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Will partisanship threaten commission?

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July 15, 2009 04:31 PM EST

House and Senate leaders on Wednesday named the 10 members of what they're billing as a 9-11 style commission to determine what caused the financial crisis.

"The American people are entitled to a thorough examination of what went wrong," declared Senate Majority Leader Harry Reid (D-Nev.). "We need an honest broker to ask all the questions about what created, shaped and could have been done to avert this crisis," said Rep. Darrel Issa (R-Calif.), an early proponent of the commission.

But many outside of Congress doubt the commission will amount to much more than a partisan procedure, unlike the 9-11 commission itself, which sparked a major overhaul of the nation's intelligence agencies.

"Realistically, I'm very skeptical," said Mark Calabria, a former GOP staffer on the Senate Banking committee and director of financial regulation studies at the libertarian Cato Institute.

"This is nothing more than a political, venting exercise," said a financial industry lobbyist. "We see this happen after any sort of crisis or scandal, and the result is usually a host of recommendations made years later that in the end make it onto the cutting room floor."

Issa, who first introduced legislation to establish a similar commission last fall, urged House Speaker Nancy Pelosi to fill one of her slots with a Republican so the overall commission would be split evenly between the two parties, said Issa spokesman Kurt Bardella. Pelosi did not.

And the top two members of the panel are partisans. As the panel's chairman, Pelosi and Reid picked former California state treasurer Phil Angelides, a Democrat who ran against Republican Gov. Arnold Schwarzenegger.

His counterpart, selected by House Minority Leader John Boehner and Senate Minority Leader Mitch McConnell, is former House Ways and Means Chairman Bill Thomas of California – who was not generally known for bipartisan finesse during his gavel-wielding days.

Still the pair appears to be getting off to a good start; they've already starting talking to one another, and they issued a joint statement shortly after the panel line up was announced.

"We are honored to have been asked to serve on the Financial Crisis Inquiry Commission. Together, we want to lead this important effort to understand all the facts leading to our recent financial crisis. We look forward to working together and with our fellow commissioners in conducting a thorough inquiry which will serve the best interests of our country," they said.

Not everyone is pessimistic about the commission's chances to make an impact. The 10-member panel will have subpoena power, and that could balance out the politics since both sides would have to approve any subpoenas.

And certainly the panel isn't exactly wall to wall partisan warriors. Another of the panel members picked by the Democrats is former Florida Sen. Bob Graham, well respected by both sides of the aisle, and another, John W. Thompson, was appointed in 2002 by president George W. Bush to the National Infrastructure Advisory Committee.

Issa doesn't want to "prejudge or predetermine and assume that partisanship will overtake this commission," said Bardella. The commission's task is too important for either side to let partisan politics get in the way, he said.

"The appointments made by both parties are serious people. Things can always descend into partisan bickering and dissension, but there's no reason right now to believe that this will happen," Peter Wallison, one of the four panel members named by Republicans, said in an e-mail to POLITICO.

"If we honestly seek and follow the evidence, we should be able to produce a report that will be both informative and persuasive. Even if there is a minority report, it will be fact-based and useful in that respect," said Wallison, who is co-director financial policy studies at the American Enterprise Institute and former Ronald Reagan adviser.

But Wallison did say it was important for Congress to wait for the commission's final report before moving forward on legislation to revamp financial regulations – and so far key Democrats on the Hill don't seem keen to wait, a timing issue that is one reason observers doubt the commission will have much impact.

House Financial Services Chairman Barney Frank (D-Mass.) is expected to move legislation as early as the end of the month. Senate Banking Chairman Chris Dodd (D-Conn.) is moving more slowly, but his reasons have nothing to do with the commission.

"It is crucial that, as this institution continues to move forward on efforts to modernize financial regulations and address those problems already uncovered, we simultaneously have an in-depth, independent investigation of what went wrong," Dodd said in a statement. "Our work doesn't stop with one bill this fall."

The commission's final report is due to Congress December 15, 2010.

"To the extent that whatever comes out of this has an impact, it might be too late," said Cato's Calabria. Then there's all the "political sacred cows" the panel would have to tackle to get to the real causes of the crisis.

Calabria also sees a high probability that the panel will splinter along partisan lines and issue two competing reports, one endorsed by Democrats and the other by Republicans, with no common ground between the two. "Then it's dead."

That's what happened with the congressional panel set up to oversee the Troubled Asset Relief Program. The five-member board split along partisan lines when it issued a set of recommendations for rewriting the nation's financial regulations, with the two Republican members refusing to sign the majority report.

The other members appointed by Democrats are Heather Murren, a retired Managing Director for Global Securities Research and Economics at Merrill Lynch; Byron Georgiou, a Las Vegas-based businessman and attorney; and Brooksley Born, who was appointed by President Clinton as Chair of the Commodities Futures Trading Commission from 1996-1999.

The other Republican appointees are economist Douglas Holtz-Eakin, a top adviser to John McCain during the recent presidential campaign who is considered a solid, moderate academic; and Keith Hennessey, former economic adviser to Bush.

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