

WASHINGTON, D.C. - The staff of the President's Commission to Strengthen Social Security yesterday released its 165-page final report: "Strengthening Social Security and Creating Personal Wealth for All Americans." The 16-member commission voted unanimously to approve the report and send it on to President Bush for his consideration.

The President's Commission to Strengthen Social Security was formed seven months ago to design institutional changes in the social security system - changes that would allow workers to place part of their social security dollars in a private retirement account that would be invested directly into the stock market. In response to this objective, the commission's report listed three options that would achieve this goal.

Representative Xavier Becerra (CA - 30), a member of the House Ways and Means Committee whose purview of influence includes social security legislation, believes that the Commission failed to create a plan that would keep social security operating in the black. "None of the three options in the commission's report would extend the solvency of social security," Becerra said. "In fact, all three options would actually make current financial matters worse."

Rep. Becerra also expressed concern with the transition cost from the current system to one that includes private retirement accounts. Current estimates place that transition cost at \$1 trillion over the first 10 years. "The Administration has already conceded that the government will not have a balanced budget until 2005," Becerra said. "There simply is no money in the federal budget to cover that high of a transition cost."

But transition costs are not the only problem with the Commission's report. Privatization, in any form, is riddled with problems. "Privatizing the system, even just partially, places retirees who depend on the system in a very insecure position," Becerra said. "There are no guarantees that their investment in private accounts will pay off.

"The recommendations leave us with more questions than answers," Becerra continued. "How will we pay for the transition? What would benefit cuts mean to retirees? How would we make social security solvent? These are all questions that the report fails to address."

The commission's report is simply advisory in nature. An act of Congress would be required to overhaul the current social security system. As of yet, there is no legislation that calls for an overhaul of this magnitude.