

STRENGTHEN SOCIAL SECURITY

...don't cut it.

July 20, 2015

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Obama:

We understand that you may be considering nominating the two current public trustees, Charles P. Blahous III and Robert D. Reischauer, for second terms. We, the Strengthen Social Security Coalition, are writing to express our strong objection to their reappointment. As explained below, their reappointment would, among other concerns, break the long-standing, valuable practice of appointing individuals to be public trustees for only a single term. We urge you instead to nominate other experts who are committed to the program and have never served as public trustees, consistent with the tradition of the public trustees as outside experts who represent the public interest.

The Strengthen Social Security Coalition is comprised of over 350 national and state organizations, representing more than 50 million Americans. Our coalition is comprised of seniors groups, women's groups, unions, disability groups, civil rights groups, veterans' groups, and others, who stand together in support of our Social Security system and its beneficiaries.

Public trustees are intended to act as outside watchdogs, providing Americans increased confidence that their Social Security trust funds are being managed prudently and responsibly. For that reason, it has been the practice to appoint individuals to be public trustees for only a single four-year term, as a way to maintain the outsider, watch-dog quality of the public trustees.

That practice of not reappointing was broken only one time. Over the strenuous objections of, among others, then Senate Finance Committee Chairman Chuck Grassley (R-IA), and Ranking Member Max Baucus (D-MT) President George W. Bush, using his power to make recess appointments to avoid confirmation, appointed Dr. John Palmer and Dr. Thomas Saving to second terms.

At the time, Senator Grassley explained his well-reasoned concern, "This is a small board, and every member carries a lot of weight," adding, "It's important to have new people every four years to represent the taxpaying public's perspective on challenges facing two of the most successful government programs in history."

Similarly, Senator Baucus said, "Never in the history of the public trustees have appointees served more than one term, and that's for good reason. Fresh thinking and new ideas are critical to the proper assessment and administration of the Social Security and Medicare programs."

We agree completely. We strongly support returning to the practice of limiting the terms of the Social Security public trustees to one single term. There are many qualified experts, Democratic and Republican, who would make excellent public trustees. We are happy to recommend them to you if that would be helpful.

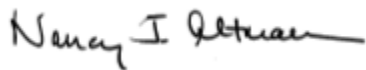
Though we oppose the reappointment of both public trustees, we want to alert you to our special concern about Dr. Blahous. Though he is unquestionably an expert, he was a vocal supporter of President Bush's privatization proposal and has made clear that he favors cutting Social Security's modest benefits. As just the most recent example, on February 19, 2015, Dr. Blahous published an article entitled, "[Mindless Yes, Austerity, No: The Real Budget Problem.](#)" in which he wrote that "rising entitlement spending is a problem because it steadily degrades our capacity to spend on other priorities." In his phrase, "entitlement spending," he is referring to Social Security, as well as Medicare, Medicaid, and the Affordable Care Act. When he speaks about "rising" spending on Social Security, he is not referring to an expansion of benefits, but simply the payment of the currently scheduled level of Social Security benefits to those who have earned them. If there were any doubt, the penultimate sentence of this recent article makes his point clear: "As long as spending growth in Social Security, Medicare, Medicaid and the ACA continues unabated, we can expect the share of national resources devoted to other federal government priorities to continue to decline."

Our coalition strongly disagrees with Dr. Blahous' expressed opinion that Social Security's benefits should be cut or the program radically altered. Though he is, of course, entitled to his view, he should not have the imprimatur of a public trustee when he makes these political arguments.

Moreover, whether one agrees with his view or not, it is crucial to recognize that Dr. Blahous has, in his first term, repeatedly taken public positions which, if legislated, would harm Social Security participants and beneficiaries. In this way, he has violated his fiduciary duty of loyalty to Social Security's beneficiaries. His public urging that benefits be cut, not only is not in the sole interest of Social Security's beneficiaries, it is, indeed, in direct conflict with their interests. Since it is apparent that Dr. Blahous has no reticence in expressing his strongly held views which run contrary to the interest of Social Security beneficiaries, he certainly should not be reappointed as a public trustee.

For these reasons, we strongly urge you to nominate new experts for the public trustee positions. There are a number of excellent choices available. We would be happy to recommend names, if that would be helpful.

Most Respectfully,



Nancy Altman
Chair, Strengthen Social Security Coalition

Cc: White House Office of Public Engagement
The Honorable Orrin Hatch, Chair, U.S. Senate Finance Committee
The Honorable Ron Wyden, Ranking Member, U.S. Senate Finance Committee