



DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS

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Statement of John C. Dugan Nominee for Comptroller of the Currency, Bureau of the U.S. Department of the Treasury before the Senate Committee on Banking, Housing, and Urban Affairs

Mr. Chairman, Senator Sarbanes, members of the Committee, thank you for the opportunity to appear before you today. I am honored that President Bush has nominated me to serve as Comptroller of the Currency, and I am grateful to Treasury Secretary Snow for his confidence and support. As a former staff member, I am especially proud to appear before this Committee and in this room. I have spent many hours here with able colleagues and good friends on some of the most important issues confronting the banking industry over the last twenty years.

I am pleased to be joined today by my wife, Beth, and my son, Jack, whom we just whisked away from a swim meet; my daughter, Claire, who is away at a sports camp, is very much with me in spirit. Also with me are my mother Frances -- a 55-year resident of Maryland, Senator Sarbanes -- and my brother Chris and his wife Sue. Their patience and support have been critical throughout my career of both public service and private practice.

The Comptroller of the Currency supervises about 1,900 national banks and about 50 federal branches and agencies of foreign banks in the United States, comprising more than half of the assets of the commercial banking system. The Comptroller also serves as a Director of the Federal Deposit Insurance Corporation, the Federal Financial Institutions Examination Council, the Basel Committee on Banking Supervision, and the Neighborhood Reinvestment Corporation. In these roles, the Comptroller addresses a broad range of issues that are fundamentally important to our nation's banking system, and, if confirmed for this post, I would look forward to working on them with this Committee and Congress as a whole.

For the last 20 years, my career in both the government and private practice has focused primarily on banking issues. As Minority General Counsel for this Committee during the late 1980s -- which was a very active period -- I worked extensively on legislative and regulatory proposals involving bank powers, bank failures, safety and soundness supervision, and consumer protection, among others. As Assistant Secretary and Deputy Assistant Secretary of Treasury during the Administration of the first

President Bush, that work expanded into financial modernization, interstate banking and branching, deposit insurance reform, regulatory burden relief, oversight of OCC regulations and legislative proposals, and many other related issues. And during my 12 years of private law practice at Covington & Burling, I have continued to work and advise on a wide range of banking matters, including the Gramm-Leach-Bliley Act, financial privacy and amendments to the Fair Credit Reporting Act, financial derivatives regulation, enforcement matters, and national bank powers generally.

At many points in my career, I have worked closely with officials and staff of the OCC. I believe I have developed a strong understanding of the key challenges that confront the agency. I have also had frequent contact with officials and staff at the Federal Reserve, Federal Deposit Insurance Corporation, Office of Thrift Supervision, Securities and Exchange Commission, Treasury Department, National Economic Council, and Office of Management and Budget, which are virtually all the Executive branch agencies that have a significant impact on regulatory and policy issues affecting banks. Given our unique banking system with its many overlapping functions, I believe the Comptroller must have a fundamental understanding of how different regulators approach their jobs and work best together, and I believe my experience has helped provide that understanding.

In sum, I believe that my experience and education are a strong foundation for this position. If confirmed by the Senate, I would be honored to serve as the 29th Comptroller of the Currency. I would now be pleased to answer any questions you may have.