

# **SENATE BUDGET COMMITTEE**

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# **KENT CONRAD, CHAIRMAN**

FOR IMMEDIATE RELEASE  
January 9, 2003

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## **STATEMENT BY SENATE BUDGET COMMITTEE CHAIRMAN KENT CONRAD (D-ND) ON THE POSSIBLE NOMINATION OF HOLTZ-EAKIN AS CBO DIRECTOR**

Although Dr. Holtz-Eakin has strong academic credentials and is a well-respected economist, the fact that he would be coming to the Congressional Budget Office (CBO) directly from a senior position in the White House would raise serious questions about the independence and nonpartisanship of CBO under his leadership. I want to make clear that my concerns are not specifically about Dr. Holtz-Eakin. I think it would be a mistake to appoint as CBO Director anyone who is serving in a political position in any administration – Republican or Democratic – at the time of the appointment.

I am also concerned that Dr. Holtz-Eakin has expressed general support for dynamic scoring. Advocates of dynamic scoring told us two years ago that the President's 2001 tax cut would boost economic growth and lead to higher revenues than official estimates projected. They told us that we could afford even more tax cuts. We now see how wrong they were. If we had listened to them then, the budget would be in even worse shape now.

Dynamic scoring could lead Congress down a fiscally irresponsible path where the true cost of tax cuts and spending legislation are significantly underestimated. If Dr. Holtz-Eakin is appointed CBO Director, I hope he will carefully consider how CBO approaches the issue of dynamic scoring.

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