

January 19, 2007

Michael G. Gallagher
Alternate Designated Agency Ethics Official
Suite 600 - Altmeyer Building
6401 Security Boulevard
Baltimore, Maryland 21235

Dear Mr. Gallagher:

The purpose of this letter is to describe the steps I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Commissioner of Social Security.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

On October 11, 2006, I resigned my position on the board of directors of Tercica, Inc., a for-profit organization. Pursuant to 5 C.F.R. § 2635.502, for a period of one year from the date of my resignation, I will not participate in any particular matter involving specific parties in which Tercica, Inc. is a party or represents a party, unless I am authorized to participate.

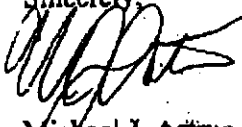
On October 12, 2006, I resigned my position on the board of directors of CuraGen Corporation, a for-profit organization. Based on board compensation policies, on May 3, 2006, I received, pursuant to an annual option grant, a vested option to purchase 15,000 shares of CuraGen Corporation common stock. My right to exercise this option expires on October 12, 2007, which is 12 months after my termination date. The terms of this stock option, including the purchase price, were established before I learned that I would be nominated for the position of Commissioner of Social Security. Pursuant to 18 U.S.C. § 208, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of CuraGen Corporation, unless I first obtain a written waiver or qualify for a regulatory exemption.

On October 12, 2006, I resigned my position on the board of directors of ArQule, Inc., a for-profit organization. Upon appointment to the board of ArQule, Inc., in April 2005, I became

subject to the company's 1996 Director Stock Option Plan. Under that plan, I received an initial option to purchase 10,000 shares of ArQule, Inc. common stock. As of my resignation from the board on October 12, 2006, 6,667 shares of my initial option grant have vested. I must exercise these options on or before April 8, 2015. I have forfeited my right to the remaining 3,333 shares of my initial option grant. In addition, pursuant to an annual option grant, on May 18, 2005, I received a vested option to purchase 5,000 shares of ArQule, Inc. common stock. I must exercise this option on or before May 18, 2015. Also, on May 18, 2006, I received a vested option to purchase 10,000 shares of ArQule, Inc. common stock. I must exercise this option on or before May 18, 2016. The terms of these stock options, including the purchase price, were established before I learned that I would be nominated for the position of Commissioner of Social Security. In addition, I own stock in ArQule, Inc. Pursuant to 18 U.S.C. § 208, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of ArQule, Inc., unless I first obtain a written waiver or qualify for a regulatory exemption.

In May 2006, I resigned my position as Interim Chief Executive Officer of Epix Pharmaceutical Inc., but I was retained as a consultant for Epix Pharmaceutical, Inc. until July 31, 2006. For a period of one year from July 31, 2006, I will not participate in any particular matter involving specific parties in which Epix Pharmaceutical, Inc. is a party or represents a party, unless I am authorized to participate under 5 C.F.R. § 2635.502(d).

In November 2006, I resigned my positions on the boards of directors of the following non-profit organizations: The Kenneth B. Schwartz Center and Massachusetts High Technology Council. For a period of one year after my resignation from these positions, I will not participate in any particular matter involving specific parties in which any one of these organizations is a party or represents a party, unless I am authorized to participate under 5 C.F.R. § 2635.502(d).

Sincerely,

Michael J. Astrue