

**STATEMENT OF U.S. SENATOR DANIEL K. AKAKA
HEARING ON THE NOMINATION OF JACOB LEW
TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET**

SEPTEMBER 16, 2010

I would like to add my welcome to Mr. Jacob Lew to this Committee. With so many of the challenges facing our nation at this critical time, I am pleased that President Obama has nominated someone with Mr. Lew's unique experience and credentials to be the next Director of the Office of Management and Budget (OMB).

Unfortunately, the economic crisis facing the United States has been deeper, and lasted longer than many of us ever anticipated. The federal response to economic turmoil has been effective in preventing an even greater downturn and placing us on a path to economic recovery by providing emergency resources to state and local governments and businesses. However, this process has been difficult and remains ongoing, which continues to take a heavy toll on American families, as well as the Federal government's budget.

I believe that former Director Orszag's leadership laid the groundwork for bringing the Federal budget under control after the economic turmoil that this Administration inherited. Current projections, while still bleak, show the Federal Government cutting the deficit at an unprecedented pace over the coming years. OMB has also aggressively pursued management efficiencies, and has worked to reduce waste, fraud, and abuse across the Federal Government. As I have said before, I believe that more effective and efficient management are vital to the success of the Federal Government and will yield savings and positive outcomes.

As Chairman of the Subcommittee on Oversight of Government Management, I have witnessed how poor management can compromise taxpayer dollars and harm government missions. I have worked closely with OMB, and others, to address management challenges, notably reforming the outdated security clearance process, in which OMB has taken a leadership role.

We must also continue to improve the performance of the Federal government, as agencies seek to achieve better outcomes at lower costs. This requires better cross cutting strategic planning at agencies, better tools to conduct rigorous program evaluations, and more communication with Congress to inform funding and authorization decisions. I would like to take a moment to commend Deputy Director for Management, Jeffrey Zients, and Associate Director for Performance and Personnel Management, Shelley Metzenbaum, for their strong leadership on government performance issues. I fully support the Administration's efforts to strengthen the Office of Performance and Personnel Management, and look forward to continuing our work together to improve performance across the Federal Government.

OMB is also responsible for several other areas I am especially concerned about. The Federal Government must continue to address contracting policy and the acquisition workforce. My Subcommittee held several hearings in recent years that have shown considerable underinvestment in the acquisition workforce, which at times results in poor contracting oversight. I also want to recognize the Office of Federal Procurement Policy Administrator Dan Gordon's leadership on these issues. I hope that you will support that office's efforts.

I also want to highlight the need for us to look at the Privacy Act of 1972. Changes are needed to modernize the government's privacy policies. Over nearly four decades since the Privacy Act was enacted, technology has changed fundamentally and its use has increased dramatically. Technology makes our lives easier in many ways, but with increased technology, the risk to the security of Americans' personally identifiable information held by the government has also increased. There have been several inadvertent breaches of such information in recent years, and this Committee has begun to look at the steps needed to strengthen privacy protections. I hope that, if confirmed, you will commit to working with us, and our staffs, as we continue to address this important issue.

Finally, I want to close by again thanking you for agreeing to serve in this position, which you held previously under President Clinton. You presided over an OMB that was able to create budget surpluses and began important management initiatives that continue today. You have also served at the State Department as the first ever Deputy Secretary for Management and Resources. These uncertain times call for strong leadership at OMB, and you have demonstrated that quality time and again in your public service. I wish you well in your confirmation process and look forward to supporting you for this important position.

Thank you, Mr. Chairman.