. In our view, of course, it is just a matter of determining what the correct tax liability is.

In most of our cases there is a bona fide dispute, so it is not a question of guilt or innocence at all, it is a question of how the tax law applies. So we understand that that is an emotional issue with many people, we hear it from many taxpayers.

As far as how it works in actual practice, it is quite a different thing. Most of our cases are not decided on burden of proof. In many issues, the burden of proof is very complicated. Part of it is on the government and part of it is on the taxpayer. That is why I say it is very hard for us to take a position at this time, because it does depend on the issue.

On issues involving deductions, traditionally it has been on the taxpayer, and I am sure you have heard the many good reasons for that. If the government changes its position and has the burden of proof on deductions, that is an unusual case.

The CHAIRMAN. Let me ask one final question of you. As you know, the Finance Committee did hold 3 days of hearings on, among other things, the use of liens and levies by the IRS. One problem that arose from the hearings was a frequent failure on the part of some agents to give notice prior to placing the lien or exercising a levy. Do you agree notice ought to be required?

Judge COHEN. I am sorry, Mr. Chairman, but collections are something that I have absolutely no experience with. The Court has no jurisdiction over them. I think that in most of those cases the tax has been assessed in some form or another, so I do not know what the requirements of notice are or should be.

The CHAIRMAN. All right.

Let me now turn to you, Dr. Hamburg. In the last two years, as you well know, major reforms have been enacted in welfare and Medicare and Medicaid programs, and a new Children's Health Insurance program has been initiated.

Could you please tell the committee how HHS will proceed with the evaluation of these new reforms?

Dr. HAMBURG. Well, I think this is an enormous opportunity to expand health insurance to our Nation's children and the department and the President are extremely committed to helping States and localities make sure that this new Children's Health Insurance program will work effectively for them.

With respect to how we will evaluate it, there are going to be very many different models that are put in place. Part of the legislation was to ensure flexibility in terms of how programs are designed and implemented. That will make our task more difficult, but I think it also enhance the opportunity to really examine the different strategies that are put in place.

As you know, I am just joining the department, so I am not in a position to have worked specifically on designing evaluations. But what I can tell you is that this is an extremely high priority. It is an opportunity that we want to make sure gets translated into meaningful care for children, and that we want to take advantage of the flexibility that has been given to States to really work with them to monitor performance.

The CHAIRMAN. Now, you have been an administrator at the local level. What do you see as the future of public assistance programs; are we on the right track in returning greater authority to State and local governments of the management of these programs, at the same time holding them accountable?

Dr. HAMBURG. Well, I think that is a difficult, perhaps unanswerable, question. Time will help to inform that answer. Certainly as a local health officer I wanted the greatest independence possible, and appreciated the opportunity to put in place programs and services that reflected our specific needs, community standards, and structure, but recognizing that there was a need for broader Federal support and guidelines as we went forward on our work.

Clearly, one of the key responsibilities for ASPE, and one of my personal goals, will be to help with the implementation of welfare reform and the evaluation of its impact on people and communities, and I know that is of great concern to this committee. I very much look forward to working with you on it.

The CHAIRMAN. Thank you, Dr. Hamburg.

Dr. Ross, as you well know, the board is, of course, charged with making recommendations on policies to ensure solvency of Social Security. Now, beginning in 2012, payroll taxes will no longer cover Social Security benefit payments.

I have two questions. Do you expect solvency to be a priority of the board, and can you give the committee a sense of any time line for presenting recommendations to Congress?

Do you expect the board to entertain only conventional fixes, for example, extending the period over which benefits are computed, or do you think the board should be more ambitious and examine proposals, for example, to allow individuals to own and invest some or all of their payroll taxes?

Dr. ROSS. Of course, I cannot speak for the full board at this point, but I can tell you what my own views are. I believe the board ought to involve itself in the long-term solvency issues and I think it ought to devote as much energy to that as it can and give it the highest priority, because I think it is very much on the minds of the American public.

I think one of the major priorities at this time is to try to make the American public aware of the choices and the issues that are involved in crafting a solution. I think there have been a lot of technical studies done by the Advisory Council and others, and I think there are all kinds of schemes around that could address the issue.

But I do not think people outside the Beltway fully understand what the choices are that are presented by these competing schemes. I would like to see the board do something to broaden the debate and extend it to the public.

I take note that in the Washington Post last week there was a poll that showed that 88 percent of the public thought that restoring solvency to the Social Security system was the top goal that the government should have, yet only 48 percent said that they had confidence that the government would do this.

This gap between what the public sees as the top goals that government should achieve and its confidence that government will do it is a very disturbing thing, and I would like to address that issue. I do not know if I have answered all of your questions, but believe me, I do hope that we will make a contribution on that subject.

The CHAIRMAN. I do, too. I appreciate your answer. It is an area where this committee is going to take considerable interest, of course.

Time is running out, so I would like to turn to you, Dr. Wilcox. As Senator Moynihan properly pointed out your interest in research and the accuracy of the Consumer Price Index, will you make a more accurate CPI a top priority? What do you think should be done to try to move in a more constructed direction than we have been able to do so far?

Dr. WILCOX. Well, Senator, I think my written record speaks to my shared concern with you over the importance of this issue. I would like to begin by acknowledging the leadership of you and the Ranking Member in giving the public prominence of this issue an enormous boost through the sponsorship of the Boskin Commission.

I think one thing which comes through loud and clear, perhaps, to a non-technician, the only thing that may come through upon inspection of my work in this issue, is that it is an extraordinarily difficult, complex, and technical issue and I think the Boskin Commission was instrumental in helping to marshall public attention to the difficulty of the problems.

A lot of these issues are on the cutting edge of economic research, and in order to make serious progress I think a key component of what will be required is a sustained effort, away from the TV cameras and the other exigencies of current day life, aggressive research goes on, not only in the halls of the Bureau of Labor Statistics, but also that there is important cooperation from the business community because they have an enormous contribution to make, important contribution to come from academia. I think there is a lot of very important and exciting progress currently being made.

The CHAIRMAN. Let me turn to the economic growth expansion. As you well know, our unemployment rate is low, inflation rates are at record lows, productivity is on the rise. We have a deficit of $22.6 billion for 1997, which is the lowest since 1974.

What, in your view, is the outlook for GDP growth for the next several years, do you believe that our growth ceiling is around 2.5 percent or do you believe that current conditions can accommodate higher growth?

Dr. WILCOX. I think you raise a very important question. This is often referred to in popular press, for example, as a speed limit on growth. My own view is, I do not find the concept of a speed limit particularly useful. I think what we need to focus attention on is the productive capacity of the economy and the output of the economy can grow as rapidly as our productive capacity grows.

So, to the extent that we undertake investment in education and training to improve the productivity of workers, to the extent that we facilitate the kinds of conditions that are conducive to business investment and productivity-enhancing plant and equipment, that will expand the productive capacity of the economy. So, for those reasons, I do not find the concept of a speed limit particularly useful.

The CHAIRMAN. Senator Moynihan.

Senator MOYNIHAN. I will just start with Dr. Wilcox. We welcome you, sir. You come from the Federal Reserve Board. I wonder if the committee would not agree that in the last 2 days, Chairman Greenspan performed remarkably well. Through all those 2 days, he did not say a word, and it all came out fine. [Laughter.]

The CHAIRMAN. The Senate maybe ought to learn that lesson. [Laughter.]

Dr. WILCOX. Senator, if I may, perhaps I should look forward to acquiring that same skill, I am not sure.

Senator MOYNIHAN. Not before this committee, no.

Alan Greenspan is the one who, on this question of CPI, came up and said to one of our Congressional committees, to do nothing is the political fix, and that is what we did, the political fix. I will just leave that there.

But you would want to comment that, as Jim Tobin has said, as inflation goes down you have a problem, do you not, that if you have an over-stated price index you could find yourself in a deflationary situation and not know it.

Dr. WILCOX. You are putting your finger on an enormously important complex of issues that I think is under-appreciated, understudied, and under-researched, and ought to be an important focus of future thought.

May I say also, sir, that I have enjoyed a very productive and fruitful conversation with members of your staff, and it has been a pleasure to have that type of relationship and I look forward to maintaining, sustaining, and strengthening that relationship, sir.

Senator MOYNIHAN. You are very kind to say. But may I gently suggest, your research days are over. You have to make decisions now.

Dr. WILCOX. I am well aware of that, sir.

Senator MOYNIHAN. I am sure you will.

Judge Cohen, thank you for your remarks. I see Judge Colvin is in the chamber. We welcome him back. I know the Chairman would be interested, and perhaps we can have discussion, on these issues of burden and proof and such-like, and statute, if we could have the judgment of the court it would be helpful to us. I do not know how free you will regard that. I would just leave it there, and you do not have to comment. We look forward to another 15 years.

Judge COHEN. Thank you, Senator.

Senator MOYNIHAN. Mr. Aaron, welcome. Good to have you back.

Dr. Hamburg, your comments about the evaluation of the effects of welfare change, I wish we would not spend too much time talking about all of the wonderful things we have done about child health care. What we did last year was repeal Title 4A of the Social Security Act. We began dismantling Social Security. Your predecessor resigned.

The question of tracking what will now happen, and there are a range of possibilities, is your job. We could not be more admiring of the talents you bring to this, but you are going to need some political courage as well.

I know what we will hear from downtown: the most important thing we have to face, the problem this country faces, is baby-sitters. We took away the Social Security provision for dependent children, and may the Lord have mercy on our souls for having done so.

I would say to you, Dr. Ross, we did what was unthinkable last year. If we do not pay attention to Social Security and public confidence in Social Security, we might see that disappear, too.

As you pointed out, the number one concern of Americans in this recent poll was the financial stability of Social Security. Half of American adults do not think anything will be done. A majority of non-retired adults do not think they will get Social Security.

If they do not think they will get it, they will not miss it when it is taken away. That is one of the things that happened with AFDC, the children had nothing to say on the subject and did not know it happened. So, I just wish you all well. We are seeing some extraordinary changes in social policy. You have to measure them and you have to prevent them.

Thank you all. Thank you, Mr. Chairman. These are wonderful nominees. What a fine morning we are having!

The CHAIRMAN. Thank you, Senator Moynihan.

Senator Baucus?

Senator BAUCUS. Thank you, Mr. Chairman.

Dr. Wilcox, as you know, we are entering into potential fast track legislation and trade agreements with other countries. One of the problems that arises is a currency fluctuation. The Mexican peso——

The CHAIRMAN. I apologize to the distinguished Senator from Montana, but we have a quorum.

[Whereupon, at 11:14 a.m. the committee recessed to enter into Executive Session. The committee reconvened at 11:16 a.m.]

The CHAIRMAN. Senator Baucus, would you like to proceed?

Senator BAUCUS. Yes.

Senator MOYNIHAN. Can we have order, Mr. Chairman?

The CHAIRMAN. The committee will please be in order.

Senator BAUCUS. I would just be curious about your views about the degree to which trade agreements can or should begin to attempt to address currency fluctuations, because it has a real effect when currencies change on agreements.

Your thoughts?

Dr. WILCOX. Senator, there is a discipline which is strictly adhered to at the Treasury Department which perhaps would be well appropriate for me to begin to apply to myself now, which is to recognize the Secretary as the sole spokesperson for anything that could be construed as administration policy on the appropriate level of the dollar.

That having been said, as you know, most of the focus in trade agreements has been on expanding markets and in bringing down foreign barriers. I do want to underscore the importance to which I attach to pursuit of those types of agreements because I think they play a very important role, and have played an extremely important role over the post-war period, in enhancing the long-run standard of living of American citizens.

Senator BAUCUS. I agree with that, but just your personal views as to whether we should attempt to address currency fluctuations. I am not asking you to state whether the American dollar is too high or too low. I am not asking you that question at all, I am asking a different question. The question is, should we in any way try to deal with currency fluctuation in future trade agreements?

Dr. WILCOX. It is not an issue I have considered before. I think it would raise a number of analytical concerns. In general, my own sense in approaching this type of issue is to begin with a presumption that markets are the appropriate place to start. I am fond of quoting a favorite professor of mine, Robert Soloh, an adage to the effect that, the most important thing that economists have to communicate to the rest of the world is how effectively markets work.

The most important thing that economists have to tell each other is the important ways in which markets sometimes do not work exactly right. I think what I would like to do on this issue is to consult with my colleagues at the Treasury Department to explore the types of issues that would be raised in an initiative of the kind that you propose.

Senator BAUCUS. All right. Thank you.

Judge Cohen, we have touched briefly on the burden of proof question.

Judge COHEN. As briefly as I could.

Senator BAUCUS. I am sorry?

Judge COHEN. As briefly as I could.

Senator BAUCUS. Right. Some say that if the burden is changed, say in civil cases across the board to the government, that there will be virtually no incentive for taxpayers to keep records.

They will just find it convenient not to keep records, which would make it very difficult for the government to prove its burden of proof, since the government does not have many records, at least not the records that are probably most important in determining whether the taxpayer is correct or not.

Is that a concern? That is, if the burden were changed and the burden were on the government broadly in civil cases, do you think that the disincentive for taxpayers not to keep records will be a problem?

Judge COHEN. Of course, it depends on the statutory language, and I perceive some attempt to deal with that in the statutory language. But, as I tried to indicate before, we have more questions than answers, because the language refers to cooperation and we do not know exactly how cooperation will be determined, who has the burden of proof of cooperation or non-cooperation, and whether that will require separate hearings, which is very cumbersome and would no doubt increase the expense of litigation to all parties. So it just depends on the issues. It would be helpful to address the issues item by item.

Senator BAUCUS. Dr. Hamburg, I have looked at your resume and it is very impressive. My only point in asking a question of you, or actually to make a statement, is for you to realize, and I am sure you do, that there is a difference between Manhattan, New York and Manhattan, Montana, and it is space and distance.

In formulating policy at the department, I very much urge you to pay equal attention to parts of the country where, frankly, it does not rain. West of the 100th meridian, rainfall drops off, as you know, just dramatically, and that drives everything.

The main consequence is, towns are further apart, distances are greater. There is less manufacturing. We are away from seaports, and so forth. The function of distance has a great effect on health care. If you could just reassure me that you are going to pay equal attention to rural areas, that would make a big difference to me.

Dr. HAMBURG. Well, absolutely. I hope that perhaps I might get invited to visit Manhattan, Montana sometime.

Senator BAUCUS. You will love it.

Dr. HAMBURG. But I think there are a lot of important issues. There are some overlapping issues of the distribution of physicians. While the underlying causes are different, I had to address them in an urban center like New York City, the role of nurse practitioners and other providers in extending the health care provider base.

The potential role of telemedicine in extending quality education and information, I think, is something that we are right on the cutting edge of, and I hope that I will be able to work on that issue, hopefully, with you and your constituents.

Senator BAUCUS. Have you spent much time in the west?

Dr. HAMBURG. Well, I actually grew up in California.

Senator BAUCUS. Well, that is not the west.

Dr. HAMBURG. But, no, I have not. I do have relatives in Colorado, so it would not be hard to get me out that way.

Senator BAUCUS. I very strongly urge you, get around the country, get a sense of it, feel it, taste it, smell it, and just what is really going on, because it is a lot different from the cities.

Thank you.

The CHAIRMAN. Mr. Chafee.

Senator CHAFEE. Thank you, Mr. Chairman.

I would like to say to Dr. Ross that, overall, in our attempts here to deal with the problems of Social Security and the perils that it faces, I have a feeling we have not had much support or help from the administration and officialdom. But the best thing that came along as far as I was concerned in helping us was the trustees' report, which you were a member of. We all quoted from that.

I look around here and I see Senator Kerrey and others—well, everybody here on this dais—who have been struggling with Social Security and what we are going to do, and the whole business of the CPI which the so-called Centrist Coalition has been involved with for some three years now. We brought legislation up, I think, three years ago and we got 46 votes.

But I will say that I hope as a member of this advisory board—you are going to be chairman of it, is that correct?

Dr. ROSS. Yes, sir. If the President nominates me.

Senator CHAFEE. I hope you are aggressive. I would be interested to quiz people on this thing, if any of us have ever heard of the advisory board. We set it up, what, a couple of years ago?

Dr. ROSS. Yes, sir. In 1994.

Senator CHAFEE. They have not been helpful to me. Now, maybe they were helping the others, but the only thing that I saw that was helpful was that trustees' report. There you wrote it out, you sounded the alarm, page after page, this is urgent, both in Medicare and in Social Security. But I hope that in this new job you have you will really go public with what I think are very, very serious concerns with the future of Social Security, and we had better do something about it.

Obviously, we in the Senate did not vote for the CPI overall, but certainly on Medicare we took a whole series of votes, the Part B premium, the co-payment on home health visits, changing the age to conform with Social Security.

So I just would look to you, and hopefully for that board, to come on and make some noise and sound the alarm as you did in the written reports, which, regrettably, I am not sure how many people read. But at any rate it was well-done, I thought, the trustees' reports.

Let me ask you a quick question. In this Social Security Advisory Board, is that strictly Social Security or do you get into Medicare?

Dr. ROSS. The charter that the Congress has given us includes looking at the relationship of Medicare to Social Security. While there are a lot of challenges with the task we have been given on Social Security, I do think that it is essential to look at the two programs together, particularly as you craft solutions to the financial problems.

As that trustees' report you referred to shows, as you go further out from today the under-funding of Medicare is much greater than of Social Security. To think that you are going to solve one without being conscience and aware of the problems of the other, seems to me wrong.

I think you have to go at them one at a time. They are both complicated programs, but an awareness that they both have serious long-term financial solvency problems needs to be taken into account as you work on the problems in either area. The board is charged to do that, and that certainly would be my commitment.

Senator CHAFEE. Well, where you have got to do some missionary work is in the House. Here in the Senate, as I said, we took those votes. I think we got 58, 62, and so forth, votes in connection with those three things in Medicare that I mentioned, all approved. Now, we got 46 votes on a measure that dealt with CPI, but I do not think last year we took up CPI by itself.

Senator MOYNIHAN. You will not mind my suggesting we could do a little work in the White House also.

Senator CHAFEE. Well, that is absolutely true. I want to say, Dr. Wilcox, I think you have a duty here too in the Treasury Department. Again, I repeat, the alarm has got to be sounded in a better fashion than it has been. Anything we do now is so much easier to do than putting it off when the crisis will be on us in a much more alarming fashion.

So, with those stern admonitions, thank you very much for what you have done, and hopefully what you will do.

Senator MOYNIHAN. Mr. Chairman, you will not mind my commenting that we have had just recently a very fine report on increasing public understanding of Social Security. This was the last work of our former colleague Harlan Matthews, who is phasing off the board now.

The CHAIRMAN. Mr. Kerrey?

Senator KERREY. Thank you, Mr. Chairman.

Dr. Hamburg, first of all, if you are confirmed by this body, if somebody does not put a hold on you and terrorize you as well, you are going to be the principal policy person over at HHS, is that right? I mean, you advise the Secretary and you provide policy guidance on a range of issues. Is that a fair representation?

Dr. HAMBURG. That is correct. I can assure you that the Secretary has many policy advisors, but the job description is that this is the chief policy advisor, as well as responsible for analysis of data and evaluation of programs and program management.

Senator KERREY. And is it fair to say that I presume that you, as all of us, are a product of your own experiences and I could expect your experience as an internal medicine specialist to sort of orient you towards a value of cognitive assistance when patients are being given care?

Dr. HAMBURG. Well, I think, to be frank, I am a rather atypical internist, having spent really most of my professional career in public health and public service. But certainly my medical training and orientation informs much of how I view problems, but I do not think that I am a traditional medical model person, if that is what you are asking.

Senator KERREY. I asked, because I was struck as we were dealing on the Agriculture Committee with a recent outbreak of illnesses related to 0157-HS Escherichia coli, and with a new method of testing that is going to start on the 1st of January.

I was struck in the testimony by how there has been a deterioration of education, these sort of old wives' tales that used to be around. I am wondering if you as well, as a public education and health individual, have strong views about the need to help people acquire an understanding of health and help people acquire an understanding of what they can and cannot do.

To be more specific on it, though we pay a lot of attention to insurance, and I am certainly an advocate of trying to get everybody insured, we have two public health clinics in Nebraska, two health clinics which nobody cared about until reimbursement rates started to equalize, and now the private sector is telling me that these guys are competing with them.

I hope that you will be an advocate of turning to the private sector and saying, these folks were here before you started paying attention to them. Now that you figure to make some money on them, now you want to come to the citizens and say that public health clinics ought to be shut down, that the private sector can do it.

I have got to tell you, in both cases when we got additional resources to expand, I was struck by the thirst, by how quickly when they were expanded, the demand was actually stimulated far beyond what the expanded facility could provide.

In other words, there is a lot of demand out there for this kind of health care and a lot of it has to do with education, helping moms figure out what to do with their babies, helping dads figure out what to do with their babies, helping people figure out what to do about the health of their child, with or without insurance.

Unless you are able to get that kind of assistance, it seems to me it is going to be difficult to say that whatever we spend on health care is going to produce increases in the quality of our health. I was just curious if you feel strongly about that, and if you intend to fight for it, and to help us on this committee understand what we need to do to help American people become healthier.

Dr. HAMBURG. Absolutely. I think that we have to recognize, and I have committed my professional life to this, that we have to think about health more broadly. It is not simply the absence of disease. Many things that are critical to health, if not vital, occur outside or the clinical setting.

There is a true continuum, and it involves a series of factors, importantly including individual and family education and personal responsibility with respect to health risk behaviors, and it also involves having healthy communities in which to live, and it also involves having a strong public health infrastructure to protect against such vital concerns as contamination of the food and water supply and environmental threats to health. It also includes, of course, a very strong, effective medical community.

Senator KERREY. If I could be rude, and I apologize for interrupting your answer, but I am alert to the lights and how much time I have got. I want to make a point that this question is connected to the question that Senator Chafee was asking earlier.

During this committee's deliberation of what to do about Medicare, the Secretary came before us and made a passionate appeal to make certain that we understood the dilemma faced by low-income Medicare beneficiaries, had charts, had graphs, had facts and figures. The alert is that the annual increase over the next 10 years will be $25 million for Medicare, per year increase, with almost no debate about it.

So I hope that what you understand is that in order for us to free up additional resources to do public health work, that we have got to turn to this big and growing entitlement account. We cannot just express passion, as Senator Moynihan said, for those who show up at election.

We have got to show the same kind of passion for those who may not for a variety of reasons. I do believe that there are an awful lot of people over the age of 65 who are struggling.

But, in the words of Senator Simpson, very few of them any longer are foraging in the alley for food, as we sometimes have the impression that is occurring, recognizing that 80 percent of them vote, and get up and speak passionately in defense of $25 billion annual increases, while providing smaller and smaller amounts, inflation-adjusted amounts, to low-income people who are struggling out there to answer the question, I just had a baby, what do I do? I do not know. I do not have grandma around, as was around 30 years ago. I do not have the support that was around 30 years.

We have an international economy driving wages down, and lots of other factors that are making it difficult to make these kinds of choices and decisions. I think we have a budgetary process up here that does not reward me very well.

So, I hope included in the things that you advise the Secretary will be to point out that, when it comes time to come up here and give passionate statements, that at least there will be some balance and passion for people over the age of 65 and for those kids out there who are not getting nearly as much, if you look at our overall budget.

Mr. Chairman, I wonder if I could have one minute.

Mr. Aaron, I apologize. You only have to be approved by two committees, this one and Banking. I am shocked that, since you are going to be going over to the Department of Commerce, that the Commerce Committee does not get a shot at you as well. I do not understand why you only have to be reported out by two committees instead of three.

Your confirmation has brought to my attention the existence of the International Trade Agency, and I see that you have considerable powers to make decisions about whether or not to impose countervailing duties on people who are dumping. I see in your testimony a great deal of enthusiasm for measuring our success in ways that are not just economic, and I appreciate very much the power of that agency.

I must say, whether it is through the ILA, as some have suggested on this committee——

Senator BAUCUS. The ILO.

Senator KERREY. The ILO, the International Labor Organization, one of the things that we have to do to make trade work is we have got to have good mechanisms in place to make certain that whatever we agree to is going to be enforced. It has got to be timely and it has got to be impressive.

Just as knowing that I am going to get clipped for $50 if I drive 10 miles over the speed limit, there has to be similar sort of knowledge, if I am going to violate U.S. trade laws, that penalties are going to be imposed.

If there is no recognition that there are going to be penalties imposed, I am basically going to say, I will roll the dice and take my chances, and hopefully the ITA will not act soon enough or will not act at all, and, as a consequence, there will be no penalties imposed on me.

So I hope that you will pay attention to the power you have got. If you do not have enough power to do what needs to be done to enforce U.S. laws and U.S. trade agreements, I hope you will come to this committee and ask for it.

Ambassador AARON. Thank you very much, Senator. As I indicated in my statement, compliance is a top priority of mine. Indeed, we have over the last year and a half been putting together a new trade compliance center which has been very active inside the government in contributing to the 301, Super 301, Special 301 process, and also contributing to the cases we have taken to the World Trade Organization, and so forth.

I want to bring this now outside the Beltway and open this Trade Compliance Center further, put it online, make it possible for it to be a trade complaint center, where businessmen who are running into problems can approach this center, provide us with information, share their experiences.

I intend to also have a program to make it possible for our businesses to know what their rights are under these trade agreements because we have 220 trade agreements that we have negotiated in the last 4 years, and we think it is fair to say that most American businessmen, not to mention people in Washington, may not be entirely aware of what is in there and what opportunities are available to them. So, I intend to look at it from that perspective as well.

The CHAIRMAN. Senator Moseley-Braun.

Senator MOSELEY-BRAUN. Thank you very much, Mr. Chairman, and to all the nominees. I am very happy to have a chance to visit with you. Many of you sent letters and wanted to come by, and I was not able to meet you in my office. But I am happy that the process seems to be going as smoothly as it is for you.

There are nine women in the Senate and we meet generally on a monthly basis for dinner and just to have informal conversation. We had a quorum of us at dinner last night, and I was struck by how much of the time was spent discussing issues pertaining to children, and particularly the direction that we are going as a Nation in regards to our child welfare issues.

I want to associate myself with Senator Moynihan's remarks about the welfare bill because I think that was a retreat and an abandonment of our obligation, particularly as it pertains to poor children. But, given that retreat, there are still a variety of other issues now pending and it seems that child care has gotten to be a huge issue that has gotten a lot of attention.

One of the concerns that was expressed last evening was whether or not there would be some discussion of the choices for child care that are available, or not, as the case may be, for working mothers. In some instances the desirable alternative might be for someone to stay in the home and take care of their child, the retail solution, if you will.

In others, it may be that a day care center which provides quality care might be an alternative. But the point is, it seems that we have an obligation to be supportive of a range of approaches to child care, all of which provide children with the best possible setting in which to be raised. The idea of just dumping them or creating more and more warehouses for children did not seem to go over that well.

So, Dr. Hamburg, I would like to kind of follow-up on Senator Moynihan. Let me get all three of my questions in, then I will not run into the red light. So that is my question to you, Ms. Hamburg, is your views in terms of the whole issue of child welfare, and specifically child care options and alternatives.

To Mr. Aaron, I want to raise the question I have raised in regards to fast track and other of our trade negotiations and Commerce commercial interactions as well, the whole question of child labor.

It seems to me that not only is it a good thing to be against child labor, but it seems to me to be an economic imperative for American business, in that we will not be able to be competitive with countries that artificially depress their labor costs by exploiting children, and that child labor, while labor standards generally kind of can put you on a slippery slope, ought to be one of those lines in the sand beyond which we will not go in terms of negotiating new trade arrangements with the rest of the world.

Clearly, with the globalization of the economy, we have little option but to get in front of the ball in terms of setting up a favorable context for our trade negotiations for our commerce, generally.

There is an ancient saying that all wars start with trade, which is kind of scary if you think about it. But we do not want to get into that situation. Trade is obviously to be preferred to meltdown or breakdown, but in so doing it just seems to me that we cannot do it willy-nilly and we cannot do it without some sense of what the standards and the parameters of our compact with our trading partners will be. So I would like you to respond to the issue of child labor.

Finally, Dr. Wilcox, I am going to pick on you just because you were born in Evanston, Illinois. But, specifically, and Senator Kerrey raised the point, I talked about children's issues, but in this case the whole question of entitlements, because if we retreated on the issue of child care we are absolutely avoiding the issue of entitlement reform and what we have to do to go forward.

You have written extensively on the CPI and the notion of having it measure the reality of the situation that elderly and other subgroups might face. And I am very intrigued by that, because when we had the debate when Senator Moynihan was raising the question of CPI reform and putting in the professionals of BLS and the like, the question that kept nagging at me, and I have raised it in this committee, I think, is what do you do about those populations whose livelihood is tied to this measure and whose reality of their livelihood, in terms of mandatory purchases of health care and the like, may not be accurately reflected; will they not get kind of the double-whammy if we move this one way or the other? You have written in this area and I would very much like to hear some of your comments about the particulars of a separate CPI or some way to measure those kinds of variations within the groups of people that are measured by any calculation that calls itself the Consumer Price Index.

So let us start with Dr. Hamburg. See, my question took up until the yellow light.

Dr. HAMBURG. Right. I will try to be brief. I do not know if the protocol means we all three have to finish before the red light goes on.

Senator MOSELEY-BRAUN. It does not. That is why I went first.

Dr. HAMBURG. But I certainly share your concern about our Nation's children. I am very pleased, on both a personal and professional level, that child care and its impact on working families is rising to the level that it is now in terms of attention and concern.

As a mother of two small children, I can certainly tell you that making decisions about child care have been among the most difficult of my life, and that I have a very deep understanding of how inadequate child care can impact well-being, as well as productivity.

I am very committed to working on this issue. I know it is very high on the Secretary's agenda. It will be a major focus of my activities and activities in my office, and I would be delighted to work with you further, if confirmed.

Senator MOSELEY-BRAUN. Thank you very much. I would look forward to that.

Ambassador AARON. Senator, as to your question on child labor, it is quite clear, I think, that the non-exploitation of child labor and appropriate restrictions on child labor is a fundamental core labor standard that the United States has supported. I think the approach that we have to this is to try to do that in three ways.

First of all, if fast track is approved, and I note the action of this committee in putting forward a bill and showing leadership in this area, we would negotiate appropriate agreements or provisions related to trade agreements in that context, and clearly child labor would be one of those.

Second, we will be pursuing separate agreements, separate understandings, arrangements, with foreign governments to enhance protections of labor standards including, quite importantly, child labor. I think the Sweat Shop Initiative, which the administration has undertaken, is an example of one of those separate initiatives.

Third, as Senator Moynihan has pointed out, we will be working very hard in international organizations, in particular the ILO, to advance prohibitions on child labor. So I think your point is extremely well taken, and I can assure you that, in my role in the ITA, I will do everything I can to advance that agenda as well.

Senator MOSELEY-BRAUN. Thank you.

Dr. WILCOX. Senator, you raise a very important consideration having to do with the issue of indexation of various Federal programs. I want to indicate that I share your concern for understanding the implications of any adjustments that one might make for their impact on vulnerable groups of the population.

The point I think that is worth making is that it is entirely possible, perhaps even desirable, to separate two conceptual issues. One, is the overall structure of indexation, the treatment of average benefits for the typical recipient. The other issue, which I think we can consider separately, is the distributional consequences of the program. Are we providing adequate support for low-income families, for example.

Regardless of adjustments that are made, I think, in the overall treatment of indexation, I think we should keep before us the possibility that Congress and the administration may wish to revisit the distributional characteristics of these programs in order to ensure that you are achieving the objectives that you want to set forward for those aspects of the program.

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Senator MOSELEY-BRAUN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, congratulations to each of you. We appreciate your being here, your patience. I apologize for doing it as a panel, but I thought it was in the interest of getting the job done.

So, congratulations and good luck to each of you.

Senator MOYNIHAN. Indeed, congratulations.

The CHAIRMAN. The committee is in recess.

[Whereupon, at 11:49 a.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. ALFONSE M. D'AMATO

Mr. Chairman, I am pleased to participate in this nomination hearing to consider the five distinguished nominees before us today. In particular. I want to express my complete support for the nomination other. Margaret Hamburg to the position of Assistant Secretary for Planning and Evaluation within the Department of Health and Human Services.

Dr. Hamburg brings to the field of public health a broad spectrum experience including a formal medical education and clinical practice. laboratory research, and a federal-level policy role in research on AIDS and other infectious diseases.

She served as New York City's 39th Commissioner of Health since 1991, longer than any other Commissioner in the last 35 years. Prior to Dr. Hamburg's service to New York City, she was the Assistant Director of the National Institute of allergy and Infectious Diseases (NIAD) where she was instrumental in shaping AIDS research strategies and policies.

During her tenure, she was credited with the design and implementation of a major tuberculosis control program that lead to a dramatic decline in TB cases (a 35.8% decrease between 1992 and 1995) and which was cited as an international model to combat tuberculosis. In addition. she developed initiatives to improve child immunization rates including a computerized immunization registry. She was also instrumental in reducing the infant mortality rate to below 1,000 deaths per year in 1996, the lowest level in New York City history.

Mr. Chairman, the appointment of a physician to this position particularly one with substantial clinical training and skills as well as outstanding public health knowledge and experience will bring an exceptionally valuable level of professionalism, knowledge and respect to this position and to the Department of Health and Human Services. I cannot recommend a better nominee for the position of Assistant Secretary for Planning and Evaluation.

Thank you Mr. Chairman.

PREPARED STATEMENT OF AMBASSADOR DAVID AARON

Mr. Chairman and Members of the Senate Finance Committee, it is a great honor for me to be here today as President Clinton's nominee for the position of Under Secretary of Commerce for International Trade. I am especially honored to be here before you because of my longstanding admiration for the work of this Committee and your keen understanding of the importance of trade for the American economy. I also want to thank the Committee for scheduling this confirmation hearing so promptly.

I look forward to establishing a strong working partnership with you, Mr. Chairman, the Members of the Committee and your staff. I appreciate, in particular, this Committee's work on trade issues such as the recent bipartisan approval of fast track and the expansion of CBI.

If recommended by this Committee and confirmed by the Senate, I will aim to foster a new level of cooperation between the International Trade Administration and your Committee. In this new era of prosperity for the American economy, a bipartisan approach to establishing the nation's trade policies has proven itself effective and will continue to be the cornerstone of our future success.

INTRODUCTION

Today, America is enjoying the strongest economic performance in a generation. We are in a unique position to compete for new global markets and the jobs these markets will create. Yet, in the next few years, America will continue to face crucial trade challenges. Amidst fierce international competition, we need to intensify consultation with Congress, keep the American people involved and interested in trade issues, and remain on a bipartisan path. The future of America depends on our ability to continuously adjust to the rapidly changing global marketplace. We must build on our success. At this point in American history one real danger we face is complacency.

America must continue to lead in expanding and liberalizing the world economy. Over the last 4 years we have concluded over 200 new trade agreements and are, once again, the world's leading exporter. To maintain this position, we must aggressively ensure that the agreements we sign are complied with. By building on our economic strengths, breaking down trade barriers, increasing our knowledge of and access to international markets, and creating innovative partnerships between government and the business community, we can ensure American prosperity into the next century.

Promoting American leadership in the development of global economic partnerships, in the liberalization of international trade, and in the creation of open markets for US business, will also help us achieve other vitally important national goals. Objectives such as supporting emerging democracies through market reforms and promoting peace through increased regional economic stability, depend on American leadership. I believe the International Trade Administration (ITA), in a partnership with industry, can be a powerful instrument for carrying out this leadership role.

If confirmed as Under Secretary of Commerce for International Trade, I will do more than simply consult with Congress; I will regard Congress as a key partner in both expanding international economic opportunities for American business, and in protecting Americans from unfair trade practices. I look forward to learning in depth the views of Congress, and particularly the members of this Committee, regarding the crucial issues of international trade. I also believe that the ITA should make sure that its efforts are better understood and supported by the American people. I hope to communicate better and to show Americans in concrete, tangible ways the real benefits of international trade to their everyday lives. For this I will need your help and advice. I will make it a priority to listen to your concerns and ideas and to keep you fully informed as we work towards achieving our goals.

OPEN MARKETS IN A NEW ENVIRONMENT

Our nation was built on trade. From the era of clipper ships, to our 'Open Door' policy at the turn of the century, to the creation of the World Trade Organization, the United States has a long history of promoting free and fair trade. It was only when we turned our back on the world and its markets, most notably in the late 1920's and 30's, that America faced its gravest economic difficulties.

Today, US exports are growing at a pace of about 10 percent per year, 3 times faster than our GDP. More than 12 million US jobs depend on exports and more than two million of these jobs were generated from increased exports since 1992. Firms that export achieve 20 percent faster employment growth and jobs in export industries pay 13 to 18 percent more than the average wage. Over the past 4 years, trade has spurred about one third of our overall domestic growth.

We have worked hard to widen and level the global playing field so that American industry and our workers could profit from expanding overseas markets. It remains our responsibility to lead the world further in this direction. We need greater access to markets abroad if we are to sustain our current economic performance and remain competitive in the years to come. We can do this by pressing developing and developed countries alike to rise to our level as the most open economy in the world.

My career in government and business has, I believe, well prepared me to face this challenge and to take on the responsibility of Under Secretary of Commerce for International Trade. I joined the Foreign Service in 1962. My initial assignment was as the commercial officer in Guayaquil, Ecuador, where my first job was to put on a US trade fair. It was enormously gratifying to give such tangible support to American exporters. If confirmed, I will be responsible for the US and Foreign Commercial Service and the promotion of US exports will remain my top priority.

In the 1970's, I worked here in the Senate, both as committee staff and for then Senator Walter Mondale. My experience working in the Senate made me aware of the crucial role of the legislative branch in the formulation and execution of public policy. Subsequently, I served as Deputy National Security Advisor in the Carter

Administration where, among other things, I was involved in the security aspects of our international trade policy. This brought home to me the vital importance of US economic strength to our National security.

Upon leaving government I became Vice President at the investment bank Oppenheimer & Co. and a member of the board of Oppenheimer International. Subsequently, I served as Director of Oppenheimer's Quest for Value Dual Purpose Fund. Working in the private sector provided me with an important understanding of the financial dimensions of foreign trade. It also made me fully appreciate the centrality of international trade to America's financial strength and international competitiveness.

Finally, for the last 4 years, I have served as Ambassador and Permanent Representative to the Organization for Economic Cooperation and Development (OECD). The OECD is deeply involved in international trade issues. My ambassadorship has given me a front-row seat in observing how the world's industrial democracies are coping with, and trying to extract maximum benefits from, the enormous changes brought by new political and economic forces unleashed by technology and globalization. The advent of truly global markets, increased competition, borderless financial flows, and the telecommunications and transportation revolution, have been the subject of intense scrutiny at the OECD.

As Ambassador, I have worked on many of these new challenges. During my tenure, I helped to fight off attempts by Japan and the European Union to persuade the OECD to condemn US bilateral market opening efforts on automobiles and automobile parts as managed trade. Defending and enforcing such bilateral agreements is crucial to opening new markets for US firms. I have also been involved in efforts to negotiate a Multilateral Agreement on Investment (MAI) to provide national treatment and state-of-the-art protection to US investors abroad. This agreement is critical since a third of US exports are to US subsidiaries located abroad. I worked out the consensus to begin negotiations to criminalize bribery in international transactions. No practice is more pernicious or more disadvantageous to American business than the bribery of foreign public officials by our competitors. Under my direction, the U.S. mission at the OECD has also worked to stop the misuse of tied aid to fund commercially viable programs.

I have also worked to promote the growth of international electronic commerce, including serving as Special Envoy for Cryptography in which capacity I am attempting to promote the use of strong encryption to secure global communications in ways which protect public safety and our National security. This experience has confirmed that it is essential for ITA to support the leadership role of American industry in global electronic commerce if we hope to take full advantage of its enormous potential for the future of the US economy.

For foreign trade to continue to have a positive effect on our economy and on our way of life, the private and public sectors must work in partnership. Although the American workforce has adapted itself remarkably well to the fiercely competitive global economy, we must continue to provide a favorable environment in which American business and workers can thrive into the future. This favorable environment can only be achieved through vigorous trade promotion and enforcement efforts. If confirmed as head of ITA, I will continue to follow President Clinton's admonition to "compete not retreat."

MY GOALS FOR ITA

If confirmed, my principal goals for the International Trade Administration will follow Secretary Daley's five objectives for the Department of Commerce as a whole:

- To enforce full compliance with existing trade agreements and with laws against unfair trade practices.
- To continue aggressive trade promotion and advocacy on behalf of American firms competing abroad.
- To encourage small and medium size American businesses to explore trade openings and gain potentially lucrative markets far beyond their current areas of interest.
- To align trade policy with foreign policy so that, as a force for democracy and peace, we cultivate the free enterprise and respect for law that underpins democratic practices.
- To focus on the next generation of trade issues growing out of the changing global marketplace.

I intend to support the Secretary's key international objectives and to build on the excellent work of my recent predecessors, Jeffrey Garten and Stuart Eizenstat.

Enforce Compliance

If confirmed, I will place the highest priority on compliance with trade agreements and the enforcement of U.S. fair trade laws, specifically the antidumping and countervailing duty laws administered by ITA.

Vigorous implementation of the AD/CVD laws ensure that imported goods do not take unfair advantage over products manufactured domestically. I will fully support ITA's efforts to enforce the AD/CVD laws to ensure a level playing field that will protect our companies and workforce from unfair pricing and subsidies.

A little over a year ago the Commerce Department began the work of creating a new Trade Compliance Center to monitor foreign compliance with international trade agreements. I will assure that our Compliance Center promptly becomes fully operational. The Center will be a place where US business can seek help in identifying and eliminating illegal foreign trade practices.

Promote Trade

Export promotion is a basic mission of ITA. In addition to supporting Secretary Daley in his trade missions, I will lead as many missions as I can to promote US exports. I look forward to receiving your advice on how I can make these more effective.

You are undoubtedly aware of the success of ITA's Advocacy Center. In less than 4 years the Center has helped about 200 US companies win over 350 overseas contracts worth over $50 billion in US exports over the life of the contracts. As directed by Secretary Daley, I will ensure that both our advocacy efforts and our trade missions are conducted in a fair and impartial manner.

I plan to work closely with Secretary Daley to use the Trade Promotion Coordinating Committee (TPCC) to its full potential. The TPCC's mission is to ensure that Federal export promotion and financing programs are fully coordinated and responsive to the needs of America's exporters as they compete abroad. This year's overarching goal is to provide a "seamless web" of government services to support our exporters at every phase of the contract and transactional process.

With Secretary Daley, I would like to build on these and other initiatives and strengthen the TPCC's role as a coordinating tool in both the policy and budget process.

I will also revive our Big Emerging Markets initiative. We must take advantage of the commercial opportunities resulting from worldwide efforts to cope with food and energy requirements, pollution and global climate change, and large scale infrastructure needs. I look forward to working with my colleagues at the Departments of Agriculture, Energy and EPA to co-lead business-developing missions in these growing sectors. At the same time I will not lose sight of the importance of existing mature markets, such as the role that Canada plays as our number one trading partner.

Encourage Small and Medium Size Businesses

If confirmed, I will work more closely with the Small Business Administration (SBA) and our small business community to encourage participation in international trade. Small and medium sized enterprises account for 28 percent of all manufacturing output in the United States, but only 13 percent of total manufacturing exports. Since most of the growth of employment over the last several years is attributable to small and medium enterprises, it is vital for our economic future to do more to encourage these businesses to look beyond our borders for new growth opportunities.

Strengthened programs within ITA, SBA and the trade finance agencies can provide small and medium size businesses with better tools to succeed in competitive international markets. Specifically, I will seek to use the technology of electronic commerce to help small businesses use the Internet both to receive ITA services and to promote their own products abroad. I will also work in coordination with other TPCC agencies to define more efficient means of providing export assistance and financing to small businesses.

Support Foreign Policy

I believe the Commerce Department, and the International Trade Administration, have a special responsibility to push for economic policies which will continue to support our country's foreign policy. US foreign economic policy must continue to support the peace processes in the Middle East, Bosnia and Northern Ireland and the ongoing democratic transitions in Africa, the New Independent States (NIS) and Central Europe. Fair trade and open markets create stable economies in which democracy can take root and flourish.

Peace and economic prosperity go hand in hand. The development of trade and the improvement of economic conditions are two of our most efficient policy instruments in our fight against instability. This Administration, with the support of Congress, has clearly shown that international economic policy and foreign policy can no longer be regarded separately.

Focus on the Next Generation of Trade Issues

If confirmed, I will pursue the promise of electronic commerce and other information technology applications which will support American business as it harnesses these technologies in efforts to bolster sales and investment abroad. I will hold a series of roundtables with the private sector, NGOs and TPCC agencies on selected electronic commerce issues. I will focus on the issue of standards and the need for mutual recognition agreements to assure that standards do not become the trade barrier of the 21st century.

Finally, I will follow through on my efforts to criminalize bribery and to end the tax deductibility of illicit payments. I will work with the private sector to support our negotiating efforts to end such practices by foreign governments.

CONCLUSION

Looking ahead to the next century and to the new challenges we will face, we must learn to communicate the benefits of international trade to the American people in a clear and concrete fashion. Our businesses and workers must be given more tangible evidence of the ways in which our country's international economic policy contributes to a more prosperous America and a more stable world. Above all, we must make the private—public sector partnership a reality in all aspects of our mission.

If confirmed to head ITA, I will use the resources available to me to help promote America's business interests abroad and do all I can to ensure that international trade creates more and better jobs for all Americans. I believe that America's international business strengths and our global leadership in opening foreign markets, and enforcing fair trade laws and agreements, can help assure a bountiful future for our country.

If confirmed, I look forward to working with this Committee and Congress to that end. Thank you for your time. I would be pleased to take your questions and begin what I hope will become a frequent and open dialogue between ITA and Congress.

The White House,

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To the

Senate of the United States.

I nominate David L. Aaron, of New York, to be Under Secretary of Commerce for International Trade, vice Stuart E. Eizenstat, resigned.

William J. Clinton

BIOLOGICAL STATEMENT

Ambassador David L. Aaron has been the United States Permanent Representative to the Organization for Economic Cooperation and Development since September, 1993. The OECD is a group of 29 of the most advanced industrialized countries, and is dedicated to fostering economic growth by a more open global economy.

In addition to his responsibilities as Ambassador to the OECD, Mr. Aaron was designated special Envoy for Cryptography on November 15, 1996. His responsibility is to promote the growth of international electronic commerce and robust, secure global communications in a manner that protects the public safety and national security.

Ambassador Aaron has served in both the government and the private sector. A graduate of Occidental College and Princeton University, he entered the Foreign Service in 1962, where he held a variety of posts including NATO and the strategic arms limitation talks. After leaving the Foreign Service, he continued in government in several positions, including Legislative Assistant to Senator Walter E. Mondale and Deputy National Security Advisor to President Jimmy Carter. In the latter capacity, he served as a confidential Presidential emissary to Europe, the Middle East, Africa, Latin America, and Asia. He was awarded the National Defense Medal in 1981.

Upon leaving government, Mr. Aaron became vice President for Mergers and Acquisitions at Oppenheimer and Company, a member of the board of Oppenheimer International, and subsequently a member of the board of Oppenheimer's Quest for Value Dual Purpose Fund.

Prior to becoming Ambassador, Mr. Aaron was a Senior Fellow at the Twentieth Century Fund, served on the boards of the National Democratic Institute and the International League for Human Rights, and is a member of the Council on Foreign Relations. He is the author of three novels which have been translated and published in ten languages.

He is married to Chloe W. Aaron, who is a television producer. He has a son Timothy who is a musician.

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)

   David Laurence Aaron
   Laurence Allen Gorman (Gorman is my father's name; Aaron is my step-father's name which I assumed at age 8.)

2. Position to which nominated:

   Undersecretary for International Trade
   U.S. Department of Commerce

3. Date of nomination:

   September 12, 1997

4. Address: (List current residence, office, and mailing addresses.)

   12 Rue Weber
   Paris, France 75116

5. Date and place of birth:

   August 21, 1938
   Chicago, IL

6. Marital status: (Include maiden name of wife or husband's name.)

   Married to Chloe Wellingham Aaron
   Nee Chloe Wellingham

7. Names and ages of children:

   Timothy Aaron, 31

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

Hollywood High School, 1956 H.S. Diploma
Occidental College, 1960, BA; Languages - Spanish, French
Princeton University, Woodrow Wilson School, 1962, MPA

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.)

Present

• Ambassador and United States Permanent Representative to the Organization for Economic Cooperation and Development (OECD), Paris, France (Since 9/93)
• Special Envoy for Cryptography (since 11/96)

Previous Positions

• Senior Fellow - Twentieth Century Fund, 41 E. 70th St., New York, NY 10021 - (212) 535-4441 (9/92-7/93)
• Writer - Lantz-Harris Literary Agency, 156 Fifth Avenue, Suite 617, New York, NY 10010 (1985-93)
• Lecturer - Lecture Literary Management Inc., 217 East 82nd Street, New York, NY 10028 (1991-92)
• Consultant - Twentieth Century Fund (4/90-9/92)
• Board Member - Quest for Value Dual Purpose Fund (2/97-6/93)
• Oppenheimer Capital Corp. Oppenheimer Tower, 200 Liberty St, New York, NY 10281
• Visiting Fellow - Center for Defense Information, 1500 Mass Ave., NW Washington, D.C. 20005 (9/86-6/87)
• Vice President - Oppenheimer & Co. Inc., Oppenheimer Tower, 200 Liberty St., New York, NY 10281 (3/81-3/85 except for leave of absence noted below)
• Senior Advisor - Mondale for President's Campaign, Washington, D.C. (7/84-11/84)
• Transition Aide - Former President's House, Lafayette Square, Washington, D C (1/81-3/81)
• Deputy Assistant to the President for National Security Affairs - The White House, 1600 Pennsylvania Ave., Washington, D.C. (1/77-1/81)
• Transition Director, National Security Council and Central Intelligence Agency - Carter/Mondale Transition, Washington, D.C. (11/76-1/77)
• Senior Staff Member - Carter/Mondale Campaign, Atlanta, GA (7/76-11/76)
• Task Force Leader - Senate Select Committee on Intelligence, The Capitol, Washington, D.C. (2/75-7/76)
• Legislative Assistant - Office of Senator Walter F. Mondale, Washington, D C. (5/74-

2/75)
• Senior Staff Member, National Security Council - The White House, 1600 Pennsylvania Ave., Washington, D.C. (5/72-5/74)
• International Relations Officer - U.S. Arms Control and Disarmament Agency, Washington, D.C. (9/69-5/72)
• Foreign Service Officer - U.S. Department of State, Washington, D.C. (1/62-9/69)

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

See Above.

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

None other than those set forth in #9 above and #12 below.

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

The Council on Foreign Relations - New York
The National Democratic institute - Board member (86-93)
The Overseas Development Council - Washington, D.C.
The Arms Control Association
The International League for Human Rights - Board member (82-93)
The Writers Guild of America, East
The Mystery Writers of America
The International Association of Crime Writers
American Foreign Service Association
International Longevity Center France - Board Member (95-96)

13. Political affiliations and activities:

a. List all public offices for which you have been a candidate.

None.

b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Member, Democratic Party
Advisor to Clinton/Gore Campaign 1992 (Unpaid)
National Democratic Institute - Board Member, 1986-1993

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.

$1000 Hart for President Committee, 1987
$1000 Clinton for President, 1992
I also gave approximately $100.00 to the Democratic National Committee on less than 5 occasions over the last 10 years (dates uncertain).

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.)

Occidental College Scholarship
Princeton University, WWS Fellowship
National Defense Medal - January 1981
Honorary Doctorate (Laws) - Occidental College, 6/87

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

Books-
State Scarlet, G P Putnam's Sons, New York, 1987
Agent of Influence, G.P. Putnam's Sons, New York, 1989
Crossing by Night, William Morrow, New York, 1993

Scripts-
"Adm. William J. Crowe: The Lessons of War", PBS Documentary, January 1993
"Miracle on 43rd Street: Portrait of the Actors Studio", PBS Documentary, June 1991

Articles/Oped
"After GATT, U.S. Pushes Direct Investment", The Wall Street Journal, February 1, 1995
"Labour Standards As A Universal Right", Financial Times, August 8, 1995
"Presidential Debates", Columbia Journalism Review, May/June 1992
"Well, Geeze, It could have been Worse", Los Angeles Times, February 1, 1990
"If The Summit Were Bugged", The New York Times, December 6, 1989
"A Memo To James Baker", The New York Times, May 9, 1989
"Interview", New York Newsday, February 25, 1988
"Democratic Heavyweights", The Los Angeles Times, January 3, 1988

"A Couch Potato's Summit", The New York times, December 14, 1987
"Verification: Will it Work?" The New York Times Magazine, November 8, 1987
"Shameless Witnesses Disarm the Truth. Iran-Contra Figures Threaten System of Checks and Balances", The Los Angeles Times, July 28, 1987
"Disco Disarmament Diary", The New York Times, February 22, 1987
"NSC Is Easy To Abuse But Crucial To The Presidency", The Los Angeles Times, January 12, 1987
"Playing with Apocalypse" The New York times Magazine, December 29, 1985
"Dr. Kissinger's Diary", Rolling Stone, September 29, 1983
"SALT: A New Approach", Foreign Policy, Winter 1974

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)

"Investment: The Next Wave of Liberalization" March 2, 1995 - delivered to the U.S. Council committee on Multinational Enterprises and Investment, New York
"An Atlantic Free Trade Area: Purposes and Prospects" June 16, 1995 - delivered to the American Council on German's Biennial Conference, Berlin
"Aging Populations and health Care in the Developing World" September 22, 1995 - Dublin - delivered to the Royal College of Surgeons in Ireland.
"The EC and its Trilateral Partners: An American Perspective" October 28, 1995 - delivered to Trilateral commission, Palais du Lexembourg, Paris.
"Investment for the Future: The OECD and New Rules of the Game" November 9, 1996 - Potsdam, German - sponsored by the American Chamber of Commerce in Germany and the U.S. Embassy in Bonn.
"International Views of Key Recovery" January 28, 1997 - San Francisco, Calif. - RSA Data Security Conference.
"Europe: The Next Century" April 1, 1997 - New York - Institutional Client Symposium 1997: Global Investing in the Year 2000.
"Not Business as Usual: Our Common Struggle Against Bribery and Corruption" June 11, 1997 - Prague - OSCE Fifth Economic Forum.
(Copies Enclosed)

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

My experience in government service and the private sector both provide qualifications for the post of Undersecretary of Commerce for International Trade. For the last four years, I have served as Ambassador and Permanent Representative to the Organization for Economic Cooperation and Development (OECD) which is deeply involved in international trade issues. One of the most important is the effort to combat bribery of foreign government officials in international business transactions. No practice is more pernicious or more disadvantageous to American business than the resort to bribery by foreign competitors In preparation for the most recent OECD Ministerial meeting, I negotiated an agreement between all 29 OECD members to end this practice by criminalizing such bribery by the time of the next ministerial in May 1998

The OECD has also been at the forefront of dealing with so-called "new trade issues"- : trade and competition, trade and environment and trade and labor standards. During my tenure, I helped develop a sufficient consensus on these questions among our principal trading partners so that these topics have now been taken up at the World Trade Organization. In addition, I helped to fight off attempts by Japan and the European Union to persuade the OECD to condemn U.S. bilateral market opening efforts as managed trade. Moreover, under my direction, the U.S. Delegation has been able to strengthen international disciplines on tied aid. All of these activities at OECD have brought me in contact with many of the most important foreign trade officials I would have to deal with as Undersecretary.

I have also been involved in efforts at OECD to negotiate a multilateral agreement on investment that would provide national treatment and state-of-the-art protection to U.S. investors abroad. Since trade increasingly follows investment, a successful MAI will be important for future U.S. export performance. In this connection, my experience in the private sector, first as an investment banker with Oppenheimer and Co., and later as Director of the QFV Dual Purpose Fund provided me with an important appreciation of the financial dimensions of foreign trade. It also made me fully appreciate the centrality of international trade to America's financial strength and international competitiveness

In 1996, I was appointed Special Envoy for Cryptography with responsibility for promoting the growth of international electronic commerce and secure global communications in a manner that protects the public safety and national security. My work in this field thus far has convinced me that it is essential for ITA to support the leadership role of American industry in global electronic commerce if we are to fulfill its enormous potential for the future of the U.S. economy.

My previous period of government service in the 1960's and 70's also helped prepare me for the responsibility of Undersecretary. As Deputy National Security Advisor in the late 1970's, I was involved in the security aspects of our international trade policy. This brought home to me the vital importance of U.S. exports as part of our national security. In addition, my experience working in the Senate impressed upon me the crucial role of the legislative branch of our government in the formulation and execution of public policy. The role of Congress is particularly important in the field of foreign trade and, if confirmed, I am determined to work as closely as possible with the Senate in carrying out the mission of the International Trade Administration.

Finally, I should note that I began my government service in the early 1960's as a commercial officer in Guayaquil Ecuador, where my first responsibility was to put on a

U.S. trade fair. It was enormously gratifying to give such tangible support to American exporters. Promotion of U S. exports is still the bread and butter job of the International Trade Administration. If I am confirmed, it will be my top priority

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

Not Applicable.

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 investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, 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 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.

None.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)

I will immediately consult with a Department of Commerce ethics official if any conflict of interest arises, but I know of no such potential case. If appropriate, I would divest myself of conflicting interests, recuse myself, or obtain a waiver of conflict of interest restrictions if the interest is not substantial.

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.

I understand that these have been provided to the Committee.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

Not Applicable.

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, professional association, disciplinary committee, or other professional group? If so, provide details.

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? 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.

If confirmed, I will work closely with the Finance Committee Members and staff to provide information and to seek their views on ITA policy and performance.

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.

PREPARED STATEMENT OF MARY ANN COHEN

Mr. Chairman, Senator Moynihan, and Members of the Committee, thank you for scheduling this hearing and allowing me the honor of appearing here. I am grateful to the President for nominating me to serve another term as a Judge of the United States Tax Court.

At this point in my career, the time has been divided equally between fifteen years in private practice with a small firm in Los Angeles, California, and fifteen years service with the Tax Court. I have conducted court proceedings in approximately fifty cities and have been to all fifty states. I was honored last year to be elected by my colleagues to serve as Chief Judge. I feel truly privileged to have had these opportunities.

I owe thanks to many persons too numerous to mention here, including, of course, my parents and other family members, teachers, mentors, friends, colleagues, and the dedicated employees of the Tax Court. Earlier this year, in accepting the Dana Latham award from the Los Angeles County Bar Tax Section, I commented that I do believe that I have been a good judge. If I am correct in that assessment, it is because of the things that I have learned from the people that I have known.

If I am confirmed for a second term, I plan to continue to serve as Chief Judge for a while and then to return to conducting trials throughout the United States. Each day in either activity is a new learning experience. It is, of course, a very exciting time to be involved in our tax system, and we expect new challenges in upcoming years—if not months. Needless to say, I have never been bored. We will be prepared for whatever tasks the Congress assigns us. Our guideposts are implementing Congressional intent, expressed in tax legislation, and in securing "the just, speedy, and inexpensive determination of every case," as expressed in our Rules of Practice & Procedure.

In that regard, I am known for the brevity of my opinions. So I will stop here and answer any questions that you have. Thank you for your consideration of my nomination.

The White House,

SEP 19 1997 19

To the

Senate of the United States.

I nominate Mary Ann Cohen, of California, to be a Judge of the United States Tax Court for a term of fifteen years after she takes office. (Reappointment)

William J. Clinton

THE WHITE HOUSE

Office of Press Secretary
(Palo Alto, CA)

For Immediate Release September 19, 1997

PRESIDENT CLINTON NAMES CHIEF JUDGE MARY ANN COHEN TO THE U.S. TAX COURT

The President today announced his intent to nominate Chief Judge Mary Ann Cohen to the United States Tax Court.

Chief Judge Cohen, of California, was elected to a two-year term that began June 1, 1996. The election of the Chief Judge by the judges of the Tax Court is undertaken biennially in accordance with statutory requirements. Cohen was appointed to the Court in 1982 by President Ronald Reagan. Prior to her appointment, she practiced law in Los Angeles with Abbott & Cohen, a professional corporation specializing in business and tax litigation and counseling.

Chief Judge Cohen is a graduate of the University of California at Los Angeles and the University of Southern California School of Law.

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)

   Mary Ann Cohen

2. Position to which nominated:

   Judge, United States Tax Court

3. Date of nomination:

   Sept. 19, 1997

4. Address: (List current residence, office, and mailing addresses.)

   Residence: 1200 Crystal Dr., #1313
   Arlington, VA 22202

   Office: United States Tax Court
   400 Second St., N.W.
   Wash., D. C. 20217

5. Date and place of birth:

   July 16, 1943
   Albuquerque, NM

6. Marital status: (Include maiden name of wife or husband's name.)

   Single

7. Names and ages of children:

   None

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

   Hollywood High School
   Los Angeles, CA
   Diploma, June 1960

   University of California at Los Angeles
   Los Angeles, CA
   Sept. 1960 - June 1964
   B.S., Accounting, 1964

   University of Southern California School of Law
   Los Angeles, CA
   Sept. 1964 - June 1967
   J.D., 1967

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.)

   Part-time bookkeeper and secretary for family-owned businesses:

   United Merchants Assn.
   Los Angeles, CA, 1959-1965

   James Huntley & Co. and Air & Hydraulic Tool Co.
   Los Angeles, CA, 1960-1966

   Legal research for various Los Angeles lawyers or firms, including Kadison & Quinn, William P. Hogoboom (now judge), John Rice, Frank P. Doherty, and Joseph Armijo, June 1966-Mar. 1967

   Law clerk, associate attorney, and member: Abbott & Cohen, A Professional Corp., and predecessors owned by Louis Lee Abbott (now retired), Los Angeles, CA, Mar. 1967-Aug. 1982

   Judge, United States Tax Court, 400 Second St., N.W., Washington, D. C., Sept. 24, 1982-present

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

    Member, Advisory Committee on Tax Litigation, Dept. of Justice, Tax Division, 1979

11. Business relationships: (List all positions held as an officer, director. trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

I was a shareholder, officer and director of the incorporated law firm formerly known as:

Louis Lee Abbott, A Professional Corporation (1969-1971)

Abbott & Crahan, A Professional Corporation (1971-1974)

Abbott & Hemmerling, A Professional Corporation (1974-1977)

Abbott Professional Corporation (1977-1979) and

Abbott & Cohen, A Professional Corporation (1979-1982). I was also the trustee of the firm's profit-sharing plan.

From 1962 through the early 1970's, I was the corporate secretary of the United Merchants Association, a business owned by my father until his death in 1978 and now owned by my mother and my sister. My mother and I own the office building, described below, in which the business is operated.

12. Memberships: (List all memberships and offices held in professional, fraternal. scholarly, civic, business, charitable, and other organizations.)

State Bar of California

American Bar Assn., Section of Taxation and Judicial Administration Div.

Legion Lex (University of Southern Calif. Law School Support Group)

City Club of Washington

J. Edgar Murdock American Inn of Court

Various charitable, civic and museum "memberships", such as Smithsonian Associates, Nature Conservancy, Washington Opera, Shakespeare Theater, Santa Fe Opera, Museum of New Mexico, Ventura County Museum of Art, none of which involve active participation in the affairs of the organization.

13. Political affiliations and activities:

a. List all public offices for which you have been a candidate

None

b List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years

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.

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.)

Dana Latham Award, Los Angeles County Bar Assn., May 30, 1997

Elected Chief Judge, United States Tax Court, for term commencing June 1, 1996

Topics Editor, Southern California Law Review, 1966-1967 (staff member 1965-1966)

Legion Lex and other academic scholarships recipient, University of Southern California School of Law, 1964-1967

15. Published writings: (List the titles, publishers, and dates of all books articles reports, or other published materials you have written.)

Since Sept. 24, 1982, I have authored hundreds of published and memorandum opinions for the United States Tax Court. In addition, the following materials have been published:

A Dialogue Between Tax Court Judges (with Judge Theodore Tannenwald, Jr.), 46 The Tax Lawyer 672 (1993)

Materials on "Tax Litigation: Pre-Trial Techniques for Finding & Using the Facts and Law to Evaluate & Win the Case," California Trial Lawyers Convention (Nov. 1979)

"Breach of Fiduciary Duty: An Expansive Tort," American Bar Assn. Section of Litigation (Aug. 1977) and similar paper presented to California Continuing Education of the Bar program on Handling Business Torts (Aug.-Sept. 1978)

"Interpleader," (chapter in) California Civil Procedure Before Trial 683 (1977)

"Planning for the Changing Attitude Toward 'Privileged Documents'," (with Louis Lee Abbott), 35 New York University Institute on Federal Taxation 301 (1977)

"Failure to File Tax Returns and Professional Discipline," 49 Los Angeles Bar Bulletin 328 (1974)

"Academic Tenure: The Search for Standards", 39 Southern California Law Review 593 (1966)

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)

As Chief Judge (and Chief Judge-Elect) of the United States Tax Court, I have reported to the Committee on Court Procedures and participated on panels at American Bar Assn. Section of Taxation meetings in May and August 1996 and January, May, and August 1997 and at a D.C. Bar Tax Section meeting in November 1996. Prior to that time, I was a frequent panelist, as a representative of the Court, at programs sponsored by the American Bar Assn. Section of Taxation. In addition, it is customary for judges on trial sessions to be asked to make informal remarks at a local bar-sponsored luncheon or dinner, and I have done so on many occasions.

Also as a representative of the Court, I have been invited to participate on panels or make presentations, such as to the following:

Los Angeles County Bar Assn., May 30, 1997

Presidential Classroom (Wash., D. C.), Feb. 1997

William & Mary Tax Institute (Williamsburg, VA), Dec. 1996

D.C. Bar Tax Section, Nov. 1996

UCLA School of Law (Beverly Hills, CA), Oct. 1996

Univ. of Texas School of Law (Austin, TX), Oct. 1996

Virginia Tax Institute (Charlottesville, VA), June 1996

Hampton Roads, VA, Tax Forum, May 1996

Chicago-Kent Tax Institute, May 1996

Texas Bar Assn. Tax Section (Dallas, TX), Apr. 1996

National Institute of Trial Advocacy (Denver, CO), Mar. 1996

Federal Bar Assn. Tax Section (Wash., D. C.), Mar. 1996

Orange County Bar Assn. (Newport Beach, CA), Nov. 1995

Regional Counsel CLE Program (Dallas, TX), Aug. 1995

Georgetown Univ. Law Center CLE Program (San Francisco, CA), May 1995

USC Tax Institute (Beverly Hills, CA), Jan. 1995

American Conference Institute (Chicago, Ill.), Mar. 1994

National Institute of Trial Advocacy (Houston, TX), Jan. 1994

Univ. of Texas Oil & Gas Tax Institute (Houston, TX), Nov. 1993

USC Tax Institute (Beverly Hills, CA), Jan. 1993

Most of the above presentations have been from very informal notes. Copies of those that were delivered from prepared texts to the Los Angeles County Bar Assn., the University of Southern California Tax Institutes, and the University of Texas Oil & Gas Tax Institute are attached. Also attached is an interview published in Taxes magazine in July 1996.

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

I have served as a Judge of the United States Tax Court for 15 years. In that capacity, I have conducted numerous trials and authored approximately 600 opinions. There is no position that I would rather have, and I am anxious to continue to serve in the same capacity. I was honored by my colleagues' confidence when they elected me Chief Judge for a 2-year term commencing June 1, 1996. Prior to my service as a Tax Court Judge, I practiced law in Los Angeles, CA, in a small firm that engaged in business and tax litigation and counseling.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

   I hope to continue in my existing position.

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 investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

   I own common stock of fewer than 20 publicly held U.S. corporations, several of which have cases pending before the Court or may have such cases in the future.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, 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 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.

None.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)

I do not participate in any case involving a corporation in which I own stock. Otherwise I take whatever action is indicated under the Code of Ethics for Federal Judges.

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.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

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, professional association, disciplinary committee, or other professional group? If so, provide details.

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? 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.

   I was recently named as a defendant, along with other judges of the U.S. Tax Court, the U.S. District Court, the U.S. Court of Appeals for the Ninth Circuit, and other government employees, in a frivolous action brought by a losing litigant. I was named because of action taken as Chief Judge of the Tax Court. A copy of the caption is attached. I am unaware of any litigation in which I was personally a party.

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.

   I am unaware of any.

E. <u>TESTIFYING BEFORE CONGRESS</u>

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

PREPARED STATEMENT OF DR. MARGARET ANN HAMBURG

Mr. Chairman, Senator Moynihan, and Members of the Committee. My name is Dr. Margaret A. Hamburg and I am honored to be here today as President Clinton's nominee to be the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services.

I am joined today by several members of my family.

As you know, the Office of the Assistant Secretary for Planning and Evaluation (ASPE) functions as a principal advisor to the Secretary on policy development, program planning and evaluation. In this capacity, ASPE conducts a variety of evaluation and policy research studies on issues of national importance. ASPE is also responsible for Department-wide coordination of planning and evaluation activities.

This is a challenging time for the Department of Health and Human Services (HHS) and for our Nation. We are in the midst of enormous transformations in our health care system, welfare, and an array of other public services that touch the lives of families, children, the elderly, the disabled—indeed virtually every American. If confirmed by the Senate, I believe that I would bring the breadth of experience and effective leadership to the Office of the Assistant Secretary for Planning and Evaluation necessary to address meaningfully the complex and demanding issues before us.

For almost 6 years, beginning in 1991 until late this spring, I served as the Commissioner of Health for New York City. I was responsible for the management of a large agency, a broad array of programs and services, and the administration of numerous research, surveillance and evaluation activities. My role also included that of principal advisor to the Mayor on health and science policy issues. I joined the New York City Department of Health in 1990 as Deputy Commissioner for Family Health Services.

During my tenure at the New York City Department of Health, the health, safety and well-being of New Yorkers was significantly improved. For example, in response to a dramatic resurgence of tuberculosis in the late 1980's, we spearheaded the design and implementation of a tuberculosis prevention and control program that has become a national and international model, producing an astounding 46 percent decline in tuberculosis cases over the past 4 years, and more than an 80 percent decline in drug-resistant tuberculosis cases, which are the most frightening and difficult to treat. Other accomplishments include the development of policy and initiatives that have raised childhood immunization rates to record levels, including a city-wide immunization registry, public-private partnerships and outreach campaigns, as well as reductions in infant mortality to the lowest rate in New York City history.

Prior to joining the New York City Department of Health, I served as the Assistant Director of the National Institute of Allergy and Infectious Diseases (NIAID), one of the Institutes comprising the National Institutes of Health (NIH) of HHS. I was responsible for research administration and policy development. My Federal Government experience also includes several years in the Office of Disease Prevention and Health Promotion, located within the Office of the Assistant Secretary for Health at HHS, and responsible for developing prevention strategies and policies, including the health objectives for the nation, Healthy People.

I am a graduate of Harvard College and Harvard Medical School. My residency training in Internal Medicine was completed at The New York Hospital/Cornell University Medical College and I am certified by the American Board of Internal Medicine. I have held academic appointments at Cornell University Medical College, Columbia University School of Public Health, and Georgetown University School of Medicine.

If confirmed, I believe that I will bring to the Office of the Assistant Secretary for Planning and Evaluation a strong background and extensive experience in health and science policy and planning, program implementation, and broad expertise in research design and execution, including basic, clinical, behavioral and epidemiologic research. At both the local and the Federal level, I have had in-depth experience with the legislative process, management and budget matters, and the design and administration of research and grant programs.

While my background has a strong health orientation, I want to underscore that throughout my professional life, I have been engaged in broad-based efforts to improve the status all Americans, especially our most vulnerable and underserved populations. Particularly as New York City's Health Commissioner, I have been deeply immersed in problems directly at the intersection of health, human services, and economic issues. I have had to understand effectively and address not just issues of public health and medicine, but also cross-cutting concerns such as welfare, housing and hopelessness, education, employment, criminal justice, and, of course, poverty.

I come before you today, committed to public service, and eager to apply my energy and experience to the full range of health and human service issues that confront our Nation. I deeply believe in the need to support policy development and programmatic activities with strong science, to translate effectively new understandings into meaningful programs and services for those who need them, and the critical value of early and ongoing evaluation of programs to ensure that they are in fact achieving our desired goals. I am also convinced that meaningful solutions to the real world problems before us require multi-disciplinary approaches and cross-cutting strategies.

I am excited by the opportunity that the Office of the Assistant Secretary for Planning and Evaluation offers to provide such perspectives. If confirmed by the Senate, I would seek to ensure that the Administration's policies and programs are based on the soundest, most thorough analysis possible. At the same time, never forgetting that behind every statistic there is a very human face.

The Department of Health and Human Services has a long term commitment to improving the health and well-being of all Americans. A great deal has been accomplished, but we face many critical tasks in the years ahead. Among ASPE's key responsibilities and my own anticipated goals for the position, I would certainly include: evaluating the implementation and effect of welfare reform, the children's health insurance expansion, improving methods to protect the health of the public, helping to define the child care needs of working families, promoting active aging, and furthering advances in medical and public health science, to name just a few.

I am committed to working in partnership with the Congress, state and local government, the private sector and communities on these important efforts. If confirmed, I look forward to the opportunity to work with you, Mr. Chairman, and the members of this Committee, to achieve our mutual goals of improving the health and well-being of the American people.

I would be happy to answer any questions you may have.

The White House,

SEP - [illegible] *19*

To the

Senate of the United States.

I nominate Margaret Ann Hamburg, of New York, to be an Assistant Secretary of Health and Human Services, vice Peter Benjamin Edelman, resigned.

William J. Clinton

DRAFT DRAFT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 6, 1997

PRESIDENT NAMES MARGARET ANN HAMBURG AS ASSISTANT SECRETARY FOR PLANNING AND EVALUATION AT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

The President today announced his intent to nominate Margaret Ann Hamburg as Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services.

Margaret Ann Hamburg, of New York, served from June 1991-April 1997 as the New York City Health Commissioner, where she was responsible for over 4,000 employees, a budget of over $420 million, and programs including public health education and outreach, direct clinical services, protection from environmental hazards, epidemiology, disease surveillance, and research. Dr. Hamburg is credited with the design and implementation of a major tuberculosis control program that resulted in a dramatic decline in TB cases, reductions in infant mortality to the lowest rate in New York City history, and the successful development of initiatives to improve childhood immunization. Dr. Hamburg joined the New York City Department of Health in June 1990 as Deputy Commissioner for Family Health Services before becoming Commissioner in 1991. Prior to that, she was the Assistant Director of the National Institute of Allergy and Infectious Diseases (NIAID), playing a major role in research administration and policy development. Dr. Hamburg's federal experience also includes service in the Office of Disease Prevention and Health Promotion in the Office of the Assistant Secretary for Health. She currently holds appointments as an adjunct Assistant Professor of Medicine at Cornell University Medical Center and as an Assistant Professor of Clinical Public Health at Columbia University School of Public Health. Dr. Hamburg is a recognized expert with a diverse research background who serves on many national boards, committees, and task forces including the Board of Scientific Counselors for the National Center for Infectious Diseases, the Institute of Medicine, National Academy of Sciences, the New York Academy of Medicine, and the National Advisory Committee for Healthy Steps for Young Children Program of The Commonwealth Fund. She received a B.A. degree from Harvard/Radcliff and an M.D. from Harvard Medical School.

The Office of the Assistant Secretary for Planning and Evaluation (ASPE) serves as the principal advisor to the Secretary on policy development, program analysis and economic policy.

SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)
   Margaret (Peggy) Ann Hamburg

2. Position to which nominated:
   Assistant Secretary for Planning and Evaluation, HHS

3. Date of nomination:
   September 2, 1997

4. Address: (List current residence, office, and mailing addresses.)
   residence/mailing address: 3512 Macomb Street, N.W.
   Washington, D.C. 20016
   office: 200 Independence Ave, S.W., room 405F
   Washington D.C. 20201

5. Date and place of birth:
   July 12, 1955
   Chicago, Illinois

6. Marital status: (Include maiden name of wife or husband's name.)
   Married to Peter Fitzhugh Brown

7. Names and ages of children:
   Rachel Ann Hamburg Brown, age 4.
   Evan David Addison Brown, age 2.

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

   Henry M. Gunn Senior High School
   Palo Alto, California
   Attended: 9/70 - 1/73
   Received High School Diploma

51-010 98 - 3

Lycee Montaury
Nimes, France
Attended: 2/73-5/73
Received no degree, part of Program in International Living

Harvard College
Cambridge, Massachusetts
Attended: 9/73-6/75; 1/76-1/78
Received Bachelor of Arts (B.A.) Degree, major in Psychology

Harvard Medical School
Boston, Massachusetts
Attended: 9/79-6/83
Received Medical Degree (M.D.)

Cornell University Medical Center
New York, New York
Attended: 7/83-7/86
Residency in Internal Medicine; Board Certified in Internal Medicine, 1986

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.)

Research Assistant, Section on Biochemistry and Pharmacology, Biological Psychiatry Branch, National Institute of Mental Health, Bethesda, Maryland. Conducted bench research concerning the characterization and pharmacologic modulation of alpha-adrenergic receptors in a rat brain model, with Dr. John Tallman
Fall 1978-Summer 1979; Summer 1989

Medical Intern/Resident, The New York Hospital/Cornell University Medical Center, 525 East 68th Street, New York, New York. Provided patient care, clinical training and medical education.
June 1983- July 86

Special Assistant to the Director, Office of Health Promotion and Disease Prevention (ODPHP), Office of the Assistant Secretary for Health, DHHS, Washington D.C. Employed by the American College of Preventive Medicine and detailed to work at ODPHP for Dr. Michael McGinnis.
August 1986- December 1987

Special Assistant to the Director (Dr. Anthony S. Fauci), National Institute of Allergy and Infectious Diseases, National Institutes of Health, Bethesda, Maryland.
January 1988-July 1989.

Assistant Director for Science Policy, National Institute of Allergy and Infectious Diseases, National Institutes of Health, Bethesda, Maryland
July 1989-May 1990

Deputy Commissioner for Family Health Services, New York City Department of Health,
June 1990-June 1991

Commissioner, New York City Department of Health, New York, New York.
June 1991-April 1997 (Acting June/1991- May/1992)

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

National Center for Infectious Diseases, Centers for Disease Control and Prevention
Board of Scientific Counselors (1994- Spring 1997)
National Institute of Child Health and Development, National Institutes of Health
Advisory Board (Fall 1996 -Spring 1997)
Chemical/Biological Incident Response Force, U.S. Marine Corps
Scientific Advisory Board (1995 - present)
Defense Science Board, Task Force on Gulf War Chemical/Biological Exposure, U.S. Department of Defense (1993- 1994)

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

The following are not-for-profit-organizations on whose Boards I have served, or with whom I have been listed as an advisor:

Mother's Voices
Board of Directors
(1996 - 9/1997)

The Society of Physicians for Reproductive Choice and Health
Board of Directors
(1996 - 4/1997)

Commonwealth Fund
Healthy Steps for Young Children National Advisory Committee
(1995 - 9/1997)

Nathan Cummings Foundation
Board of Trustees
(1994 - 9/1997)

Drug Strategies
Board of Directors (vice-chair)
(1994 - 9/1997)

Medunsa Trust, Inc.
Medical University of Southern Africa
Advisory Board
(1993 - 4/1997)

University of Capetown Fund
Board of Directors
(1993 - 5/1997)

National Council on Women's Health
Board Member
(1992 - 9/1997)

National Public Radio
Board of Scientific Advisors
(1992 - 9/1997)

<u>Ex-officio Positions held as New York City Health Commissioner:</u>

New York State AIDS Advisory Council (ex-officio)
(1996-4/1997)

The Center for Animal Care & Control
Board of Directors (ex-officio)
(Fall 1994 - 4/1997)

Primary Care Development Corporation
Board member (ex-officio)
(1993 - 4/1997)

Health & Hospitals Corporation
Board of Directors (ex-officio)
(1991 - 4/1997)

Office of Chief Medical Examiner Advisory Board (ex-officio)
(1991- 4/1997)

Aaron Diamond AIDS Research Center
Board of Directors
(1991- 4/1997)

Health Systems Agency
Board Member (ex-officio)
(1991- 1995)

Medical and Health Research Association
Board member (ex-officio)
(1991 - 4/1997)

Greater New York Hospital Association
Board member (ex-officio)
(1991 - 4/1997)

New York City Board of Health
Chairman of the Board (ex-officio)
(1991 - 4/1997)

Listed as advisor/member of advisory board:

Hope for Kids (1993 - 4/1997)	Advisory Board never met as far as I know
Treatment Action Group (TAG) (1994 - 4/1997)	Honorary Advisory board. Never met & my advise never solicited

Editorial Boards:

Bulletin of The New York Academy of Medicine
(1992 - 9/1997)

Current Issues in Public Health
(1993 - 9/1997)

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Institute of Medicine, National Academy of Science
(1994 - present)

New York Academy of Medicine
(1991 - present)

Society for Social Biology
(1989 - present)

Council on Foreign Relations
(1986 - present)

American Association for the Advancement of Science (elected to fellowship)
(1988- present)

American College of Physicians
(current; can't recall when became a member)

American Public Health Association
(1988 - present)

American Medical Women's Association
(was member for a couple years; not currently)

Women in Health Management
(member briefly but never participated to any degree)

Health Care Executive Forum
(?1993-9/97)

Peter Brown/Margaret Hamburg Family

The New York Botanical Garden
(1995 - present)

Wildlife Conservation Society
(1994 - present)

The American Museum of Natural History
(1994 - present)

The Children's Museum of Manhattan
(1995 - present)

13. Political affiliations and activities:

a. List all public offices for which you have been a candidate.
None

b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.
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.
Catherine Abate, Candidate for New York State Assembly (can't recall exactly; approximately $75-100)

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.)

1997 Life and Breath Award, American Lung Association of New York

1997 Service Recognition Award, AIDS Action Council

1997 Annual Award for Public Service, New York NARAL

1996 Award for Outstanding Contributions, Irvington Institute for Immunological Research

1995 Outstanding Woman Scientist, Women in Science, New York Academy of Science

1994 Second Century Award, Friends of Harlem Hospital

1994 Elected to Institute of Medicine, National Academy of Sciences

1994 John P. McGovern M.D. Award, American Association of Colleges of Nursing

1994 Distinguished Public Service Award, Center for Children and Families, Inc.

1994 Second Century Award, Columbia University School of Nursing

1993 Robert F. Wagner Public Service Award, New York University

1993 Award for Outstanding Service, New York Rotary Club

1993 Certificate of Honor, The Women's City Club of New York

1990 Public Health Service Special Recognition Award

1990 Certificate of Commendation, Assistant Secretary for Health, Department of Health and Human Services

1988 Public Health Service Commendation

1976-1977 The Harvard Crimson, Executive Editorial Board

1973-1978 Harvard College Dean's List (all semesters)

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

Professional Publications:

Hamburg, M.A. (1996). Public health and urban medicine. The Lancet, Vol. 348: 1008-1009

Frieden, T.R., Fujiwara, P.I., Washko, R.M. and Hamburg, M.A. (1995) Turning the tide on tuberculosis: the New York City experience. New England Journal of Medicine., Vol. 333: 229-233

Hamburg, M.A. (1995). Tuberculosis and its control in the 1990s. Current Issues in Public Health, Vol 1: 49-54

Hamburg, M.A. (1994). Fusing excellence to reform. In H.M. Greenberg and S.U. Raymond (eds.). Beyond the Crisis: Preserving Excellence in Health Care, Public Health, and Biomedical Science. New York, New York: New York Academy of Sciences

Hamburg, M.A. (1994). Health care reform and the impact on nursing. Nursing Connection, Vol. 2, No. 4: 4-6

Frieden, T., Fujiwara, P., Hamburg, M., Ruggiero, D. and Henning,K.(1994) Tuberculosis clinics. American Journal of Respiratory and Critical Care Medicine, Vol 150: 893-994

Hamburg, M.A. and Frieden, T.R. (1994). Tuberculosis transmission in the 1990s (editorial). The New England Journal of Medicine, Vol. 330, No. 24: 1750-1751

Hamburg, M.A. (1993). Rebuilding the public health infrastructure: the challenge of tuberculosis control. The Journal of Law,Medicine and Ethics, Vol 21, No. 3-4: 352-359

Hamburg, M.A. (1993). Urgent issues in public health. Occasional Papers of the Tri-instititional Biomedical Forum, Rockefeller University

Hamburg, M.A. (1993). Poverty, public health and tuberculosis control in New York City: lessons from the past. In E.Ginzberg and D.Rogers (eds.). Poverty and Health. Boulder, Colorado: Westview Press, 33-41

Hamburg, M.A. (1992). The challenge of controlling tuberculosis in New York City. New York State Journal of Medicine, Vol. 92, No. 7: 291-293

Hamburg, M.A. (1992). New York City Task Force on Tuberculosis in the criminal Justice System: Final Report. New York, New York: New York City Department of Health

Hamburg, M.A. (1990). The Epidemiology of HIV infection and AIDS in the United States. Ear, Nose and Throat Journal, Vol. 69, No. 6: 394-400

Hamburg, M.A. and Fauci, A.S. (1990). HIV infection and AIDS: challenges to biomedical research. In L. Gostin (ed.), Hospitals, Health Care Professionals and AIDS. New Haven, Connecticut: Yale University Press, 171-182

Hamburg, M.A. (1990). Worksite health promotion: some policy issues and concerns. In S.M. Weiss and J. Fielding (eds.), Perspectives in Behavioral Medicine, Volume 8. Hillsdale, New Jersey: Lawrence Earlbaum Associates

Harris, L.M. and Hamburg, M.A. (1990). Back to the future: television and family health care management. In J.Bryant(ed.), Television and the American Family. Hillsdale, New Jersey: Lawrence Earlbaum Associates

Hamburg, M.A. and Fauci, A.S. (Spring 1989). AIDS: the challenge to biomedical research. Deadalus, Vol. 118, No. 2: 19-39

Hamburg, M.A., Koenig, S. and Fauci, A.S. (1989).Immunology of AIDS and HIV infection. In G.L Mandell, R.G. Douglas, and J.E. Bennett (eds.), Principles and Practice of Infectious Diseases, 3rd Edition. New York: John Wiley & Sons, 1046-1059

Hamburg, M.A. and McGinnis, J.M. (1988) Health promotion and disease prevention: opportunities in the clinical setting. The Western Journal of Medicine 149: 468-474

McGinnis, J.M. and Hamburg, M.A. (1987). The U.S. National Experience in the Prevention and Control of Noncommunicable Disease. Geneva, Switzerland: The World Health Organization

Hamburg, M. and Tallman, J.F. (1981). Chronic morphine administration increases the apparent number of alpha-2 adrenergic receptors in rat brain. Nature 291: 493-495

Kagan, J. and Hamburg, M. (1981). The enhancement of memory in the first year. The Journal of Genetic Psychology 138: 3-14

Mallorga, P., Hamburg, M., Tallman, J.F. and Gallager, D.W. (1980). Ontogenetic changes in GABA modulation of brain benzodiazepine binding. Neuropharmacology 19: 405-408

Abstracts:

Damus, K., Workman, S., Graham E. and Hamburg, M. Trends in perinatal outcomes for multiple births in NYC 1980-89: a comparative baseline for obstetrical policy. (Accepted for presentation at the American Public Health Association 119th Annual Meeting, Atlanta, Georgia, 1991)

Davidson, G., Damus, K., Graham, E., Hamburg, M. and Schell, L.(1991). Ethnic differences in maternal weight gain. Human Biology Council Meetings

Bridbord, K., Hamburg, M., Schambra, P., Fauci, A. (1989). International AIDS programs at the National Institutes of Health. In AIDS: The Scientific and Social Challenge, V International Conference Abstracts: 1006

Hamburg, M., Gallager, D.W., Campbell, I. and Tallman, J.F.(1979). Alterations in [H] Clonidine binding due to 6-hydroxydopamine and MAO inhibitors. Society for Neuroscience Abstracts, Volume 5

Publications for General Audiences:

Hamburg, M.A., "Facts on 'flesh-eating' disease." Daily News, April 11, 1995

Hamburg, M.A., "About TB: treatment-- and more." (Op. Ed. piece, New York Forum). New York Newsday, October 14, 1992

Hamburg, M.A., "AIDS and the culture of restraint." (Review of book, Private Acts, Social Consequences: AIDS and the Politics of Public Health, by Ronald Bayer). The Washington Post, May 7, 1989

Hamburg, M.A., "Is there a doctor in the haus, maison, or casa?" (Review of book, Medicine and Culture: Varieties of Treatment in the United States, England, West Germany, and France, by Lynn Payer). The Washington Post, December 25, 1988

Hamburg, M.A. (1987). The acquired immunodeficiency syndrome (AIDS). In Academic American Encyclopedia, Danbury, Connecticut: Grolier, Inc

Hamburg, M.A. Addiction: the nature of craving. Vogue: August 1986

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)

The following list represents an attempt to compile major formal speaking events over the past five years. I have attached two copies of relevant formal speeches for which I have written text. Although I frequently speak from notes or "cut, paste and scribble" from former speeches and current thoughts, I believe that the attached documents represent a fairly extensive and representative sample of the topics and issues addressed. See ATTACHMENT A

CHRONOLOGIC LIST OF SPEECHES GIVEN BY DR. MARGARET A. HAMBURG

March 7, 1997, Indiana University Symposium -- The Public's Health in the Global Era: Challenges, Responses, and Responsibilities, **The Problem of Emerging Infectious Diseases**

January 31, 1997, New York City Academy of Medicine, New York City, Healthy Start/New York City Conference, **Partners in Promoting Healthy Births and Families via Community Collaboration**

October 7, 1996, Leonard Davis Institute of Health Economics, University of Pennsylvania, **Public Health and the Health of the Public**

September 25, 1996, The League of Women Voters of Brookline, Brookline, Massachusetts, **Public Health and the Health of the Public**

September 11, 1996, Conference/The Future of American Health Care: Evolution/Revolution, New York, New York, **Urban Health**

June 11, 1996, 23rd Annual Conference/Global Health, Future Risks, Present Needs, National Council on International Health, Crystal City, Virginia, **New and Re-emerging Infectious Diseases**

June 11, 1996, National Council on International Health, New York, New York, **Emerging and Resurging Pathogens in New York City**

June 4, 1996, Infant Mortality Conference, New York, New York, **Surpassing Infant Mortality Goals for New York City--Developing an Action Plan**

May 21, 1996, Irvington Institute for Medical Research, Lecture Series, New York, New York, **Public Health and the Role of Research**

May 1996, Urban Health Research Center, Centers for Disease Control, Atlanta, Georgia, **Issues in Urban Health**

May 23, 1996, IOM Silver Anniversary Celebration, American Academy of Arts and Sciences, Cambridge, Massachusetts, **The "Managed Care" Revolution and Related Issues in Health Care**

May 21, 1996, Irvington Institute for Medical Research Breakfast Lecture, New York, New York, **Public Health and the Role of Research**

May 4, 1996, 1996 Annual National Meeting of the Society of General Internal Medicine (SGIM), Washington, D.C., **Vanishing Public Hospitals and Clinics: Impact on Patient Access and Health Status, Strategies for Response**

April 11, 1996, National Health Policy Forum Meeting, Washington, D.C. , **Emerging Infectious Diseases: A Major Public Health Challenge**

October 18, 1995, United States Senate, Committee on Labor and Human Resources, Washington, D.C., **"Emerging Infections: A Significant Threat to the Nation's Health"**

September 16, 1995, Hives of Sickness: Public Health and Epidemics in New York City, Museum of the City of New York, New York, **Epidemics and Response of Public Sector**

April 5, 1995, United States House of Representatives, Subcommittee on Health and Environment, Committee on Commerce, Washington, D.C., **Reauthorization of the Ryan White CARE Act**

February 22, 1995, United States Senate, Labor and Human Resources Committee, Washington, D.C., **Reauthorization of the Ryan White CARE Act**

February 3, 1995, AIDS Policy in Europe and the United States, New York University, New York, **Organizational and Political Responses to AIDS in Europe and the United States**

November 18, 1994, The Eighth International Conference on Drug Policy Reform, Washington, D.C., **Drug Policy and Health: A Urban Perspective**

October 31, 1994, American Association of Colleges of Nursing, 25th Anniversary Celebration, Washington, D.C., **Health Care Reform and Its Impact on Nursing**

October 18, 1994, The National Academy of Science, Institute of Medicine, Annual Meeting, Washington, D.C., **Looking Ahead: Public Health Concerns**

September 26, 1994, Health Committee of the New York Council, New York, **INTRO.232-A**

September 19, 1994, 1994 Urban Maternal and Child Health Leadership Conference, CitiMatCH, Radisson Barcelo Hotel, New York, **Urban Children in Need: Responsible and Responsive Leaders**

September 19, 1994, 1994 Urban Maternal & Child Health Leadership Conference, Washington, D.C., **Enhancing Leadership for Maternal and Child Health in Urban Health Departments**

September 9, 1994, SmithKline Beechman Anti-Infective Conference, New York, **The Social and Economic Impact of Aids: A New York Perspective**

11th SmithKline Beecham Anti-Infective Conference, New York, New York, **The Social and Economic Impact on AIDS on Major Cities**

August 25, 1994, 1994 STD/HIV Prevention Meeting, Washington, D.C. **"STD/HIV Program Integration: Realities at the Local Level"**

June 10, 1994, Harvard Medical School Alumni Day, Boston, Massachusetts, **Unlimited Hope/Limited Resources**

June 6, 1994, Health Committee of the New York City Council, New York, **INTRO.232 and The Health Impact of Environmental Tobacco Smoke**

June 2, 1994, Rockefeller University, Symposium in Honor of the Weizman Institute, New York, **Science and the Future of Health**

May 5, 1994, Medical Grand Rounds, Massachusetts General Hospital, Boston, Massachusetts, **Epidemiology and Control of Multi-drug Resistant Mycobacterium Tuberculosis**

April 18, 1994, Women in Medicine, New York University School of Medicine, New York, New York, **Health Problems of Women**

March 30, 1994, Commissioner Meeting, Commonwealth Fund, New York, **The Commonwealth Fund, Commission on Women's Health**

March 11, 1994, American Lung Association/American Thoracic Society Conference to Re-establish Control of Tuberculosis in the United States, Georgetown University Conference Center, Washington, D.C. **Assessment of Tuberculosis Control in the United States and Recommendations for Re-establishing Control of this Disease**

February 14, 1994, The New York Academy of Sciences, Beyond the Crisis: Preserving the Capacity for Excellence in Health Care and Medical Science, New York, **Fusing Excellence to Reform**

January 31, 1994, United States House of Representatives, Washington, D.C., **The Role the Public Health Should Play in "Reformed" National Health Care Environment**

June 7, 1993, Health Care in Underserved Urban America: Implications for National Health Reform, Hudson Hospital, New York, **Issues in Urban Health**

May 5, 1993, The Rockefeller University, New York, **Urban Health Crises: AIDS, Tuberculosis and Drug Addiction**

December 4-5, 1992, Conference on the Dual Epidemics of Tuberculosis and Aids, New York, **Rebuilding the Public Health Infrastructure: The Challenge of Tuberculosis Control in New York City**

November 21, 1992, The Seventh Annual Conference on Women's Health, National Council on Women Health, New York Academy of Medicine, New York, **AIDS: A Women's Issue**

November 19, 1992, World Congress on Tuberculosis, Bethesda, Maryland, **Strengthening the Infrastructure for Public Health in the United States**

November 5, 1992, New York Lung Association, New York, **What New York City Is Doing to Combat the Spread of Tuberculosis**

September 11, 1992, New York City Council, New York, **INTRO.2A**

June 9, 1992, Anniversary Discourse, The New York Academy of Medicine, Spring Stated Meeting, New York, **Urgent Issues in Public Health**

March 25, 1992, New York Society for Health Planning, **Public Health and the Need for Planning**

March 11, 1992, New York City Coalition, New York, **Reducing HIV Infection Among Youth in High Risk Situations**

February 27, 1992, Cornell University Medical Center, New York, **Poverty, Public Health and Tuberculosis Control in New York City: Lessons from the Past**

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

The Office of the Assistant Secretary for Planning and Evaluation (ASPE) serves as the principal advisor to the Secretary of Health and Human Services on policy development and program analysis. The Office is responsible for providing guidance and support activities for policy implementation-- including planning, policy and budget analysis, development and review of regulations and/or legislation--as well as the conduct and coordination of research and evaluation across the full range of health and human service issues addressed by the Department.

I have a strong background and extensive experience in health and science policy and planning, program implementation, and broad expertise in research design and execution, including basic, clinical, behavioral and epidemiologic research. As Commissioner of the New York City Department of Health and as Assistant Director of the National Institute of Allergy and Infectious Disease, I have had in-depth experience with the legislative process, management and budget matters, and the administration of research and grant programs. I have also been intensively involved in program planning and evaluation, strategic planning, and policy development and implementation.

While Commissioner of Health, I faced an extraordinary array of challenges that placed me squarely at the intersection of health, human services and economics. Responsible for the management of some of the most complex public health problems in the nation, I have had to effectively understand and address not just issues of public health and medicine, but also cross-cutting concerns such as housing, education, employment, and economic impacts and implications.

Finally, I have a proven record of working in a highly professional and, bipartisan manner, as well as a deep commitment to public service. During this period of enormous transformation in how our nation thinks about and delivers health and human services, I believe that I could bring meaningful and effective leadership to the Office of the Assistant Secretary for Planning and Evaluation.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.
   Yes

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.
   I do not know of any conflicts of interest

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.
   None

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, 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 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.

As Commissioner of the New York City Department of Health, I was directly involved in the administration and execution of law and public policy. In addition, in that professional capacity, I was frequently involved in the legislative process at the local, state and federal level. This included reviewing proposed legislation, testifying before legislative bodies, working with legislators and their staffs in the development and modification of legislation, and assisting in the drafting of legislation.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)

I do not believe that any potential conflicts of interest exist. I have resigned or will resign from outside positions in the institutions/organizations cited in part A, question #11

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.

I believe that this information has been sent directly to the Committee.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

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, professional association, disciplinary committee, or other professional group? If so, provide details.

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? 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.

As a private citizen, I have never been named as a party in interest in any administrative or civil litigation. However, in my capacity as Commissioner of the New

York City Department of Health I have been a named plaintiff, petitioner, defendant or respondent in numerous civil actions or administrative proceedings. I am attaching the roster of cases in which I was named in my official capacity as Health Commissioner. I would be happy to discuss any of these with you in further detail.

ATTACHMENT B

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.

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

PREPARED STATEMENT OF STANFORD G. ROSS

Mr. Chairman and Members of the Committee, I am honored to appear before you as a nominee of the President to be a member of the bipartisan Social Security Advisory Board. As you are aware, the President has announced that if I am confirmed by the Senate, he will also designate me as Chair of the Board.

Last month, Kenneth Apfel became the first Commissioner to be confirmed by the Senate to lead the newly independent Social Security Administration. If the Senate votes to confirm the Chair of the Advisory Board as well, I believe the leadership team that the Members of this Committee and the Congress designed more than 3 years ago can finally begin to function as you intended.

The 1994 legislation making the Social Security Administration an independent agency and establishing an independent Social Security Advisory Board was an important and creative step by the Congress to establish a way to better address the problems of Social Security. By providing for a standing Advisory Board, the Congress recognized the value of having a permanent institution to which the Congress, the President, and the Commissioner of Social Security can turn for bipartisan advice and assistance.

I believe strongly in the importance of a bipartisan approach to Social Security. I served for over 5 years as one of two Public Trustees for the Social Security and Medicare programs. Our service bridged two Administrations (one Republican and one Democratic), and two Advisory Councils (one appointed by a Republican Administration and one by a Democratic Administration).

My Republican colleague and I operated on a fully bipartisan basis. Every statement we made over 5 years was by consensus, and without partisan content or political dissonance. We worked in this way because we believed that the Social Security and Medicare programs were too important to be politicized.

If confirmed by the Senate, I will do everything I can to ensure that the Advisory Board operates in this same bipartisan spirit.

Over the last year the Board has been operating without its full membership and without a confirmed Chair. Nevertheless, it has unanimously approved two valuable reports with recommendations on what the Social Security Administration should do to strengthen its research and policy-making capacity, and what it should do to promote better understanding of Social Security by the public. These reports have been widely distributed to Members of Congress, the media, and the public.

I look forward to helping the Board build on this promising beginning, and to tackling the many other tasks the Congress has given it. By law the Board has the responsibility of advising the President and the Congress on policies that will ensure the solvency of the Social Security program, recommending ways to improve the quality of service that the Social Security Administration provides to the public, increasing public understanding of Social Security, making recommendations for coordinating the Social Security and Supplemental Security Income programs with the Medicare and Medicaid programs, and performing other important duties as well.

This is a tall order for a part-time Board that by statute is directed to meet not less than 4 times a year. Because of the importance and complexity of the mission given the Board, the present members have generally elected to meet monthly. The Board currently is assisted by a small staff with two professional staff members and two individuals temporarily on detail from the Social Security Administration.

Obviously, what the Board can accomplish is dependent on the resources available and the relationships it builds with other, much larger institutions important to the future of Social Security. The coming period is critical to establish the role of the Board and I pledge to maximize the contribution of the Board to achieving the goals of the 1994 legislation you enacted.

This is a challenging time for Social Security. As a Public Trustee, I began signing Trustees' reports back in 1991 that called attention to the future shortfalls in funding for the Social Security and Medicare programs. I signed the 1995 Message from the Public Trustees which urged prompt action to address the critical public policy issues raised by the financing projections for these programs. I believe that the public debate on these issues needs to proceed apace, and decisions should be made as promptly as possible in order to assure the public that these programs will remain secure. I think the Board can and should contribute to this process.

Disability is another area that needs close attention. Costs of the Disability Insurance and SSI disability programs increased from $33 billion in 1989 to $68 billion in 1996. We need research that will provide a better understanding of the underlying causes of program growth and change. We need to figure out how those with disabilities can gain and retain employment. And we need to look for ways to make the inherently difficult disability determination process as fair, equitable, and efficient as possible. SSA has taken beginning steps in all of these areas, but more needs to be done.

There are other challenges as well. The Social Security Administration has a history of providing good service to the public. I hope the Board will be able to advise the Commissioner on ways to provide an even higher quality of service, so that the public can be assured of receiving accurate information, and prompt, efficient, and courteous service at all times. These are goals I know the Commissioner and the agency share as well.

Mr. Chairman, it would be a privilege and an honor to have an opportunity to be part of the effort to address these critical needs, and to fulfill the mandate which you have given the Social Security Advisory Board.

I believe my experience in both the public and private sectors qualifies me to serve on the Board. In 1978-1979 I had the privilege of serving as the Commissioner of Social Security. And as I indicated earlier, as a Public Trustee from 1990 to 1995 I learned that approaching Social Security and related issues in a nonpartisan and professional manner, and building broad bipartisan support for solutions, is the best way to make a contribution to the system.

If confirmed, I will look forward to working with the Congress, the Administration, and the Commissioner of Social Security in addressing the Social Security and Supplemental Security Income issues that are of such great importance to the American people.

I am interested now, and at all times in the future, in receiving any guidance or suggestions you wish to provide me and the Board. I recognize the formidable challenges that confront the Board, and I ask for your support as we tackle the challenges.

Thank you. I would be happy to answer any questions that you may have.

The White House,

OCT - 8 1997 *19*

To the

Senate of the United States.

I nominate Stanford G. Ross, of the District of Columbia, to be a Member of the Social Security Advisory Board for a term expiring September 30, 2002, vice William C. Brooks.

William J. Clinton

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release **October 8, 1997**

PRESIDENT CLINTON NAMES STANFORD G. ROSS AS MEMBER AND CHAIR OF THE SOCIAL SECURITY ADVISORY BOARD

The President today announced his intent to nominate Stanford G. Ross to serve as a member of the Social Security Advisory Board. Upon his confirmation as a member by the Senate, the President intends to designate Mr. Ross as Chair of the board.

Stanford G. Ross, of the District of Columbia, is an expert in social security and federal taxation issues. He is a Director, former President, and founding member of the National Academy of Social Insurance, and serves as Chair of its International Understanding Committee. He has provided technical assistance on social security and tax issues under the auspices of the International Monetary Fund, World Bank, and the U.S. Treasury Department to various foreign countries. Currently, Mr. Ross is a senior partner in the law firm of Arnold & Porter in Washington, D.C., where he specializes in federal tax and administrative law. He served as Commissioner of Social Security at the Department of Health and Human Services and as the Chair of the Advisory Council on Social Security during the Carter Administration. In addition, he served as a Public Trustee of the Social Security and Medicare Trust Funds during the Bush and Clinton Administrations.

Mr. Ross received an A.B. degree from Washington University and a J.D. degree from Harvard Law School.

The Social Security Advisory Board was created by Public Law 103-296 in 1994. The Board is responsible for advising the President, the Congress, and the Commissioner of the Social Security Administration on policies related to the old-age, survivors, and the disability insurance program and the supplemental security income program.

-30-30-30-

October 16, 1997

SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)

Stanford G. Ross
(formerly Stanford G. Rosenblum from 10/31 to 11/58)

2. Position to which nominated:

Member of the Social Security Advisory Board; if confirmed, I expect to be designated Chair of the Board by the President.

3. Date of nomination:

October 8, 1997

** The information provided is based on my knowledge, belief and review of available records. It is possible, if additional records were available, that there could be additional items or some items could be changed, but it is believed that the information here is reasonably complete and accurate.

4. Address: (List current residence, office, and mailing addresses.)

Residence:
2914 33rd Place, N.W.
Washington, D.C. 20008

Office:
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004

Both are mailing addresses

5. Date and place of birth:

October 9, 1931
St. Louis, Missouri

6. Marital status: (Include maiden name of wife or husband's name.)

Married to Dorothy Ross
(Maiden name: Dorothy Rabin)

7. Names and ages of children:

John N. Ross (32)
Ellen Ross Finn (30)

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

Harvard Law School (9/53 to 6/56), J.D. June 1956

Washington University (St. Louis) (9/49 to 6/53), B.A. June 1953

University City, Mo. Senior High School (9/46 to 6/49), Diploma June 1949

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.)

Partner (1/83 to present)
Law Firm of Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004

Partner (1/80 to 12/82)
Law Firm of Califano, Ross & Heineman
1575 I Street, N.W.
Washington, D.C. 20005

Commissioner of Social Security (9/78 to 12/79)
Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Partner (2/69 to 8/78)
Law Firm of Caplin & Drysdale
1101 17th Street, N.W.
Washington, D.C. 20036

General Counsel (5/68 to 1/69)
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Staff Assistant (3/67 to 5/68)
White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Professor (9/63 to 5/67)
New York University School of Law
40 Washington Square South
New York, New York 10003

Assistant Tax Legislative Counsel (6/61 to 8/63)
Treasury Department
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Associate (11/58 to 6/61)
Law Firm of Dewey, Ballantine, Bushby,
Palmer & Wood
140 Broadway
New York, New York 10005

Teaching Fellow & Research Assistant
(7/57 to 10/58)
Harvard Law School
1563 Massachusetts Avenue
Cambridge, Massachusetts 02138

Associate (6/56 to 6/57)
Law Firm of Irell & Manella
1800 Avenue of the Stars
Los Angeles, California 90067

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

Public Trustee, Social Security and Medicare Trust Funds (10/90 to 4/95)

Commissioner of Social Security (9/78 to 12/79)
Department of Health & Human Services

Chairman, Advisory Council on Social Security (2/78 to 9/78)
Department of Health & Human Services

General Counsel (5/68 to 1/69)
Department of Transportation;

Advisory Committee, Department of Housing and urban Development (5/68 to 1/69)

White House Domestic Staff Assistant; Consultant, Bureau of the Budget and Council of Economic Advisers; Executive Director, National Advisory Panel on Insurance in Riot-Affected Areas (The National Advisory Commission on Civil Disorders) (3/67 to 5/68)

Assistant Tax Legislative Counsel, Department of the Treasury (6/61 to 8/63)

Consultant, Department of Treasury (8/63 to 12/66)

Advisory Committee on Tax Administration, City of New York (1965 to 1966)

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

Partner, Arnold & Porter Law Firm (1/83 to present)

Partner, Califano, Ross & Heineman Law Firm (1/80 to 12/82)

Partner, Caplin & Drysdale Law Firm (2/69 to 8/78)

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Director, former President, and Founding Member, National Academy of Social Insurance

Member, American Bar Association, Federal Bar Association, District of Columbia Bar Association, New York Bar, California Bar, International Fiscal Association (U.S.A. Branch)

Member, Council for Excellence in Government

Member, American Civil Liberties Union

13. Political affiliations and activities:

a. List all public offices for which you have been a candidate.

None

b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

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.

My personal records show the following political contributions during the last ten years:

5/31/97	Friends of Linda Rhodes	$ 400
6/9/96	Friends of Chris Dodd	250
9/21/95	Clinton/Gore '96 Primary Committee, Inc.	1,000
6/14/94	Citizens for John Ray	100
7/26/92	Mert Bernstein for U.S. Senate Committee	100
1/21/92	Clinton for President Committee	1,000
3/10/91	Leo Corbett for Council	1,000
9/30/88	DNC Victory Fund, Federal Account	1,000
6/5/88	Dukakis Compliance Fund	1,000
3/31/88	Dukakis for President	1,000
3/20/88	Lana Pollock for U.S. Congress	150
2/21/88	Gephardt for President	750

In addition, I have made the following political contributions to the Arnold & Porter Political Action Committee which has made political contributions:

1997	525
1996	700
1995	700
1994	700
1993	800
1992	800
1991	800
1990	900
1989	1,000
1988	1,000
1987	750

I served on the Board of the Arnold & Porter Political Action Committee from August 10, 1987 to April 16, 1990 when I resigned.

My personal records also show the following political contributions by my wife during the last ten years:

5/31/97	Friends of Linda Rhodes	400
1/22/97	Emily's List	250
10/3/96	Emily's List	200
6/4/96	Emily's List	500

9/2/95	Clinton/Gore '96 Primary Committee, Inc.	1,000
9/17/95	Emily's List	200
6/4/95	Emily's List	500
8/3/94	Emily's List	100
6/14/94	Citizens for John Ray	100
5/8/94	Emily's List	200
9/29/93	Emily's List	100
6/8/92	Emily's List	200
4/24/92	Clinton for President Committee	1,000
2/22/92	Emily's List	200
3/10/91	Leo Corbett for Council	1,000
1/16/91	Emily's List	100
10/17/90	Harvey Gantt for U.S. Senate	100
10/11/90	Ann Richards Committee	100
6/11/90	Emily's List Opportunity Fund	100
5/10/90	Citizens for Eleanor Holmes Norton	100
2/25/90	Ann Richards Committee	100
2/25/90	Josie Heath for U.S. Senate	100
6/26/89	Emily's List	100
3/13/88	Women for Congress	100
11/11/87	Emily's List	100

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.)

Outstanding Leadership Award, Department of Health, Education and Welfare (1979)

Nomination for Arthur S. Fleming Award for Outstanding Young Men in Federal Government (1969)

Phi Beta Kappa; Phi Eta Sigma; Artus (Washington University of St. Louis)

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

"Common Issues of Social Security and Taxation Systems," Chapter 1 of <u>Interaction of Social</u>

Security and Tax Systems (International Social Security Association 1997)

"Domestic Reforms: The Importance of Process," a paper in a series on The Future of the Public Sector (The Urban Institute 1996)

"Institutional and Administrative Reforms," Chapter 16 of Social Security in the 21st Century, edited by E.R. Kingson and J.M. Schulz (Oxford 1996)

"Public Versus Private Pensions -- Dimensions of a Worldwide debate," Chapter 5 of Protecting Retirement Incomes: Options for Reform (International Social Security association 1996)

"The Need for Institutional Reform," Chapter 10 of The Implications for Social Security of Structural Adjustment Polices (International Social Security Association 1993)

"National Versus International Approaches to Cross-Border Tax Issues," Tax Notes, February 3, 1992

"U.S. International Tax Policy: Where Are We? Where Should We Be Going?," Tax Notes, April 16, 1990

"Federal Tax Policy," Ch. VII of Business, Work, and Benefits: Adjusting to Change (Employee Benefit Research Institute 1989)

"International Tax Law: The Need for Constructive Change," Ch. 8 of Tax Policy in the Twenty-First Century, Herbert Stein (Editor) (John Wiley & Sons, Inc. 1988)

"Developing Countries and the New International Aspects of U.S. Taxation," Bulletin 1988/3, International Bureau of Fiscal Documentation, vol. 42

"Public and Private Aspects of Social Policy: What are the Appropriate Roles for Public and Private Sector Programs?", in The National Social Conscience Conference Proceedings (Brandeis University 1986)

"Foreign Tax Provisions of H.R. 3838," Tax Notes, February 24, 1986

"A Perspective on International Tax Policy," Tax Notes, February 18, 1985

"Private Sector Retirement Security: The Need for a Comprehensive National Income Security Policy," Pensions and Taxes, Who Wins, Who Loses?, Government Research Corporation, 1984

"The Changing Nature of Social Security," in A Challenge to Social Security: The Changing Roles of Women and Men in American Society, Ch. 11, Richard V. Burkhauser and Karen C. Holder (editors) (Academic Press 1982)

"Income Security: A Framework for Reform," National Journal (October 18, 1980)

Income Security Programs: Past, Present and Future, Working Paper for the President's Commission on Pension Policy (October 1980)

"Social Security Today: the Need for Reform," Tax Notes, February 11, 1980

New Directions in Social Security: Considerations for the 1980's (Department of Health, Education and Welfare, Social Security Administration, December 1979)

"Social Security: A Worldwide Issue," in Social Security In A Changing World (Department of Health, Education, and Welfare, Social Security Administration, September 1979)

Tax Incentives for Industry in Mexico (Harvard Law School International Program in Taxation, 1959)

"Foreign Governments' Tax Incentives for Investment," Private Investments Abroad (Matthew Bender, 1959)

"United States Taxation of International Business Transactions," A Lawyer's Guide to International Business Transactions (ALI-ABA, 1963)

"Commentary," Doing Business in the Common Market (George Washington University-CCH, 1963)

Report on United States Jurisdiction to Tax Foreign Income, Studies on International Fiscal Law (International Fiscal Association, Vol. XLIXb, 1964)

"Report on International Fiscal Association Hamburg Meeting," American Journal of Comparative Law, Vol. 13, No. 2 (Spring 1964)

"The Impact of the Revenue Act of 1962 on Reorganizations and Other Rearrangements Involving Foreign Corporations," 22nd New York University Annual Tax Institute (1964)

Review, Taxation in the United States, Yale Law Journal, Vol. 74, No. 5 (April 1965)

"Federal Income Taxation," 1964 Annual Survey of American Law (New York University, 1965)

"United States Tax Aspects of U.S.-Owned Operations in Mexico," Bulletin of the Section of Taxation, American Bar Association, Vol. XIX, No. 3 (April 1966)

"United States Taxation of Aliens and Foreign Corporations: The Foreign Investors Tax Act of 1966 and Related Developments," Tax Law Review, Vol. 22, No. 3 (March 1967)

Review, Owens and Ball, The Indirect Foreign Tax Credit, in The Journal of Corporate Taxation, Vol. 3, No. 1 (Spring 1976)

"Federal Income Tax Treatment of United States Oil Corporations," Syracuse Journal of International Law and Commerce, Vol. 2, No. 2 (Fall 1974)

"Structuring for International Oil and Gas Exploration," 25th Annual Institute on Oil and Gas Law (Southwest Legal Foundation 1974)

"Tax Deferral Likely Focus for Future Legislation," Tax Notes, Vol. IV, No. 52 (December 27, 1976)

16. **Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)**

No formal speeches.

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

I have long and broad experience in public service and the private sector that has provided me with the opportunity to develop particular expertise with respect to Social Security, as well as federal taxation and public finance. I have had the privilege of serving as the Commissioner of Social Security (1978-79) and a Public Trustee of the Social Security and Medicare Trust Funds (1990-95) and working on systemic problems of the Social Security and Medicare programs in these roles. I was appointed to be the Commissioner by President Carter and a Public Trustee by President Bush and enjoyed broad bipartisan support at both the time of my confirmations and throughout my periods of service. I have successfully demonstrated that approaching Social Security and related issues in a nonpartisan professional manner and building broad bipartisan support for solutions is the best way to make a contribution to the system. The 1994 legislation making the Social Security Administration an independent agency and creating an independent Social Security Advisory Board were important and creative steps by the Congress to help establish a new process to better address the problems of the Social Security system. I believe that my background, experience, temperament and character make me well-qualified to help implement this new process as a member of the new Board and, if confirmed and designated by the President, as its Chair. I believe I have made significant contributions to the Social Security system in the past and would like to have the opportunity to make even greater contributions as a member of the Board over the next several years. I would look forward to the opportunity to work closely with the Congress and the Administration to address and solve issues for the benefit of all Americans and the future of our country.

B. <u>FUTURE EMPLOYMENT RELATIONSHIPS</u>

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

No. My understanding is that the government service required for the Social Security Advisory Board is part-time, likely 30 to 60 days a year. I intend to continue as a partner of the law firm of Arnold & Porter and to be governed by the generally applicable rules of the partnership with regard to compensation and other matters. The generally applicable rules provide for a phase down in participation between ages 66 and 70 and an unfunded annuity payment after age 70. The amounts to be received are dependent on the law firm's financial results.

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.

Not applicable. See answer to B.1 above.

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.

Not applicable. See answer to B.1 above.

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.

If confirmed, I intend to serve my full term of office.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

I know of none.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, 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.

I know of none.

3. Describe any activity during the past 10 years 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.

As a private lawyer, I have represented many clients in the normal course of established procedures in matters before the agencies.

I have as an individual taken positions on issues of law and public policy, primarily in the areas of federal taxation and income security programs.

The law firm of Arnold & Porter of which I have been a partner from 1983 to the present have acted as registered lobbyists for many clients. I have, as a partner of this law firm, occasionally acted for some of these clients. A client for whom I have engaged in substantial activity is State Farm Insurance Companies.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)

I will avoid any potential conflicts of interest by not accepting any assignments that could conflict with my government duties.

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.

I understand these are being sent directly to the Committee.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

Not applicable.

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, professional association, disciplinary committee, or other professional group? If so, provide details.

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? 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.

   I have been a defendant in two civil tort actions arising from traffic accidents. One stemming from a 1991 accident was settled in 1994 by my insurance company with no payments by me. The second stemming from a 1994 accident is pending in D.C. Superior Court. It is being defended by my insurance company and I have no personal exposure.

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.

   I know of none. I believe the Committee has requested adequate information and will provide whatever additional information is requested or appears called for during the course of the Committee's consideration of my nomination.

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.

PREPARED STATEMENT OF DAVID W. WILCOX

Mr. Chairman, Senator Moynihan, and distinguished members, I am honored to appear before this Committee as the President's nominee to be Assistant Secretary of the Treasury for Economic Policy. I am grateful to the President and the Secretary of the Treasury for their confidence in putting my name forward for this position.

I was born and raised in the Chicago area, the fourth of five children. I graduated from Williams College in 1980 with a BA in mathematics, and from the Massachusetts Institute of Technology in 1987 with a Ph.D. in economics. I am fortunate to be joined today by my wife of 8 years, Melynda.

For the last 11 years, I have had the privilege of serving on the staff of the Federal Reserve Board here in Washington. My responsibilities at the Fed have included a wide variety of topics in macroeconomics and monetary policy. For the first several years of my time at the Fed, I helped prepare the economic forecast that the staff presents to the Federal Open Market Committee before each of its policy-setting meetings. More recently, the bulk of my assignments have involved issues related to the strategy of monetary policy.

Now, I look forward to the possibility of moving into a new area of public service. I firmly believe that I and my colleagues in the Office of Economic Policy will best serve the President, the Congress, and the American people if we strive to develop economic analysis with two simple characteristics. First, it should be hard-headed and rigorous, firmly grounded in the basic principles of economics. Second, it should never lose sight of the fact that it pertains to real people, with real lives, real hopes, and real aspirations. I see no contradiction in these twin objectives.

If confirmed, I look forward to working with you and the members of your staff to address the important economic challenges that confront the American people today. Now I would be happy to answer any questions you may have.

The White House,

SEP 25 1997 *19*

To the

Senate of the United States.

I nominate David W. Wilcox, of Virginia, to be an Assistant Secretary of the Treasury, vice Joshua Gotbaum.

William J. Clinton

DRAFT **DRAFT**

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release **September 25, 1997**

PRESIDENT CLINTON NAMES DAVID W. WILCOX AS ASSISTANT SECRETARY FOR ECONOMIC POLICY AT THE DEPARTMENT OF TREASURY

The President today announced his intent to nominate David W. Wilcox to be Assistant Secretary for Economic Policy at the Department of Treasury.

Dr. Wilcox, of Virginia, is currently a Senior Economist at the Federal Reserve Board in the Division of Monetary Affairs. He began his work with the Federal Reserve Board eleven years ago in the Division of Research and Statistics and has also served as a Senior Economist with the Council of Economic Advisors. In his work with the Federal Reserve Board, he focused on household spending and saving and monetary strategy.

Dr. Wilcox received a Doctoral degree in Economics from the Massachusetts Institute of Technology and graduated Magna Cum Laude from Williams College with a Bachelor of Arts in Mathematics.

As the Assistant Secretary for Economic Policy, Dr. Wilcox will serve as the principal advisor to the Secretary and Deputy Secretary on a wide range of domestic economic policy issues. Among the other responsibilities, he will participate in developing the Administration's official economic projections. In his new role, Dr. Wilcox also will work closely with the Council of Economic Advisors, the Office of Management and Budget, among other government agencies.

-30-30-30

SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)

   David W. Wilcox

2. Position to which nominated:

   Assistant Secretary for Economic Policy
   Department of the Treasury

3. Date of nomination:

   September 25, 1997

4. Address: (List current residence, office, and mailing addresses.)

   Residence:
   403 Jackson Place
   Alexandria, VA 22302

   Office:
   Federal Reserve Board
   20th and C Streets, NW
   Washington, DC 20551

5. Date and place of birth:

   September 17, 1958
   Evanston, Illinois

6. Marital status: (Include maiden name of wife or husband's name.)

   Married since 1989 to Melynda Dovel Wilcox

7. Names and ages of children:

   None at present; twins expected March 1998

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

   Secondary:
   New Trier High School East, Winnetka, IL
   1972 — 1976; high school diploma; 1976

   College:
   Williams College, Williamstown, MA
   1976 — 1980; B.A.; 1980

   Graduate school:
   Massachusetts Institute of Technology
   1982 — 1986; Ph.D.; 1987

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.)

   Research assistant, Federal Reserve Board, Washington, DC, 7/80-8/82.

   Economist and Senior Economist, Federal Reserve Board, Washington, DC, 9/86-present, including one-year leave-of-absence as:

      Senior Economist, President's Council of Economic Advisers, Washington, DC, 6/94-6/95.

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

    None.

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

    None.

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

    Member, American Economic Association.

    Former member, Board of Editors, American Economic Review.

    Member of the congregation, former member of the Vestry, and co-chair of the Strategic Planning Committee, Christ Church Georgetown.

13. Political affiliations and activities:

    a. List all public offices for which you have been a candidate.

       None.

    b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

       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.

       Harvey Gantt for Senate, $50, September 22, 1996
       Clinton-Gore Committee, $50, August 19, 1992
       Harvey Gantt for Senate, $50, July 1, 1990
       Harvey Gantt for Senate, $50, October 8, 1990

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.)

Phi Beta Kappa

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

REFEREED PUBLICATIONS

"Do Firms Smooth the Seasonal in Production During a Boom? Theory and Evidence" (with Stephen G. Cecchetti and Anil K Kashyap) forthcoming, American Economic Review

"A Comparison of Alternative Instrumental Variables Estimators of a Dynamic Linear Model" (with Kenneth D. West) Journal of Business and Economic Statistics July 1996 14(3) pp. 281-93

"Monetary Policy and Credit Conditions: Evidence from the Composition of External Finance: Reply" (with Anil K Kashyap and Jeremy C. Stein) American Economic Review March 1996 86(1) pp. 310-4

"Judging Instrument Relevance in Instrumental Variables Estimation" (with Alastair R. Hall and Glenn D. Rudebusch) International Economic Review May 1996 37(2) pp. 283-98

"Does Consumer Sentiment Forecast Household Spending? If So, Why?" (with Christopher D. Carroll and Jeffrey C. Fuhrer) American Economic Review December 1994 84(5) pp. 1397-1408

"Production and Inventory Control at the General Motors Corporation During the 1920s and 1930s" (with Anil K Kashyap) American Economic Review June 1993 83(3) pp. 383-401

"Monetary Policy and Credit Conditions: Evidence from the Composition of External Finance" (with Anil K Kashyap and Jeremy C. Stein) American Economic Review March 1993 83(1) pp. 78-98

"The Effect of Sampling Error on the Time Series Behavior of Consumption Data" (with William R. Bell) Journal of Econometrics 1993 55(½) Annals 1993-1 pp. 235-66

"The Construction of U.S. Consumption Data: Some Facts and Their Implications for Empirical Work" American Economic Review September 1992 82(4) pp. 922-41

"The Sustainability of Government Deficits: Implications of the Present-Value Borrowing

Constraint" Journal of Money, Credit, and Banking August 1989 21(3) pp. 291-306

"Seasonal Fluctuations and the Life Cycle-Permanent income Model of Consumption: A Correction" (with William B. English and Jeffrey A. Miron) Journal of Political Economy August 1989 97(4) pp. 988-91

"Social Security Benefits, Consumption Expenditure, and the Life Cycle Hypothesis" Journal of Political Economy April 1989 97(2) pp. 288-304

OTHER PUBLICATIONS

"The Introduction of Indexed Government Debt in the United States" forthcoming, Journal of Economic Perspectives

"Alternative Strategies for Aggregating Prices in the CPI" (with Matthew D. Shapiro) NBER Working Paper 5980 and forthcoming, Federal Reserve Bank of St. Louis Review

"Econometric Models and the Monetary Policy Process" (with David L. Reifschneider and David J. Stockton) forthcoming, Carnegie-Rochester Conference Series on Public Policy 1997 vol. 47

"Employee Decisions with Respect to 401(k) Plans: Evidence from Individual-Level Data" (with Andrea L. Kusko and James M. Poterba) forthcoming in Olivia S. Mitchell and Sylvester J. Schieber (eds.) Living with Defined Contribution Pension Plans: Remaking Responsibility for Retirement University of Pennsylvania Press, 1997

"What Economic Question Does the Consumer Price Index Answer?" forthcoming, Proceedings of the Business and Economics Statistics Section, American Statistical Association, 1996

"Statistics Under the Spotlight: Improving the Consumer Price Index" (panel discussion with Jack E. Triplett, Katharine G. Abraham, William A. Barnett, Robert J. Gordon and Kirk M. Wolter) forthcoming, Proceedings of the Business and Economics Statistics Section, American Statistical Association, 1996

"Mismeasurement in the Consumer Price Index: An Evaluation" (with Matthew D. Shapiro) NBER Macroeconomics Annual 1996 pp. 93-142

"*Understanding Consumption* by Angus Deaton" book review in Journal of Economic Literature September 1994 32(3) pp. 1234-5

"Estimation and Inference in the Linear-Quadratic Inventory Model" (with Kenneth D. West) Journal of Economic Dynamics and Control May/June 1994 18(3/4) pp. 897-908

"Some Evidence on the Finite Sample Behavior of an Instrumental Variables Estimator of the Linear Quadratic Inventory Model" (with Kenneth D. West) in R. Fiorito (ed.) Inventory, Business Cycles and Monetary Policy Berlin: Springer-Verlag 1994

"Comment on 'The Welfare Gain from the Introduction of Indexed Bonds'" Journal of Money, Credit, and Banking August 1993 25(3) Pt. 2 pp. 632-5

"Consumer Durables" in D. Glasner (ed.) Business Cycles and Depressions: An Encyclopedia New York and London; Garland Publishing, Inc., pp. 111-4

"Household Spending and Saving: Measurement, Trends, and Analysis" Federal Reserve Bulletin January 1991 77(1) pp. 1-17

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)

"What Economic Question Does the Consumer Price Index Answer?" delivered at the annual meetings of the American Statistical Association, Chicago, 1996

Copies attached.

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

I believe that I am qualified to serve as Assistant Secretary of the Treasury for Economic Policy by virtue of my graduate education and my job experience. As for my graduate education, I received a Ph.D. in Economics from the Massachusetts Institute of Technology in 1986. My coursework included concentrations in monetary theory and policy, and in econometrics. My dissertation consisted of three papers dealing with various topics related to fiscal policy and household spending.

As for my job experience, I have had the privilege of serving on the staff of the Federal Reserve Board for the 11 years since I left MIT. My duties at the Board have included responsibility for the analysis of current trends in household spending and saving, current trends in the economy more generally (including GDP), and analysis relating to the design and implementation of monetary policy. My research has covered a broad range of topics including the influence of fiscal policy on household spending, strategic aspects of the design of monetary policy, and issues related to the calculation of the consumer price index.

Throughout my professional career, I have aimed to provide decisionmakers with economic analysis of the highest possible quality. I anticipate that this objective, as well as my educational and professional background, will be highly relevant for my ability to perform my duties should I be confirmed.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

Yes.

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 investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, 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 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.

   None.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)

   If I become aware of any potential conflict of interest in connection with the performance of my official duties following my appointment as assistant secretary, I will consult promptly with Treasury's ethics counsel.

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.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

   Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

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, professional association, disciplinary committee, or

other professional group? If so, provide details.

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? 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. <u>TESTIFYING BEFORE CONGRESS</u>

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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