

109TH CONGRESS }
1st Session

SENATE

{ REPORT
109-48

R E P O R T
ON THE ACTIVITIES
OF THE
COMMITTEE ON FINANCE
OF THE
UNITED STATES SENATE
DURING THE
108TH CONGRESS
PURSUANT TO
Rule XXVI of the Standing Rules
OF THE
UNITED STATES SENATE



MARCH 30, 2005.—Ordered to be printed
Filed under authority of the order of March 17th, 2005

U.S. GOVERNMENT PRINTING OFFICE

39-010

WASHINGTON : 2005

COMMITTEE ON FINANCE

CHARLES E. GRASSLEY, Iowa, *Chairman*

ORRIN G. HATCH, Utah	MAX BAUCUS, Montana
TRENT LOTT, Mississippi	JOHN D. ROCKEFELLER IV, West Virginia
OLYMPIA J. SNOWE, Maine	KENT CONRAD, North Dakota
JON KYL, Arizona	JAMES M. JEFFORDS (I), Vermont
CRAIG THOMAS, Wyoming	JEFF BINGAMAN, New Mexico
RICK SANTORUM, Pennsylvania	JOHN F. KERRY, Massachusetts
BILL FRIST, Tennessee	BLANCHE L. LINCOLN, Arkansas
GORDON SMITH, Oregon	RON WYDEN, Oregon
JIM BUNNING, Kentucky	CHARLES E. SCHUMER, New York
MIKE CRAPO, Idaho	

KOLAN DAVIS, *Staff Director and Chief Counsel*
RUSSELL SULLIVAN, *Ranking Staff Director*

[108TH CONGRESS—COMMITTEE MEMBERSHIP]

COMMITTEE ON FINANCE

CHARLES E. GRASSLEY, Iowa, *Chairman*

ORRIN G. HATCH, Utah	MAX BAUCUS, Montana
DON NICKLES, Oklahoma	JOHN D. ROCKEFELLER IV, West Virginia
TRENT LOTT, Mississippi	TOM DASCHLE, South Dakota
OLYMPIA J. SNOWE, Maine	JOHN BREAUX, Louisiana
JON KYL, Arizona	KENT CONRAD, North Dakota
CRAIG THOMAS, Wyoming	BOB GRAHAM, Florida
RICK SANTORUM, Pennsylvania	JAMES M. JEFFORDS (I), Vermont
BILL FRIST, Tennessee	JEFF BINGAMAN, New Mexico
GORDON SMITH, Oregon	JOHN F. KERRY, Massachusetts
JIM BUNNING, Kentucky	BLANCHE L. LINCOLN, Arkansas

KOLAN DAVIS, *Staff Director and Chief Counsel*
RUSSELL SULLIVAN, *Ranking Staff Director*

SUBCOMMITTEES

TAXATION AND IRS OVERSIGHT

DON NICKLES, Oklahoma, *Chairman*

ORRIN G. HATCH, Utah	KENT CONRAD, North Dakota
TRENT LOTT, Mississippi	JEFF BINGAMAN, New Mexico
OLYMPIA J. SNOWE, Maine	BLANCHE L. LINCOLN, Arkansas
CRAIG THOMAS, Wyoming	JOHN BREAUX, Louisiana
RICK SANTORUM, Pennsylvania	MAX BAUCUS, Montana
GORDON SMITH, Oregon	JAMES M. JEFFORDS (I), Vermont

INTERNATIONAL TRADE

CRAIG THOMAS, Wyoming, *Chairman*

ORRIN G. HATCH, Utah	MAX BAUCUS, Montana
CHARLES E. GRASSLEY, Iowa	JOHN D. ROCKEFELLER IV, West Virginia
GORDON SMITH, Oregon	KENT CONRAD, North Dakota
OLYMPIA J. SNOWE, Maine	BOB GRAHAM, Florida
BILL FRIST, Tennessee	JAMES M. JEFFORDS (I), Vermont
TRENT LOTT, Mississippi	TOM DASCHLE, South Dakota
JIM BUNNING, Kentucky	JOHN F. KERRY, Massachusetts

SOCIAL SECURITY AND FAMILY POLICY

RICK SANTORUM, Pennsylvania, *Chairman*

CHARLES E. GRASSLEY, Iowa	JOHN BREAUX, Louisiana
JON KYL, Arizona	TOM DASCHLE, South Dakota
JIM BUNNING, Kentucky	JOHN F. KERRY, Massachusetts
DON NICKLES, Oklahoma	JOHN D. ROCKEFELLER IV, West Virginia
OLYMPIA J. SNOWE, Maine	JEFF BINGAMAN, New Mexico
BILL FRIST, Tennessee	BLANCHE L. LINCOLN, Arkansas

HEALTH CARE

JON KYL, Arizona, *Chairman*

OLYMPIA J. SNOWE, Maine	JOHN D. ROCKEFELLER IV, West Virginia
BILL FRIST, Tennessee	TOM DASCHLE, South Dakota
JIM BUNNING, Kentucky	BOB GRAHAM, Florida
DON NICKLES, Oklahoma	JAMES M. JEFFORDS (I), Vermont
CRAIG THOMAS, Wyoming	JEFF BINGAMAN, New Mexico
RICK SANTORUM, Pennsylvania	JOHN F. KERRY, Massachusetts
GORDON SMITH, Oregon	BLANCHE L. LINCOLN, Arkansas
ORRIN G. HATCH, Utah	JOHN BREAUX, Louisiana
TRENT LOTT, Mississippi	MAX BAUCUS, Montana

LONG-TERM GROWTH AND DEBT REDUCTION

GORDON SMITH, Oregon, *Chairman*

TRENT LOTT, Mississippi	BOB GRAHAM, Florida
JON KYL, Arizona	KENT CONRAD, North Dakota

LETTER OF TRANSMITTAL

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, March 30, 2005.

Hon. EMILY REYNOLDS,
Secretary, U.S. Senate,
Washington, DC.

DEAR MS. REYNOLDS: In accordance with rule XXVI of the Standing Rules of the United States Senate and the pertinent unanimous consent order pertaining to this rule, I am transmitting herewith a report on the activities of the Committee on Finance of the United States Senate for the 108th Congress.

Sincerely,

CHARLES E. GRASSLEY, *Chairman.*

CONTENTS

	Page
108th Congress—Committee Membership	iii
Letter of Transmittal	v
Committee Jurisdiction	1
Rules of Procedure	2
Tax—Summary of Activities	5
Hearings and Meetings	7
Full Committee Field Hearings	11
Full Committee Executive Meetings	12
Trade—Summary of Activities	14
Hearings and Meetings	15
Subcommittee on International Trade Hearings and Meetings	17
Subcommittee on International Trade Field Hearings	17
Joint Subcommittee Hearing with Health Care Subcommittee	18
Full Committee Executive Meetings	18
Informal Meetings	19
Health—Summary of Activities	20
Hearings and Meetings	21
Full Committee Field Hearings	23
Full Committee Executive Meetings	23
Social Security—Summary of Activities	25
Full Committee Hearings and Meetings	25
Subcommittee on Social Security and Family Policy	25
Full Committee Executive Meetings	26
Committee on Finance Oversight Activities	27
Hearings and Meetings	28
Other Oversight and Investigation Initiatives	30
Calendar of Hearings	47
Bills and Resolutions Referred and Considered	51
Status Charts of Legislative Activities:	
Senate Bills and Resolutions	52
House Bills and Resolutions	56
Full Committee Business Meetings	58
Calendar of Nominations	63
Reports, Prints, and Studies	77
Official Communications	79

REPORT ON THE ACTIVITIES OF THE COMMITTEE ON
FINANCE DURING THE 108TH CONGRESS

MARCH 30, 2005.—Ordered to be printed

Mr. GRASSLEY, from the Committee on Finance,
submitted the following

REPORT

This report reviews the legislative and oversight activities of the Committee on Finance during the 108th Congress. These activities parallel the broad scope of responsibilities vested in the Committee by the Legislative Reorganization Act of 1946, as amended, rule XXV(k) of the Standing Rules of the Senate, and additional authorizing resolutions.

COMMITTEE JURISDICTION

Rule XXV(i) of the Standing Rules of the Senate requires reference to this Committee of all proposed legislation, and other matters, dealing with (i) Committee on Finance, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Bonded debt of the United States, except as provided in the Congressional Budget Act of 1974.
2. Customs, collection districts, and ports of entry and delivery.
3. Deposit of public moneys.
4. General revenue sharing.
5. Health programs under the Social Security Act and health programs financed by a specific tax or trust fund.
6. National social security.
7. Reciprocal trade agreements.
8. Revenue measures generally, except as provided in the Congressional Budget Act of 1974.
9. Revenue measures relating to the insular possessions.
10. Tariffs and import quotas, and matters related thereto.
11. Transportation of dutiable goods.

COMMITTEE RULES

I. RULES OF PROCEDURE

Rule 1. *Regular Meeting Days.*—The regular meeting day of the committee shall be the second and fourth Tuesday of each month, except that if there be no business before the committee the regular meeting shall be omitted.

Rule 2. *Committee Meetings.*—(a) Except as provided by paragraph 3 of Rule XXVI of the Standing Rules of the Senate (relating to special meetings called by a majority of the committee) and subsection (b) of this rule, committee meetings, for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the chairman. Members will be notified of committee meetings at least 48 hours in advance, unless the chairman determines that an emergency situation requires a meeting on shorter notice. The notification will include a written agenda together with materials prepared by the staff relating to that agenda. After the agenda for a committee meeting is published and distributed, no nongermane items may be brought up during that meeting unless at least two-thirds of the members present agree to consider those items.

(b) In the absence of the chairman, meetings of the committee may be called by the ranking majority member of the committee who is present, provided authority to call meetings has been delegated to such member by the chairman.

Rule 3. *Presiding Officer.*—(a) The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member who is present at the meeting shall preside.

(b) Notwithstanding the rule prescribed by subsection (a) any member of the committee may preside over the conduct of a hearing.

Rule 4. *Quorums.*—(a) Except as provided in subsection (b) one-third of the membership of the committee, including not less than one member of the majority party and one member of the minority party, shall constitute a quorum for the conduct of business.

(b) Notwithstanding the rule prescribed by subsection (a), one member shall constitute a quorum for the purpose of conducting a hearing.

Rule 5. *Reporting of Measures or Recommendations.*—No measure or recommendation shall be reported from the committee unless a majority of the committee is actually present and a majority of those present concur.

Rule 6. *Proxy Voting; Polling.*—(a) Except as provided by paragraph 7(a)(3) of Rule XXVI of the Standing Rules of the Senate (relating to limitation on use of proxy voting to report a measure or matter), members who are unable to be present may have their vote recorded by proxy.

(b) At the discretion of the committee, members who are unable to be present and whose vote has not been cast by proxy may be polled for the purpose of recording their vote on any rollcall taken by the committee.

Rule 7. *Order of Motions.*—When several motions are before the committee dealing with related or overlapping matters, the chairman may specify the order in which the motions shall be voted upon.

Rule 8. *Bringing a Matter to a Vote.*—If the chairman determines that a motion or amendment has been adequately debated, he may call for a vote on such motion or amendment, and the vote shall then be taken, unless the committee votes to continue debate on such motion or amendment, as the case may be. The vote on a motion to continue debate on any motion or amendment shall be taken without debate.

Rule 9. *Public Announcement of Committee Votes.*—Pursuant to paragraph 7(b) of Rule XXVI of the Standing Rules of the Senate (relating to public announcement of votes), the results of rollcall votes taken by the committee on any measure (or amendment thereto) or matter shall be announced publicly not later than the day on which such measure or matter is ordered reported from the committee.

Rule 10. *Subpoenas.*—Subpoenas for attendance of witnesses and the production of memoranda, documents, and records shall be issued by the chairman, or by any other member of the committee designated by him.

Rule 11. *Nominations.*—In considering a nomination, the Committee may conduct an investigation or review of the nominee's experience, qualifications, and suit-

ability, to serve in the position to which he or she has been nominated. To aid in such investigation or review, each nominee may be required to submit a sworn detailed statement including biographical, financial, policy, and other information which the Committee may request. The Committee may specify which items in such statement are to be received on a confidential basis. Witnesses called to testify on the nomination may be required to testify under oath.

Rule 12. *Open Committee Hearings.*—To the extent required by paragraph 5 of Rule XXVI of the Standing Rules of the Senate (relating to limitations on open hearings), each hearing conducted by the committee shall be open to the public.

Rule 13. *Announcement of Hearings.*—The committee shall undertake consistent with the provisions of paragraph 4(a) of Rule XXVI of the Standing Rules of the Senate (relating to public notice of committee hearings) to issue public announcements of hearings it intends to hold at least one week prior to the commencement of such hearings.

Rule 14. *Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing must submit his written testimony to the staff director not later than noon of the business day immediately before the last business day preceding the day on which he is scheduled to appear. Such written testimony shall be accompanied by a brief summary of the principal points covered in the written testimony. Having submitted his written testimony, the witness shall be allowed not more than 10 minutes for oral presentation of his statement.

(b) Witnesses may not read their entire written testimony, but must confine their oral presentation to a summarization of their arguments.

(c) Witnesses shall observe proper standards of dignity, decorum and propriety while presenting their views to the committee. Any witness who violates this rule shall be dismissed, and his testimony (both oral and written) shall not appear in the record of the hearing.

(d) In scheduling witnesses for hearings, the staff shall attempt to schedule witnesses so as to attain a balance of views early in the hearings. Every member of the committee may designate witnesses who will appear before the committee to testify. To the extent that a witness designated by a member cannot be scheduled to testify during the time set aside for the hearing, a special time will be set aside for the witness to testify if the member designating that witness is available at that time to chair the hearing.

Rule 15. *Audiences.*—Persons admitted into the audience for open hearings of the committee shall conduct themselves with the dignity, decorum, courtesy and propriety traditionally observed by the Senate. Demonstrations of approval or disapproval of any statement or act by any member or witness are not allowed. Persons creating confusion or distractions or otherwise disrupting the orderly proceeding of the hearing shall be expelled from the hearing.

Rule 16. *Broadcasting of Hearings.*—(a) Broadcasting of open hearings by television or radio coverage shall be allowed upon approval by the chairman of a request filed with the staff director not later than noon of the day before the day on which such coverage is desired.

(b) If such approval is granted, broadcasting coverage of the hearing shall be conducted unobtrusively and in accordance with the standards of dignity, propriety, courtesy and decorum traditionally observed by the Senate.

(c) Equipment necessary for coverage by television and radio media shall not be installed in, or removed from, the hearing room while the committee is in session.

(d) Additional lighting may be installed in the hearing room by the media in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(e) The additional lighting authorized by subsection (d) of this rule shall not be directed into the eyes of any members of the committee or of any witness, and at the request of any such member or witness, offending lighting shall be extinguished.

(f) No witness shall be required to be photographed at any hearing or to give testimony while the broadcasting (or coverage) of that hearing is being conducted. At the request of any such witness who does not wish to be subjected to radio or television coverage, all equipment used for coverage shall be turned off.

Rule 17. *Subcommittees.*—(a) The chairman, subject to the approval of the committee, shall appoint legislative subcommittees. All legislation shall be kept on the full committee calendar unless a majority of the members present and voting agree to refer specific legislation to an appropriate subcommittee.

(b) The chairman may limit the period during which House-passed legislation referred to a subcommittee under paragraph (a) will remain in that subcommittee. At the end of that period, the legislation will be restored to the full committee cal-

endar. The period referred to in the preceding sentences should be 6 weeks, but may be extended in the event that adjournment or a long recess is imminent.

(c) All decisions of the chairman are subject to approval or modification by a majority vote of the committee.

(d) The full committee may at any time by majority vote of those members present discharge a subcommittee from further consideration of a specific piece of legislation.

(e) Because the Senate is constitutionally prohibited from passing revenue legislation originating in the Senate, subcommittees may mark up legislation originating in the Senate and referred to them under Rule 16(a) to develop specific proposals for full committee consideration but may not report such legislation to the full committee. The preceding sentence does not apply to nonrevenue legislation originating in the Senate.

(f) The chairman and ranking minority members shall serve as nonvoting *ex officio* members of the subcommittees on which they do not serve as voting members.

(g) Any member of the committee may attend hearings held by any subcommittee and question witnesses testifying before that subcommittee.

(h) Subcommittee meeting times shall be coordinated by the staff director to insure that—

(1) no subcommittee meeting will be held when the committee is in executive session, except by unanimous consent;

(2) no more than one subcommittee will meet when the full committee is holding hearings; and

(3) not more than two subcommittees will meet at the same time.

Notwithstanding paragraphs (2) and (3), a subcommittee may meet when the full committee is holding hearings and two subcommittees may meet at the same time only upon the approval of the chairman and the ranking minority member of the committee and subcommittees involved.

(i) All nominations shall be considered by the full committee.

(j) The chairman will attempt to schedule reasonably frequent meetings of the full committee to permit consideration of legislation reported favorably to the committee by the subcommittees.

Rule 18. *Transcripts of Committee Meetings.*—An accurate record shall be kept of all markups of the committee, whether they be open or closed to the public. This record, marked as “uncorrected,” shall be available for inspection by Members of the Senate, or members of the committee together with their staffs, at any time. This record shall not be published or made public in any way except:

(a) By majority vote of the committee after all members of the committee have had a reasonable opportunity to correct their remarks for grammatical errors or to accurately reflect statements made.

(b) Any member may release his own remarks made in any markup of the committee provided that every member or witness whose remarks are contained in the released portion is given a reasonable opportunity before release to correct their remarks.

Notwithstanding the above, in the case of the record of an executive session of the committee that is closed to the public pursuant to Rule XXVI of the Standing Rules of the Senate, the record shall not be published or made public in any way except by majority vote of the committee after all members of the committee have had a reasonable opportunity to correct their remarks for grammatical errors or to accurately reflect statements made.

Rule 19. *Amendment of Rules.*—The foregoing rules may be added to, modified, amended or suspended at any time.

TAX

SUMMARY OF ACTIVITIES

In the first session, the Finance Committee worked actively in the following areas of Federal taxation: (i) tax incentives for economic growth and job creation, (ii) tax benefits for military personnel, (iii) pensions and retirement security, (iv) energy tax incentives, (v) charitable giving incentives, (vi) international reform, (vii) family tax relief, (viii) transportation, and (ix) oversight. In the area of economic growth, the Committee held conceptual hearings on Administration proposals in February 2003 and marked up S. 2, the “Jobs and Growth Tax Act of 2003” in May 2003. This legislation was conferenced and signed into law on May 28, 2003. In February 2003, the Committee marked up and reported S. 351, the “Armed Forces Tax Fairness Act of 2003.” The substance of the Committee’s bill passed the Senate in March 2003 (H.R. 1307) and the Congress in November 2003 (H.R. 3365, the “Military Family Tax Relief Act of 2003”). The President signed the bill into law on November 11, 2003. In the area of pensions and retirement security, the Committee held a hearing in March 2003, on issues related to the funding of defined benefit plans. In September 2003, the Committee marked up an original bill the National Employee Savings and Trust Equity Guarantee Act (“NESTEG”) to reform pension and retirement savings laws that was favorably reported by voice vote. In October 2003, the Committee recalled the bill to examine certain issues related to company-owned life insurance (COLI) after a hearing on the issue. Related to energy, the Committee marked up and reported out the “Energy Tax Incentives Act of 2003” (S. 1149) in April and May 2003, respectively. The Senate passed the bill in July 2003. The Committee also conducted a hearing and marked up the “Volumetric Ethanol Excise Tax Credit (VEETC) Act of 2003” in August and September 2003, respectively. The Energy Tax Incentives Act of 2003 and the Volumetric Ethanol Excise Tax Credit (VEETC) Act of 2003 were reported favorably out of conference but not agreed to by the full Senate in November 2003. In February 2003, the Finance Committee acted on charitable giving incentives and marked up S. 476, the “Savings for Working Families Act of 2003” (CARE). This legislation passed the Senate during the 108th Congress but did not reach conference. The Finance Committee began a review of international tax reform in July 2003 with hearings and marked up S. 1637, the “Jumpstart Our Business Strength (JOBS) Act” in October 2003. Family tax incentives passed the Senate in the form of a Grassley-Lincoln amendment to H.R. 1308 on June 5, 2003 (entitled the “Relief for Working Families Tax Act of 2003”). In the transportation area, the Federal highway program expired in September 2003. The Finance Committee marked up and the Senate passed a five-month exten-

sion of the highway program to February 29, 2004 (Pub. L. No. 108–88). In June 2003, the Committee also marked up the revenue title of S. 824, the “Aviation Investment and Revitalization Vision Act,” which reauthorized the aviation trust fund. Oversight hearings were conducted in the following areas during the first session: U.S. border patrol (January 2003), the Joint Committee on Taxation’s report on the investigation of Enron’s tax and compensation practices (February and April 2003), paid preparers (April 2003), charitable car donations (April 2003), and tax shelters (October 2003).

In the second session, the Finance Committee worked actively in the following areas of Federal taxation: (i) international reform, (ii) energy tax incentives, (iii) family tax relief and extension of expiring provisions, (iv) pension and retirement security, (v) transportation, (vi) tax administration, (vii) education, (viii) rural tax incentives, (ix) taxation of bonds issued by American Samoa, and (x) oversight. The Senate passed an expanded version of S. 1637, the “Jumpstart Our Business Strength (JOBS) Act of 2003” in May 2004 which was successfully conferenced and signed into law on October 22, 2004. In the energy area, portions of the “Energy Tax Incentives Act of 2003” and VEETC were incorporated into the JOBS bill that was signed in October 2004. H.R. 1308 was successfully conferenced and signed into law on October 4, 2004 and renamed the “Working Families Tax Relief Act of 2004” (Pub. L. No. 108–311). In the pension and retirement security area, the Committee marked up a modified version of the NESTEG bill (S. 2424) and ordered the bill favorably reported by voice vote on February 2, 2004. Several provisions of the NESTEG bill were incorporated in the conference agreement on the “Pension Funding Equity Act of 2004” (H.R. 3108), which was signed into law by President Bush on April 10, 2004 (Pub. L. No. 108–218). In the transportation area, the Finance Committee marked up a revenue title to S. 1072, “The Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003,” a bill to reauthorize the highway program, in February 2004. The Senate passed S. 1072 including the revenue title in February 2004, but Congress failed to resolve differences between the House and Senate-passed bills during the remainder of the session. Five additional extensions were passed by Congress during the second session extending the program to April 30, 2004 (Pub. L. No. 108–202), June 30, 2004 (Pub. L. No. 108–224), July 31, 2004 (Pub. L. No. 108–263), September 30, 2004 (Pub. L. No. 108–280), and May 31, 2005 (Pub. L. No. 108–310). In the tax administration area, the Committee passed S. 882, the “Tax Administration Good Government Act” in May 2004. The Senate passed the bill as an amendment to H.R. 1528 on May 19, 2004. Additional hearings were held on the role of higher education in global competitiveness in July 2004 and the use of tax incentives to preserve rural communities in August 2004. In July 2004, the Committee marked up and reported out H.R. 982, which clarified the tax treatment of bonds issued by the Government of American Samoa. The President signed the bill into law on October 16, 2004. Oversight hearings were conducted in the following areas during the second session: terrorist financing (May 2004), charity oversight and reform

(June 2004), bridging the tax gap (July 2004), and Indian jails (September 2004).

FULL COMMITTEE HEARINGS AND MEETINGS

2003

- Jan. 30, 2003—Hearing on U.S. Borders: Safe or Sieve? Committee heard testimony from GAO and Inspector General of Department of Interior about investigations they conducted regarding the safety of U.S. Borders. Committee also heard from officials from INS, Border Patrol and National Park Service. The hearing focused especially on illegal transport of currency as well as the wide range of Federal agencies responsible for border security.
- Feb. 5, 2003—Hearing on Revenue Proposals in the President's FY 2004 Budget. Treasury Secretary John W. Snow testified on revenue proposals in the Administration's FY 2004 budget.
- Feb. 11, 2003—Hearing on Examination of Proposals for Economic Growth and Job Creation: Incentives for Consumption. This set of hearings focused on the economy and proposals for recovery and sustainable growth. The first hearing evaluated proposals from the Administration and members of Congress intended to stimulate consumption and explored the relative effectiveness, timeliness, and efficiency of those proposals at creating jobs and economic growth. Witnesses included Peter R. Orszag, Joseph A. Pechman Senior Fellow, Economic Studies, The Brookings Institute; Chris R. Edwards, Director of Fiscal Policy Studies, CATO; and Oklahoma State Senator Angela Monson, (D-OK), President, National Conference of State Legislators.
- Feb. 12, 2003—Hearing on Examination of Proposals for Economic Growth and Job Creation: Incentives for Investments. This set of hearings focused on the economy and proposals for recovery and sustainable growth. The second hearing evaluated proposals from the Administration and members of Congress intended to encourage investment and explored the relative effectiveness, timeliness, and efficiency of those proposals at creating jobs and economic growth. Witnesses included former United States Senator Phil Gramm (R-TX), Vice Chairman & Managing Director, UBS Warburg; Leon Panetta, The Panetta Institute; Kevin A. Hassett, Residential Scholar, American Enterprise Institute; and William Gale, Deputy Director and Senior Fellow, the Brookings Institute.
- Feb. 13, 2003—Hearing on Enron: The Joint Committee on Taxation's Investigative Report. Introduction and official release of JCS3-03, "Report of Investigation of Enron Corporation and Related Entities Regarding Federal Tax and Compensation Issues, and Policy Recommendations," requested by the Committee on Finance. The Committee heard testimony of Lindy Paull, Chief of Staff, Joint Committee of Taxation (JCT) regarding the JCT's extensive investigation of Enron and particularly the tax practices at Enron. Committee also heard reaction from a number of experts in academia to the JCT findings and recommendations contained in the report.

- Mar. 11, 2003—Hearing on The Funding Challenge: Keeping Defined Benefit Pension Plans Afloat. This hearing focused on the status of defined benefit pension funding, including an examination of current pension funding rules and the interest rate set to value pension liabilities. Witnesses included Steven Kandarian, Executive Director, Pension Benefit Guaranty Corporation; Marc Schuler, Captain, U.S. Airways; Ron Gebhardtshauer, Senior Pension Fellow, American Academy of Actuaries; Henry Eickelberger, Staff Vice President, General Dynamics Corporation; Christopher O'Flinn, The ERISA Industry Committee.
- Apr. 1, 2003—Hearing on Taxpayer Alert: Choosing a Paid Preparer and the Pitfalls of Charitable Car Donations. The hearing focused on three issues:
- (1) a follow up to previous hearings on tax schemes and scams that target working families and the IRS' response;
 - (2) paid tax preparers ensuring that taxpayers benefit from honest assistance and how to avoid unscrupulous tax preparers; and,
 - (3) General Accounting Office's (GAO) report on car donations which highlighted significant taxpayer abuse in the program as well as the fact that charities received very little benefit. The Committee heard from several witnesses including the GAO, the Inspector General for Tax Administration, and the Taxpayer Advocate.
- Apr. 8, 2003—Hearing on Enron: Joint Committee on Taxation Investigative Report Compensation-Related Issues. A follow-on to the February 13, 2003 hearing with a focus on executive and deferred compensation issues raised in the Joint Committee on Taxation Investigative Report on Enron. The Committee heard from JCT as well as Pamela Olson, Assistant Secretary, Tax Policy, Department of the Treasury and others about the findings of the report as well as possible reforms.
- Apr. 29, 2003—Republican Member's Meeting on the President's Growth Package.
- May 1, 2003—Member's Meeting on the President's Growth Package.
- May 7, 2003—Republican Member's Meeting on President's Growth Package.
- July 8, 2003—Hearing on an Examination of U.S. Tax Policy and Its Effect on the Domestic and International Competitiveness of U.S.-Based Operations. This hearing examined the effect of repealing the extraterritorial income tax regime on the U.S. domestic manufacturing sector and economy as a whole, and the effect of certain U.S. international tax laws on the domestic operations of U.S. companies and the U.S. operations of foreign companies.
- July 15, 2003—Hearing on an Examination of U.S. Tax Policy and Its Effect on the International Competitiveness of U.S.-Owned Foreign Operations. This hearing examined the effect of U.S. international tax laws on the competitiveness of foreign operations of U.S. companies. The hearing considered the effect of international competitiveness for the U.S. economy, a proposal to encourage repatriation the deferred foreign earnings of U.S.

companies, and other reforms of U.S. international tax provisions.

- Sept. 11, 2003—Republican Member’s Meeting on Tax. Consideration of a proposal to repeal the extraterritorial income tax regime to comply with a World Trade Organization ruling dated January 2002.
- Sept. 25, 2003—Member’s Meeting on Tax. Consideration of a proposal to repeal the extraterritorial income tax regime to comply with a World Trade Organization ruling dated January 2002.
- Oct. 21, 2003—Hearing on “Shelters: Who’s Buying, Who’s Selling, and What’s the Government Doing About It?” This hearing focused on the actual mechanics of tax shelters and how they are marketed and sold. The committee heard from witnesses with first-hand knowledge from their position at accounting firms, major corporations and investors. The Committee then heard from government officials, including the Commissioner of the IRS, the Assistant Attorney General, Tax Division, U.S. Department of Justice and the Public Company Accounting Oversight Board, about efforts to address abusive tax shelters and their promoters.
- Oct. 23, 2003—Hearing on “Company Owned Life Insurance.” This hearing examined the uses of company-owned life insurance or COLI and whether and to what extent legislation may be necessary to address possible abuses with respect to the use of COLI. Witnesses included Greg Jenner, Deputy Assistant Secretary, United States Department of the Treasury; Davi D’Agostino, General Accounting Office, Financial Market Community Investment; Spencer Tillman, Journalist; Frank Keating, President, American Council of Life Insurance; Andrew Pike, Professor of Law and Academic Dean, American University Washington College of Law; and Robert Plybon, President, Association of Advanced Life Underwriters.

2004

- Jan. 28, 2004—Member’s Meeting on NESTEG.
- Feb. 12, 2004—Hearing on the Revenue Proposals in the President’s FY05 Budget. Treasury Secretary John W. Snow testified on revenue proposals in the Administration’s FY 2005 budget.
- May 19, 2004—Hearing on Oversight and Nominations: The Treasury Department and Terrorism Financing; to consider the nominations for John O. Colvin, Juan C. Zarate, and Stuart Levey. Committee heard from two senior former government officials as to the role and performance of the Department of the Treasury in addressing terrorism financing, with a particular focus on the use of front companies and charities who launder money as well as the work of the office of Foreign Asset Control.
- June 16, 2004—Hearing on Strengthening Regulations and Oversight to Better Ensure Agriculture Financing Integrity. This hearing focused on a report by the Government Accountability Office (GAO) entitled, “Farm Program Payments: USDA Needs to Strengthen Regulations and Oversight to Better Ensure Recipients Do Not Circumvent Payment Limitations.” Congress

enacted the Agriculture Reconciliation Act of 1987 to establish eligibility conditions for recipients of farm program payments and to ensure that only entities “actively engaged in farming” received payments. GAO found that, “USDA’s regulations to ensure recipients are actively engaged in farming do not specify a measurable standard for what constitutes a significant contribution of active personal management.” GAO also reported that without some type of measurable standard, USDA makes little attempt to limit recipients who claim active personal management as their qualifying criteria.—Mr. Lawrence J. Dyckman, Director of Natural Resources and Environment, GAO, testified.

- June 22, 2004—Hearing on Charity Oversight and Reform: Keeping Bad Things from Happening to Good Charities. The Committee heard from the Commissioner of the IRS as well as State officials about significant problems involving tax exempt organizations. The Committee then heard from four private sector witnesses who discussed first-hand actual tax scams and schemes that involved charities or improperly benefited insiders at charities. Finally, the Committee heard from outside experts who provided Senators their response to proposed reforms.
- June 24, 2004—Member’s Meeting to examine the process for preparing cost estimates on pending and proposed legislation.
- July 21, 2004—Hearing on Bridging the Tax Gap. Committee heard from a number of experts in government and the private sector about the size of the tax gap the difference between the amount of tax due and owing versus the amount actually collected. The committee also heard of possible new ways and innovations to reduce the tax gap. The Committee then heard from the Commissioner of the IRS, the Taxpayer Advocate as well as State officials on their perspectives of how to address the tax gap while balancing respect for taxpayers’ rights.
- July 22, 2004—Hearing on the Role of Higher Education Financing in Strengthening U.S. Competitiveness in a Global Economy. This hearing examined the financing of higher education in the United States and the role of Federal tax incentives in helping students and their families meet higher education costs. Witnesses included Susan Dynarski, Harvard University Kennedy School of Government; Peter Corr, Senior Vice President for Science and Technology, Pfizer; Watson Scott Swail, President, Education Policy Institute; Robert Paxton, President, Iowa Central Community College; David Forbes, Dean, School of Pharmacy, University of Montana; Randall Edwards, Treasurer, State of Oregon; Chuck Toth, Director, Education Savings, Merrill Lynch & Co.; James Fadule, President, UPromise Investments.
- Sept. 21, 2004—Hearing on Indian Jails: A Clarion Call for Reform. This oversight hearing focused on a report issued by the Office of Inspector General for the Department of the Interior that exposed deplorable conditions within many detention facilities operated by the Bureau of Indian Affairs. The Inspector General’s report found that 79 percent of facilities fell below minimum staffing levels on a regular basis, often placing staff and

inmates at risk. The report also found serious health and safety conditions at many facilities resulting from years of inadequate maintenance. The report chronicled 11 fatalities, 236 attempted suicides, and 631 escapes at Indian Country jails during the three years preceding the report. Witnesses included the Department of the Interior Inspector General, representatives from the Bureau of Indian Affairs, a representative from the Department of Justice, and two individuals from Indian country who have been personally impacted by these facilities.

FULL COMMITTEE FIELD HEARINGS

2003

Aug. 26, 2003—Field Hearing, Rural Economy, Renewable Energy, and the Role of our Cooperatives in Dallas City, Iowa. This hearing examined the role of cooperatives in our pursuit of renewable energy to diversify our national energy policy. In addition, it reviewed utilizing agricultural products to decrease dependence on the Middle East for oil and to diversify rural economy. Witnesses included Thomas Dorr, Under Secretary for Rural Development for U.S. Department of Agriculture, Tom Gue, Professor of Law, University of South Dakota and Reporter for the National Conference of Commissioners on Uniform State Law regarding cooperatives, Regi Goodale, Director of Regulatory Affairs for the Iowa Association of Electric Cooperatives, John Campbell, Vice-President of Government Relations and Industrial Products for AG Processing, Inc., former Deputy Under Secretary of International Affairs and Commodity Programs for U.S. Department of Agriculture, Josh Blaisdell, Director of Tax for CHS (formerly Cenex Harvest States), and Bob Dinneen, President and CEO of Renewable Fuels Association (RFA).

2004

Aug. 25, 2004—Field Hearing, Saving America's Great Places: The Role of Tax Incentives in Preserving Rural Communities in Sioux City, Iowa. This hearing examined the ability to update or change tax law to help build rural economic strength. The Witnesses focused on the legislation "Heartland Investment and Rural Employment Act," known as HIRE and discussed updating tax laws and potential new tax incentives focused on small business and rural development. The witnesses included The Honorable Sam Brownback, Senator, United States Senate; Ms. Jean-Mari Peltier, President, National Council of Farmer Cooperatives; Mr. Glen Keppy, Director, CHS Board of Directors; Mr. Peter Froelich, Ph.D, Assistant for Special Projects, Office of the President, Dickinson State University; Mr. Chuck Hassebrook, Executive Director, Center for Rural Affairs; Mr. Kevin Edberg, Executive Director, Cooperative Development Services; and, Mr. Shane Tiernan, Ag/Commercial Loan Development Officer, Grundy National Bank.

FULL COMMITTEE EXECUTIVE MEETINGS

2003

- Feb. 5, 2003—Executive Session on the Armed Forces Tax Fairness Act of 2003 and the CARE Act of 2003. The Committee favorably reported S. 351, the Armed Forces Tax Fairness Act of 2003. The Committee favorably reported S. 476, the CARE Act of 2003.
- Apr. 2, 2003 Executive Session on S. 1149, Energy Tax Incentives Act of 2003.
- May 8, 2003—Executive Session on a substitute for S. 2, the Jobs and Growth Tax Act of 2003.
- May 13, 2003—Executive Session on an original bill, the text of which was reported by the Committee on Finance on May 8, 2003, for the purposes of meeting Finance Committee reconciliation instructions.
- May 22, 2003—Joint House and Senate Conference on the Growth Package.
- June 5, 2003—Executive Session on revenue title to S. 824, the Aviation Investment and Revitalization Vision Act.
- Sept. 17, 2003—Executive Session on H.R. 743, S. 1548, the Volumetric Ethanol Excise Tax Credit Act of 2003, and an original bill entitled the National Employee Savings and Trust Equity Guarantee Act.
- Oct. 1, 2003—Executive Session on S. 1637, the “Jumpstart Our Business Strength (JOBS) Act of 2003.” Finance Committee mark-up of a bill to repeal the extraterritorial income tax regime to comply with a World Trade Organization ruling of January 2002.

2004

- Feb. 2, 2004—Executive Session on S. 2424, National Employee Savings and Trust Equity Guarantee Act, Extension of Highway Trust Fund and S. 882, Tax Administration Good Government Act.
- July 20, 2004—Executive Session to consider favorably reporting H.R. 982. The Committee favorably reported H.R. 982, to clarify the tax treatment of bonds issued by the Government of American Samoa.
- Sept. 21, 2004—Conference Meeting with the House on H.R. 1308, Tax Relief, Simplification, and Equity Act of 2003.
- Sept. 22, 2004—Continuation of Conference Meeting with the House on H.R. 1308, Tax Relief, Simplification, and Equity Act of 2003.
- Sept. 29, 2004—Conference Meeting with the House on H.R. 4520, JOBS Act. Public House-Senate conference proceedings to consider a bill to repeal the extraterritorial income tax regime, to create a U.S. manufacturing deduction, to enact certain international tax reforms, to provide for termination of a support program for tobacco farmers, and other matters.
- Oct. 4, 2004—Continuation of Conference Meeting with the House on H.R. 4520, JOBS Act. Public House-Senate conference proceedings to consider a bill to repeal the extraterritorial income tax regime, to create a U.S. manufacturing deduction, to enact

certain international tax reforms, to provide for termination of a support program for tobacco farmers, and other matters.

- Oct. 5, 2004—Continuation of Conference Meeting with the House on H.R. 4520, JOBS Act. Public House-Senate conference proceedings to consider a bill to repeal the extraterritorial income tax regime, to create a U.S. manufacturing deduction, to enact certain international tax reforms, to provide for termination of a support program for tobacco farmers, and other matters.
- Oct. 6, 2004—Continuation of Conference Meeting with the House on H.R. 4520, JOBS Act. Public House-Senate conference proceedings to consider a bill to repeal the extraterritorial income tax regime, to create a U.S. manufacturing deduction, to enact certain international tax reforms, to provide for termination of a support program for tobacco farmers, and other matters.

TRADE

SUMMARY OF ACTIVITIES

During the 108th Congress, the Committee examined and acted upon many important issues related to international trade and the American economy.

In the first session, the Committee convened hearings on the Administration's trade agenda, U.S.-Cuba economic relations, and Mexican barriers to U.S. agricultural exports. In addition, the Subcommittee held a hearing on the status of the Free Trade Area of the Americas negotiations.

The Committee also held hearings on S. 1416, the U.S.-Chile Free Trade Agreement and S. 1417, the U.S.-Singapore Free Trade Agreement, and developed implementing legislation and statements of administrative action that were approved by the Congress and signed into law. The Committee marked up and reported S. 760, the Clean Diamond Trade Act, which was signed into law in April 2003, and S. 671, the Miscellaneous Trade and Technical Corrections Act. The Committee actively engaged in negotiations over S.J. Res. 39, the Burmese Freedom and Democracy Act which was passed by the Congress and signed into law. The Committee held confirmation hearings for Josette Sheeran Shiner to be Deputy United States Trade Representative, Executive Office of the President; for James J. Jochum to be Assistant Secretary for Import Administration, Department of Commerce; and for Daniel Pearson, of Minnesota, and Charlotte A. Lane, of West Virginia, to be Members of the United States International Trade Commission.

Chairman Grassley and Ranking Member Baucus also participated in three meetings of the bipartisan, bicameral Congressional Oversight Group. During these meetings members met with Ambassador Robert B. Zoellick, the United States Trade Representative, to discuss priorities and strategies for on-going international trade negotiations. The Committee convened a Member's meeting with Stuart Harbinson, Chairman of the World Trade Organization agricultural negotiations where Members of the Committee shared their perspective on the proposed agricultural negotiating text prior to the WTO Cancun Ministerial. A Member's meeting was also held with Ambassador Robert B. Zoellick prior to the Ministerial to discuss the agenda and negotiating strategies for the WTO Cancun Ministerial.

In the second session, the Committee convened hearings on the Administration's trade agenda and on U.S. trade and economic policy toward the Middle East. In addition, the Subcommittee on International Trade conducted a field hearing in Rock Springs, Wyoming, on international trade and the U.S. soda ash industry. The Subcommittee on International Trade, in conjunction with the Sub-

committee on Health Care, conducted a hearing on international trade and pharmaceuticals.

The Committee also held hearings on S. 2610, the U.S.-Australia Free Trade Agreement and S. 2677, the U.S.-Morocco Free Trade Agreement, and developed implementing legislation and statements of administrative action that were approved by the Congress and signed into law. The Committee secured Senate approval for S. 1637, the Jumpstart our Business Strength Act, which, among other things, brought the United States into compliance with its WTO obligations regarding the tax treatment of extraterritorial income. The Committee shepherded S. 2529, the Africa Growth and Opportunity Acceleration Act of 2004, through the Senate, which was signed into law. The Committee considered S.J. Res. 39, Approving Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003. The Committee also led the Senate approval of S. 671, the Miscellaneous Trade and Technical Corrections Act, which, among other things: repealed the 1916 Antidumping Act, bringing the United States into compliance with its WTO obligations; granted the President the authority to provide permanent normal trade relations to Armenia; extended normal trade relations to Laos; and, enacted the Emergency Protection for Iraqi Cultural Antiquities Act, all of which were signed into law as part of the bill.

Chairman Grassley and Ranking Member Baucus also participated in two meetings of the bipartisan, bicameral Congressional Oversight Group where members met with Ambassador Robert B. Zoellick, the United States Trade Representative, to discuss priorities and strategies for on-going international trade negotiations.

FULL COMMITTEE HEARINGS AND MEETINGS

2003

- Jan. 7, 2003—Meeting: Congressional Oversight Group with Ambassador Robert B. Zoellick, U.S. Trade Representative.
- Feb. 12, 2003—Hearing: “Nomination of Daniel Pearson, to be Member of the United States International Trade Commission; and Nomination of Charlotte A. Lane, to be Member of the United States International Trade Commission.” Received testimony from two nominees to be Commissioners on the U.S. International Trade Commission. The two nominees were favorably reported by the Committee by voice vote on March 5, 2003.
- Mar. 5, 2003—Hearing: “The Administration’s Trade Agenda.” Received testimony from Ambassador Robert B. Zoellick, U.S. Trade Representative, regarding the Administration’s international trade agenda. Ambassador Zoellick highlighted the successful effort to pass the Trade Act of 2002, which gave the President the authority to pursue an aggressive international trade policy.
- Apr. 11, 2003—Meeting: Congressional Oversight Group with Ambassador Robert B. Zoellick, U.S. Trade Representative.
- June 17, 2003—Hearing: “The Implementation of U.S. Bilateral Free Trade Agreements with Singapore and Chile.” Received testimony from Ambassador Peter F. Allgeier, Deputy U.S.

Trade Representative, and a panel of private sector representatives regarding the free trade agreements with Singapore and Chile.

June 26, 2003—Hearing: “Nomination of Josette Sheeran Shiner, to be Deputy United States Trade Representative, Executive Office of the President, and James J. Jochum, to be Assistant Secretary, Department of Commerce.” Received testimony from the two nominees. The Deputy U.S. Trade Representative plays a key role in developing and carrying out the Administration’s international trade policy. The Assistant Secretary for Import Administration at the U.S. Department of Commerce is responsible for administering the U.S. trade remedy laws. The two nominees were favorably reported by the Committee by voice vote on July 31, 2003.

July 10, 2003—Informal Meeting: “To Review and Make Recommendations on Proposed Legislation Implementing the U.S.-Chile Free Trade Agreement and the U.S.-Singapore Free Trade Agreement.” Considered the draft implementing legislation and draft statements of administrative action that were submitted by the Administration pursuant to the cooperative procedures provided in the Trade Act of 2002 for the approval of trade agreements.

July 10, 2003—Members Meeting with Stuart Harbinson, Chairman of the World Trade Organization Agricultural Negotiations. Reviewed and commented upon the draft agricultural negotiating text written by Mr. Harbinson for the World Trade Organization Ministerial negotiations in Cancun, Mexico.

July 24, 2003—Meeting: Congressional Oversight Group with Ambassador Robert B. Zoellick, U.S. Trade Representative.

Sept. 3, 2003—Members Meeting with Ambassador Robert B. Zoellick, U.S. Trade Representative, and the Government Accountability Office. Reviewed the agenda and negotiating strategies for the World Trade Organization Ministerial in Cancun, Mexico.

Sept. 4, 2003—Hearing: “Regarding U.S.-Cuba Economic Relations.” Received testimony from Alan Larson, Under Secretary for Economic, Business, and Agricultural Affairs, U.S. Department of State, and Grant D. Aldonas, Under Secretary for International Trade, U.S. Department of Commerce, and a panel of private sector representatives concerning U.S. policy toward Cuba.

Sept. 23, 2003—Hearing: “Unfulfilled Promises: Mexican Barriers to U.S. Agricultural Exports.” Received testimony from Ambassador Allen F. Johnson, Chief Agriculture Negotiator, Office of the U.S. Trade Representative, and a panel of private sector representatives concerning agricultural trade with Mexico and the actions the Government of Mexico has taken to support and protect Mexican farmers against agricultural imports from the United States, notwithstanding Mexico’s commitments and obligations under the NAFTA and the WTO.

2004

Mar. 9, 2004—Hearing: “The Administration’s International Trade Agenda.” Received testimony from Ambassador Robert B. Zoellick, U.S. Trade Representative, regarding the Administra-

tion's international trade agenda. Ambassador Zoellick outlined the priorities of the Administration, which include a plan to pursue bilateral, regional and global trade agreements that will open markets for U.S. farmers, manufacturers and service providers.

- Mar. 10, 2004—Hearing: "United States Economic and Trade Policy in the Middle East." Received testimony from the Honorable John McCain, United States Senator, Grant D. Aldonas, Under Secretary for International Trade, U.S. Department of Commerce, and Alan Larson, Under Secretary for Economic, Business, and Agricultural Affairs, U.S. Department of State, and a panel of private sector representatives concerning U.S. efforts to encourage economic reform and trade liberalization in the Middle East, and prospects for achieving the President's vision for a Middle East Free Trade Area by 2013, thereby promoting greater peace and prosperity in the region.
- May 6, 2004—Meeting: Congressional Oversight Group with Ambassador Robert B. Zoellick, U.S. Trade Representative.
- May 17, 2004—Members' Meeting with Australian Trade Minister Mark Vaile. Discussed the implementation of the U.S.-Australia Free Trade Agreement and issues related to passage of the measure in the Senate.
- June 3, 2004—Members' Meeting with Australian Prime Minister John Howard. Provided a forum for Senators to meet Prime Minister Howard and discuss Senate consideration of the U.S.-Australia Free Trade Agreement.
- June 15, 2004—Hearing: "U.S.-Australia and U.S.-Morocco Free Trade Agreements." Received testimony from Ambassador Peter F. Allgeier, Deputy U.S. Trade Representative, Josette Sheeran Shiner, Deputy U.S. Trade Representative, and Allen Johnson, Chief Agricultural Negotiator, Office of the U.S. Trade Representative, and a panel of private sector representatives concerning the two free trade agreements.
- Sept. 8, 2004—Meeting: Congressional Oversight Group with Ambassador Robert B. Zoellick, U.S. Trade Representative.

SUBCOMMITTEE ON INTERNATIONAL TRADE HEARINGS AND MEETINGS

- May 13, 2003—Hearing: "Status of the Free Trade Area of the Americas: Negotiations and Preparations for the Miami Ministerial." Received testimony from Ambassador Peter F. Allgeier, Deputy U.S. Trade Representative, and a panel of experts regarding the ongoing negotiations of the Free Trade Area of the Americas, and the preparations for the Miami Ministerial.

SUBCOMMITTEE ON INTERNATIONAL TRADE FIELD HEARINGS

- Apr. 15, 2004—Field Hearing, Rock Springs, Wyoming: "International Trade and the Impact on the U.S. Soda Ash Industry." Received testimony from the Honorable Barbara Cubin, U.S. Congresswoman, and Meredith Broadbent, Assistant U.S. Trade Representative for Industry, Market Access and Tele-

communications, and a panel of private sector representatives concerning the competitive conditions in the soda ash industry and the challenges faced by Wyoming's soda ash industry in foreign markets

JOINT HEARING BY THE SUBCOMMITTEE ON INTERNATIONAL TRADE AND THE SUBCOMMITTEE ON HEALTH CARE

Apr. 27, 2004—Hearing: “International Trade and Pharmaceuticals.” Received testimony from Grant D. Aldonas, Under Secretary for International Trade, U.S. Department of Commerce, Josette Sheeran Shiner, Deputy U.S. Trade Representative, and William K. Hubbard, Associate Commissioner for Policy and Planning, Food and Drug Administration, and a panel of private sector representatives concerning the impact of foreign trade and regulatory barriers, including government-set price controls, on the competitiveness of the U.S. pharmaceutical industry.

FULL COMMITTEE EXECUTIVE MEETINGS

2003

Feb. 26, 2003—Executive Session: “To Mark Up an Original Bill Entitled, ‘Miscellaneous Trade and Technical Corrections Act of 2003.’” Considered and marked up a trade bill (S. 671) that, among other things: temporarily suspended certain rates of duty for products that are not produced domestically; liquidated or reliquidated certain custom entries; granted duty-free treatment to certain hand-made rugs under the Generalized System of Preferences; enhanced the international competitiveness of the U.S. insular possessions; strengthened the protection of U.S. intellectual property rights abroad; and made a number of other technical amendments to U.S. trade laws. The bill was favorably reported by the Committee by voice vote on February 27, 2003.

Apr. 2, 2003—Executive Session: “To Mark Up the Clean Diamond Trade Act.” Considered and marked up a bill (S. 760) that implements measures to stop international trade in “conflict diamonds,” rough diamonds that are mined and sold by rebel groups in several sub-Saharan African countries. The proceeds from such diamond sales fuel persistent regional conflicts that include well-documented human rights violations against local populations. The bill was favorably reported by the Committee by voice vote.

July 17, 2003—Executive Session: “To Consider Favorably Reporting S. 1416, the U.S.-Chile Free Trade Implementation Act and S. 1417, the U.S.-Singapore Free Trade Implementation Act.” The Committee’s recommendation for the proposed implementing bill for the U.S.-Chile free trade agreement was approved by a unanimous vote of 21–0. The Committee’s recommendations for the proposed implementing bill for the U.S.-Singapore free trade agreement was also approved by a unanimous vote of 21–0.

2004

- June 15, 2004—Executive Session: “Approving the Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003.” The Committee voted unanimously to report favorably S.J. Res. 39, Approving Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003.
- July 15, 2004—Executive Session: “To Consider Favorably Reporting S. 2610, the U.S.-Australia Free Trade Implementation Act.” The Committee’s recommendations for the proposed implementing bill for the proposed implementing bill for the U.S.-Australia free trade agreement were disapproved by the Committee by a recorded vote of 4 ayes and 17 nays.
- July 20, 2004—Executive Session: To Consider Favorably Reporting S. 2677, the U.S.-Morocco Free Trade Agreement Implementation Act.” The Committee’s recommendations for the proposed implementing bill for the U.S.-Morocco free trade agreement were approved by a unanimous vote of 21–0.

INFORMAL MEETINGS

- June 23, 2004—Informal Meeting: “To Review and Make Recommendations on Proposed Legislation Implementing the U.S.-Australia Free Trade Agreement.” Considered the draft implementing legislation and draft statements of administrative action that were submitted by the Administration pursuant to the cooperative procedures provided in the Trade Act of 2002 for the approval of trade agreements.
- July 15, 2004—Informal Meeting: “To Review and Make Recommendations on Proposed Legislation Implementing the U.S.-Morocco Free Trade Agreement.” Considered the draft implementing legislation and draft statements of administrative action that were submitted by the Administration pursuant to the cooperative procedures provided in the Trade Act of 2002 for the approval of trade agreements.

HEALTH

SUMMARY OF ACTIVITIES

During the 108th Congress, the Committee under the Chairmanship of Senator Grassley finished work begun in the 107th Congress by approving the most sweeping improvements to Medicare since the program's inception nearly 40 years ago. The historic Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (P.L. 108-173), which President Bush signed into law on December 8, 2003, expanded the types of coverage choices available to beneficiaries through the Medicare Advantage program and added the first ever voluntary prescription drug benefit under Medicare Part D that begins in 2006. The law created the Medicare-Approved Drug Discount Card Program to provide beneficiaries with immediate assistance in 2004 and 2005 to purchase their much needed prescriptions and added important new preventive benefits that will improve beneficiaries' quality of life.

The new law also strengthened the rural health care safety net with the largest package of rural payment improvements in the history of the program. Over a 10-year period, rural health care providers, including physicians, hospitals, home health agencies, renal dialysis facilities, and ambulance services, will receive approximately \$25 billion in additional Medicare payments. These additional payments will help address long-standing equity issues and will ensure that beneficiaries across the nation have good access to quality care that they need and deserve.

Under the Medicare Advantage program, beneficiaries will be able to receive their Medicare benefits through a health plan that can then offer better coordinated care, an important feature especially for the millions of beneficiaries who live with a chronic illness and receive care from multiple providers. The MMA recognizes, however, that some beneficiaries prefer traditional fee-for-service Medicare and this legislation took significant steps to strengthen and revitalize this program.

The Medicare Part D benefit provides voluntary drug coverage for all beneficiaries. The benefit provides targeted assistance to low income beneficiaries and those with high drug costs. Low income beneficiaries will receive coverage of 75-98 percent of their prescription drug costs with no premium or a low monthly premium. All other beneficiaries will have the option of enrolling in the Medicare Part D prescription drug benefit for a monthly premium of about \$35 a month. Under the standard benefit package, after paying a \$250 deductible, beneficiaries would have 75 percent of their medicine bills covered up to drug spending of \$2,250. The benefit also protects beneficiaries from high annual drug costs by providing 95 percent coverage of prescription costs for those who have out of pocket costs in a year of \$3,600 or more.

During the first session of the 108th Congress, the Committee developed the structure of the prescription drug benefit, private plan participation in the Medicare program and other improvements to the overall Medicare program. The Committee's work during the second session focused on the MMA's implementation. Specifically, the Committee held hearings on the administration of the Medicare-Approved Drug Discount Card program by the Centers for Medicare and Medicaid Services (CMS) and the proposed rules developed by CMS to implement the Medicare Advantage program and the voluntary Part D Medicare prescription drug benefit.

In addition to its work on Medicare, the Committee also focused on the reauthorization and reform of the welfare program. The Committee held hearings and members' meetings on the need for improvements to the existing welfare system.

FULL COMMITTEE HEARINGS AND MEETINGS

2003

Feb. 27, 2003—Hearing: "Hearing on the Administration's Medicare and Medicaid Priorities." This hearing focused on the Administration's plans to strengthen and improve Medicare, and to make the Medicaid program more flexible. Tommy Thompson, Secretary for the Department of Health and Human Services was the sole witness.

Mar. 12, 2003—Hearing: "Welfare Reform: Building on Success." The purpose of the hearing was to determine what welfare reform policies have been successful in the past and areas in which the next phase of reform needed to be focused. Witnesses included: Tommy Thompson, Secretary for the Department of Health and Human Services, Howard Hendrick, Director of the Department of Health and Human Services for the State of Oklahoma, Marilyn Ray Smith, Deputy Commissioner and IV-D Director, Child Support and Enforcement Division for the Massachusetts Department of Revenue, Larry Temple from the Texas Workforce Commission and Margy Waller, Visiting Fellow, The Brookings Institution.

Apr. 3, 2003—Hearing: "Purchasing Health Care Services in a Competitive Environment." This hearing focused on the issues and concepts associated with competitive bidding structures employed by large health care purchasers. The witness list included: Abby L. Block, Senior Advisor for Employee and Family Policy, Office of Personnel Management, Tom Carrato, Deputy Assistant Secretary of Defense for Health Plan Administration and Chief Operating Officer for the TRICARE Management Activity, Department of Defense, Bruce Bradley, Director of Health Plans Strategy and Public Policy, General Motors, and Lois Quam, CEO, Ovations, United Health Group Company.

June 6, 2003—Hearing: "Strengthening and Improving the Medicare Program." The purpose of the hearing was to explore various policy options to strengthen and improve the Medicare program. Witnesses included: Tom Scully, Administrator of the Centers for Medicare and Medicaid Services, Mr. Walton

Francis, an author and independent consultant, and Ms. Marilyn Moon from the Urban Institute.

2004

- Feb. 4, 2004—Hearing: “Administration’s Health and Human Services Budget Priorities.” The focus of the hearing was to discuss the Administration’s health and welfare budget priorities for fiscal year 2005. Tommy Thompson, Secretary for the Department of Health and Human Services was the only witness.
- Apr. 7, 2004—Hearing: “Strategies to Improve Access to Medicaid Home and Community Based Services.” The purpose of the hearing was to review proposals to improve access to Medicaid Home and Community Based Services such as President Bush’s New Freedom Initiative and the Medicaid Community-Based Attendant Services and Supports Act of 2003, also known as the MiCASSA (ME-Casa) bill. The witness list included: Senator Tom Harkin (D-IA), Dennis Smith, Director of the Center for Medicaid and State Operations, Department of Health and Human Services, The Honorable Carol Novak, Member, National Council on Disability, Ray Gerke, Member, Olmstead Real Choices Consumer Task Force, Bruce Darling, Executive Director, Center for Disability Rights, Jan Moss, Mother of two adult children with developmental disabilities, and Di Findley, Executive Director, Iowa Caregivers Association.
- June 8, 2004—Hearing: “Medicare Drug Discount Card: Delivering Savings for Participating Beneficiaries.” This hearing focused on the implementation of the drug discount program which was part of the Medicare Modernization Act signed in law on December 8, 2003. Witnesses included: Mark B. McClellan, M.D., Ph.D., Administrator, Centers for Medicare and Medicaid Services, Kris Gross, Director, Iowa Senior Health Insurance Information Program (SHIIP), Mark Merritt, President, Pharmaceutical Care Management Association, James B. Firman, Chair, Access to Benefits Coalition and President and CEO National Council on the Aging, Robert Hayes, President and General Counsel, Medicare Rights Center, and Tom Snedden, Director Pennsylvania’s Pharmaceutical Assistance Contract for the Elderly.
- Sept. 14, 2004—Hearing: “Implementing the Medicare Prescription Drug Benefit and Medicare Advantage Program: Perspectives on the Proposed Rules.” The purpose of the hearing was to provide an opportunity for the Centers for Medicare and Medicaid Services to discuss key aspects of the proposed rules to implement Title I (Medicare Prescription Drug Benefit) and Title II (Medicare Advantage Program) of the Medicare Modernization Act of 2003 (MMA). Additionally, it was an opportunity for various stakeholders to offer their perspective on the Agency’s proposed approaches to implement MMA provisions related to Prescription Drug Plan (PDP) and Medicare Advantage (MA) region size, formularies, and the the retiree drug subsidy, among others. The witness list included: Mark B. McClellan, M.D., Ph.D., Administrator, Centers for Medicare and Medicaid Services, Karen Ignagni, President & CEO, America’s Health Insur-

ance Plans, Mark Merritt, President & CEO, Pharmaceutical Care Management Association, Michael J. Fitzpatrick, M.S.W., Executive Director, National Alliance for the Mentally Ill, Gerald Shea, Assistant to the President for Government Affairs, AFLCIO, and Larry Burton, Executive Director, President, Business Roundtable.

FULL COMMITTEE FIELD HEARINGS

- Feb. 20, 2003—Field Hearing in Des Moines, Iowa, “Welfare Reform: Past Successes, New Challenges.” The purpose of the hearing was to review the provisions of the 1996 welfare reform bill which are working in Iowa and to identify areas in need of strengthening and improvement. Witnesses included: Ms. Donna Littrel, an Insurance Policy Specialist at Aegon Insurance, Ms. Deb Bingaman, Administration of Financial, Health and Work Supports at the Iowa Department of Human Services; Ms. Linda Anderson, a Human Resources Recruiter from Mercy Hospital, Representative Dave Heaton from the Iowa State Legislature; Ms. Sonja Marquez from Boost 4 Families and Ron Haskins, former White House policy lead on welfare reform.
- Apr. 14, 2003—Hearing: “A Fair Deal for Rural America: Fixing Medicare Reimbursement.” The focus of the field hearing was to better understand how and why Medicare underpaid health care providers in rural America and how to better understand what the Senate Finance Committee could do about it. The witness list included: Ms. Gail Wilensky, John M. Olin Senior Fellow and Co-Chair of the President’s Task Force to Improve Health Care Delivery for Our Nation’s Veterans, Project Hope, Ms. Nancy Ann DeParle, Senior Advisor, Commissioner, Medicare Payment Advisory Commission, Mr. David Holcomb, President and Chief Executive Officer, Jennie Edmundson Hospital, Mr. Michael Kitchell, McFarland Clinic PC, Mr. John D. Forsyth, Chairman and Chief Executive Officer, Wellmark, Inc., and Mr. Mike Early, President and Chief Executive Officer, Bankers Trust Company.

FULL COMMITTEE EXECUTIVE MEETINGS

2003

- June 12, 2003—Executive Session: S. 1, the Prescription Drug and Medicare Improvement Act of 2003, was introduced on June 11, 2003. The measure gained bipartisan support both in the Senate Finance Committee, which approved S.1 with an amendment in the nature of a substitute by a vote of 16–5 and the full Senate, which adopted the measure as amended by a vote of 76–21. The Senate incorporated S. 1 into H.R. 1, the Medicare Prescription Drug Improvement and Modernization Act (MMA) and subsequently approved the House companion measure, H.R. 1 by unanimous consent. President Bush signed the MMA into law on December 8, 2003. In brief, the historic MMA added a voluntary prescription drug benefit to Medicare and made several other significant improvements to the program including new coverage choices and preventive benefits.

In addition, the MMA took substantial steps toward reducing provider payment inequities that have adversely affected beneficiaries' access to care in certain parts of the country.

June 24, 2003—Executive Session: The Committee favorably reported S. 312, the Availability of SCHIP Allotments for Fiscal Years 1998–2001. On June 26, 2003 the full Senate agreed to this legislation by unanimous consent. This legislation included provisions to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children's Health Insurance Program.

September 10, 2003—Executive Session: The full Senate passed S. 622, the Family Opportunity Act of 2004, on May 6, 2004. This legislation included provisions to provide families of disabled children with the opportunity to purchase coverage under the Medicaid program for such children. Additionally, this legislation covers many services that these children need on a regular basis, such as physical therapy and medical equipment. Finally this Act takes significant steps to removing barriers to work for families of disabled children by improving access to appropriate health care for their special needs child.

September 10, 2003—Executive Session: The Personal Responsibility and Individual Development for Everyone (PRIDE) Act was reported favorably on September 10, 2003 and submitted to the full Senate with an amendment in the nature of a substitute on October 10, 2003. This legislation included provisions to reauthorize and improve the program of block grants to States for temporary assistance for needy families by strengthening work, improving State flexibility and promoting marriage and family as well improve access to quality child care. This legislation was considered by the Senate during the week of March 29, 2004. On April 1, 2004 a motion to invoke cloture was not invoked on the committee substitute.

2004

September 15, 2004—Executive Session: The Committee reported S. 333, the John Breaux Elder Justice Act, to the full Senate on September 8, 2004. Provisions included in this legislation would have created an office of Adult Protective Services in the Administration for Children and Family Services (ACF) in the Department of Health and Human Services (DHHS). This office would have also provided funding authorized in the bill to State offices of adult protective services; collected and disseminated data on elder abuse in conjunction with the Bureau of Justice Statistics; developed and disseminated best practices; conducted research related to provision of adult protective services; and provided technical assistance to states.

SOCIAL SECURITY

SUMMARY OF ACTIVITIES

During the 108th Congress, the Committee completed action on legislation to provide the Social Security Administration with important new tools to fight waste, fraud, and abuse in the Social Security and Supplemental Security Income programs, increase the ability of disability beneficiaries to return to work, and improve the equity and efficiency of both programs. The Committee also held a hearing on the status of the Social Security trust funds.

FULL COMMITTEE HEARINGS AND MEETINGS

Apr. 9, 2003—Hearing: “The 2003 Annual Report of the Board of Trustees of the Federal Old Age and Survivors Insurance and Disability Insurance Trust Funds”. This hearing featured the testimony of Stephen C. Goss, Chief Actuary of the Social Security Administration. The testimony focused on the latest actuarial projections related to the status of the Social Security trust funds. The testimony also highlighted the introduction of a new calculation that measures Social Security’s unfunded obligation extended to the infinite horizon.

SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY

May 5, 2004—Hearing: “The Benefits of a Healthy Marriage.” The purpose of the hearing was to hear from practitioners and participants “on the ground” who were running and utilizing healthy marriage and fatherhood programs as well as to hear from academics on the research supporting the benefits both economically and overall of healthy marriages for children. Witnesses included: Ms. Julie Baumgardner, Executive Director, First Things First, Chattanooga, TN, Mr. Dwayne Grimes, Center for Fathers, Families, and Workforce Development Program Participants, Mr. Dominick Walker, Center for Fathers, Families, and Workforce Development Program Participants, Mr. Joseph T. Jones, Founder, Center for Fathers, Families, and Workforce Development, Dr. Kathryn Edin, Associate Professor, Department of Sociology, Northwestern University, Dr. Ron Haskins, Senior Fellow of Economic Studies, The Brookings Institution, Ms. Theodora Ooms, Senior Policy Analyst, The Center for Law and Social Policy, and Dr. Scott Stanley, Co-Director, Center for Marital and Family Studies and Adjunct Professor, Department of Psychology, University of Denver.

FULL COMMITTEE EXECUTIVE MEETINGS

September 17, 2003—Executive Session: H.R. 743, the Social Security Protection Act of 2003 was reported favorably by the Committee. It passed the Senate by unanimous consent on December 9, 2003. This legislation provides the Social Security Administration with important new tools to fight waste, fraud, and abuse in the Social Security and Supplemental Security Income programs, increase the ability of disability beneficiaries to return to work, and improve the equity and efficiency of both programs.

Specifically, the bill would impose stricter standards on individuals and organizations that serve as Representative Payees for Social Security and SSI recipients. The bill would enhance provisions of the Ticket to Work program to help individuals with disabilities return to employment. The bill would also encourage more employers to hire individuals with disabilities by expanding eligibility for the Work Opportunity Tax Credit.

The bill would improve representation for claimants of disability benefits in the Social Security and SSI programs. The bill would expand and improve important provisions in the current SSI program that deny benefits to fugitive felons and allow SSA to cooperate with law enforcement in order to apprehend these and other felons. The bill also closed the “last day” loophole in the application of the Government Pension Offset, as recommended by the Government Accountability Office.

The bill would give SSA more flexibility to recover overpayments in one program from underpayments made in another program. The bill would also require non-citizens to have work authorization at the time of application for benefits, or to have had work authorization at some point in the past, in order to be eligible to receive Social Security benefits. The bill would also help protect Social Security employees from harm while conducting their duties.

The bill would improve benefits and simplify administration of the SSI program. Finally, the bill would correct, clarify, or modify various technical aspects of current law in the Social Security, SSI, and Railroad Retirement programs.

Strong support for similar legislation (H.R. 4070) in the 107th Congress, led to the introduction of H.R. 743, the “Social Security Protection Act of 2003” in the 108th Congress. On March 5, the House of Representatives considered H.R. 743, as amended, under suspension of the rules; it failed by a vote of 249–180 (a two-thirds vote being required). On March 13, 2003, the Committee on Ways and Means ordered favorably reported H.R. 743, the “Social Security Protection Act of 2003,” as amended, by a vote of 35–2. The House of Representatives passed H.R. 743 on April 2, 2003, by a vote of 396–28.

The Senate Committee on Finance marked up H.R. 743 and approved the bill, as modified, on September 17, 2003. H.R. 743 passed the Senate by unanimous consent on December 9, 2003. It passed the House of Representatives on February 11, 2004 by a vote of 402 to 19. It was signed into law (P.L. 108–203) on March 2, 2004.

SUMMARY OF OVERSIGHT ACTIVITIES

One of the important responsibilities the Constitution granted to the Congress is to conduct oversight of Executive Branch operations. During the 108th Congress, the Committee investigated and conducted oversight hearings and activities over many important and timely issues facing the nation. Oversight is critically important in helping to make government more transparent, more accountable, and more effective for the taxpayers, program participants, and beneficiaries. Taxpayers deserve transparency because they finance the government. Government truly is the people's business, and the people have a right to know what their government is doing and how it spends their money.

One of the best means for achieving transparency in operations is through consistent congressional oversight, in conjunction with an aggressive and curious media, and the vigilance of the public and brave whistleblowers who speak up about the problems and abuses they see. Transparency also helps to ensure a high degree of ethics, morality and honesty. As former Supreme Court Justice Louis D. Brandeis once said, "Sunshine is the best disinfectant."

During the 108th Congress, some thirteen oversight hearings were conducted by the Finance Committee. In addition, Committee staff kept busy with a substantial number of other important oversight and investigation activities. The thirteen oversight hearings by the Committee include several health care-related hearings, such as patient abuse in nursing homes, bogus health insurance policies, fraudulent power wheelchair schemes, and FDA delays in notifying the public of the increased risks of heart attacks associated with the use of Vioxx; assessing lax border security and the use of counterfeit identity documents; financing terrorism; reviewing Enron's executive compensation abuses; exposing abusive tax shelters and charitable donation scams; and reforming the conditions in Indian jails.

Three separate hearings focused on post-September 11, anti-terrorism issues. The first of these hearings examined border security and the effectiveness of the Interior Department, the Immigration and Naturalization Service, and the Customs Service in policing and protecting our borders and curtailing the illegal transport of money, counterfeit funds and other items of commerce that could be used to finance terrorism. A second hearing also examined the ease by which terrorists can obtain and use bogus identity documents—such as Social security cards and driver's licenses—to assimilate into American culture and thereby continue to bypass screening mechanisms some two years after the September 11 attacks. A third oversight and nominations hearing looked at the Committee's concerns about terrorism financing and what the government can do to stop it.

The Committee held a series of four oversight hearings focusing on health-related issues. The first of these looked at neglectful and abusive practices found in some nursing homes receiving Medicare and Medicaid funding, which resulted in needless suffering and deaths by some of the patients being housed there. A second Committee hearing studied the adverse impact on individuals and employees of small businesses who suddenly discover that what they

had thought was a legitimate health insurance plan is, in fact, fake insurance that will not cover their costly claims, possibly leaving them with huge medical bills and no insurance. A third health care-related hearing examined the rapidly growing problem of costly and bogus claims for the reimbursement by Medicare for unneeded power wheelchairs or for wheelchairs that were never provided to so-called “beneficiaries.” A fourth hearing examined the FDA’s regulatory role relating to the worldwide withdrawal of Vioxx.

FULL COMMITTEE HEARINGS AND MEETINGS

- Jan. 30, 2003—Hearing: “U.S. Borders: Safe or Sieve?” This hearing examined the extent to which the responsible government agencies are doing their best to secure the nation’s borders. Prior to the attacks on September 11, 2001, terrorists had exploited loopholes in the U.S. immigration system and lax security at our ports of entry. Fraudulent IDs are all-too-easy to obtain, and all-too-often unnecessary in order to gain admittance into this country. The focus of this hearing was to assess the vulnerabilities at our borders and to explore ways to strengthen them and thereby better protect the nation and its citizens from terrorist threats. Witnesses included the Government Accountability Office, the Immigration and Naturalization Service, the Border Security and Facilitation Customs Service, and the Department of the Interior.
- July 17, 2003—Hearing: “Nursing Home Quality Revisited: The Good, the Bad and the Ugly.” The purpose of this follow-up hearing was to examine what is being done to protect the frail, elderly and vulnerable who live in nursing homes all across the country. Many nursing homes are doing a very good job in caring for their patients’ daily needs, while a minority of homes fail to provide quality care, resulting in patient neglect and abuse that often leads to needless deaths from such sub-standard care. Unfortunately, the gap in the quality of care that is being provided in some of these homes can be enormous, so nursing home customers and their families need to be educated about these great differences and vigilant about the operations and practices they find within the nursing home community. Witnesses testifying at the hearing included Government Accountability Office, and the Department of Health and Human Services, among others.
- Sept. 9, 2003—Hearing: “The Alias Among Us: The Homeland Security and Terrorism Threat from Document Fraud, Identity Theft and Social Security Number Misuse.” This hearing focused on the ease some two years after the September 11 attacks to obtain fraudulent identity documents, including Social Security cards and drivers licenses that can enable terrorists to assimilate easily into American life as part of sleeper cells. With these basic documents, they can open bank accounts, buy guns, get credit cards, take flight lessons, and board airplanes. Witnesses testifying at this hearing included officials from the Department of Homeland Security, Social Security Administration, Federal Bureau of Investigation, Government Account-

ability Office, and the American Association of Motor Vehicle Administrators.

- Mar. 3, 2004—Hearing: “Health Insurance Challenges: Buyer Beware.” This hearing examined the problem of unauthorized and bogus health insurance plans that purportedly offer health insurance to small businesses and other individuals seeking affordable health care coverage for themselves or their employees. The Government Accountability Office issued a report that documented a mushrooming growth in bogus health care plans and discussed measures being taken to address the problem. While many of these plans can appear on the surface to be legitimate, regulated insurance companies, they are in fact shell companies that operate Ponzi schemes by accepting premium payments for a time, while delaying most benefit payments until they fold their operations, change their names, and move to another state, leaving individuals with staggering medical bills, no health insurance, and possibly pre-existing conditions that may render them no longer insurable by legitimate companies. Witnesses included the Government Accountability Office, the Department of Labor, the Texas Department of Insurance, and other experts in the field.
- Apr. 28, 2004—Hearing: “Taking the Taxpayers for a Ride: Fraud and Abuse in the Power Wheelchair Program.” This oversight hearing focused on the growing and widespread problem of fraud and abuse within the nearly billion dollar reimbursement program for power wheelchairs for Medicare beneficiaries. Over the preceding four years, the growth in expenditures for power wheelchairs grew by more than 450 percent. Criminal and undercover investigations and studies conducted by the Government Accountability Office, the Office of Inspector General at the Department of Health and Human Services, and the Federal Bureau of Investigations disclosed weak program management and oversight by the Centers for Medicare and Medicaid Services; as well as extensive fraud, program abuse, and overly-aggressive marketing practices by some durable medical equipment suppliers and cooperating health care professionals operating in several areas of the country. Witnesses included representatives from the Government Accountability Office, the Department of Health and Human Services, representatives from professional organizations and industry, and an individual convicted of fraudulently billing Medicare for hundreds of power wheelchairs that were never actually provided to bogus claimants.
- Nov. 18, 2004—Hearing: “FDA, Merck, and Vioxx: Putting Patient Safety First?” The focus of this hearing was to examine whether the Food and Drug Administration (FDA) had made fundamental mistakes in managing public health risks associated with Vioxx, a pain medication for arthritis. Merck, the manufacturer, withdrew Vioxx on September 30, 2004, over scientific concerns that it dramatically increased the risk for heart attack and stroke. Senator Grassley convened the hearing because the Medicaid program paid in excess of \$1 billion per year for Vioxx and on account of his concern that the American public had been kept in the dark by the FDA and Merck about

the risks associated with taking this drug, despite earlier red flags.

OTHER OVERSIGHT AND INVESTIGATION INITIATIVES

USPS Oversight—Inspector General Carla Corcoran

Amid allegations of waste and mismanagement by the Office of Inspector General at the United States Postal Service (USPS), the USPS Inspector General, Carla Corcoran resigned. Among the complaints to surface were numerous allegations about her poor management of her office, cronyism, improper personnel practices, and wasteful spending. At the request of Chairman Grassley, an investigation was conducted by the President’s Council on Integrity and Efficiency, an interagency group that represents the Inspector General community. The Chairman requested the probe following complaints from whistleblowers made to the Committee. Allegations against the Inspector General included changing audit reports to show that the Postal Service was intentionally engaging in wrongdoing, wasting money and resources (including almost \$1 million on a week-long conference) while the Postal Service was downsizing and canceling organizational meetings, and verbally abusing and humiliating subordinates in front of their peers and subordinates.

HHS Oversight—Inspector General Janet Rehnquist

Following concerns raised by Chairman Grassley and Ranking Member Baucus and other Members of Congress about the management of the Office of Inspector General (OIG) at the U.S. Department of Health and Human Services (HHS), Janet Rehnquist, the HHS Inspector General, resigned her position. Her resignation followed critical reports prepared by the Government Accountability Office (GAO) and the President’s Council on Integrity and Efficiency (PCIE), an interagency group representing the Inspector General community that has been granted responsibility to conduct integrity investigations involving OIG officials. The GAO report had been requested by Chairman Grassley, Ranking Minority Member Baucus and Senator Breaux of the Special Committee on Aging. GAO found that the Inspector General had exhibited serious lapses in judgment that were troubling to her staff and had taken measures that fostered an atmosphere of anxiety and distrust. The PCIE report focused on specific allegations that the Inspector General had improperly requested and/or received a firearm and Supervisory Special Agent law enforcement credentials, which she was not entitled to carry. Ultimately, the collective effect of the results of these two investigations and reports compromised her ability to serve as an effective leader of HHS’s Office of Inspector General, leading to her resignation.

OSC Oversight—Backlog of Whistleblower Cases

Chairman Grassley sent a letter to William Reukauf, Acting Special Counsel at the Office of Special Counsel (OSC), concerning press accounts about the growing backlog of OSC investigations into allegations by whistleblowers of retaliation against them, and requesting a full briefing of the Committee’s oversight and investigations by OSC. In his letter to OSC, Chairman Grassley charac-

terized whistleblowers as being a “national asset.” However, government secrecy since September 11 has restricted information for security reasons, which also could easily stop the legitimate disclosure of wrongdoing and mismanagement, especially about public safety and security, particularly given bureaucracies’ instinct to cover up their misdeeds and mistakes. Whistleblowers serve as a check against this instinct and temptation, and whistleblowing is crucial to the protection of the national security. The following month, the Chairman sent a second letter to OSC requesting an action plan as to how it will reduce its backlog of cases. The Committee is continuing to monitor that progress.

CMS Fraud—Tenet Healthcare Corporation

The Chairman wrote to the Acting Chief Executive Officer and President of Tenet Healthcare Corporation (Tenet), Trevor Fetter, about allegations of unnecessary heart operations and procedures and demanding the production of extensive Tenet documents. The letter referred to numerous lawsuits involving Tenet that related to overcharging Medicare patients, submitting many thousands of false claims for more than \$100 million in wrongfully upcoded Medicare bills, and unnecessary surgeries (including angioplasties, coronary bypasses, and heart catheterizations) at Tenet’s Redding Medical Center, potentially resulting in patients’ deaths.

Chairman Grassley also wrote letters to Edward Kangas, Chairman of Tenet Healthcare Corporation expressing his concern that Tenet might not be conducting the reforms necessary to ensure the proper use of taxpayer dollars and the appropriate treatment of Medicare beneficiaries. He also urged Tenet to comply fully with his prior document request, questioning its decision not to provide the Committee with the results of an independent study of the Redding Medical Center conducted by Mercer Human Resources Consulting, Inc. Senator Grassley’s letters questioned management changes taken by Tenet that still did not seem to significantly and substantially affect the structural problems that led to hundreds of lawsuits and numerous investigations into alleged patient deaths and complications due to unnecessary surgeries.

Chairman Grassley also sent a letter and a subpoena to Blue Cross of California, asking for its data suggesting that doctors at two Tenet hospitals (Redding and Modesto, California) had performed unnecessary surgeries.

The Chairman also asked the Inspector General at the Department of Health and Human Services to investigate whether the Federal health care programs may have paid for unnecessary surgeries performed by Tenet Healthcare at its Modesto hospital. The Chairman also wrote to Tenet Healthcare Corporation directing it to describe the actions it has taken to notify all patients who have received medically unnecessary surgeries or procedures from Tenet. At this time, Tenet is being investigated by the Department of Justice, and the Committee’s investigation is ongoing.

CMS Quality of Care—Nursing Home Fires

Chairman Grassley and Majority Leader Frist wrote to Thomas Scully, Administrator of the Centers for Medicare & Medicaid Services (CMS), raising questions about whether existing nursing home

fire safety standards are adequate. This concern followed a nursing home fire two weeks earlier in Nashville that resulted in the deaths of 14 patients. The letter asked CMS to assist the Committee in evaluating how well existing nursing home fire regulations are working. The Committee also asked the Government Accountability Office (GAO) to look at Federal fire regulations for nursing homes. Specifically, Chairman Grassley asked GAO to: examine why all nursing homes are not required to have fire sprinklers installed, review the adequacy of Federal fire safety standards for unsprinklered homes, and examine Federal and State oversight of nursing home fire safety.

The GAO conducted its review by examining two serious 2003 nursing home fires in Nashville, Tennessee and Hartford, Connecticut that together took 31 lives. Its report, entitled *Nursing Home Fire Safety: Recent Fires Highlight Weaknesses in Federal Standards and Oversight* (GAO-04-660), described fire safety problems that exist in many nursing homes throughout the country. The GAO noted that some 3,000 nursing home fires occur every year in the United States. Although relatively few of these fires result in multiple deaths, the consequences to the nursing home patients can be catastrophic, because many of the residents are physically or mentally challenged, confused, or bed-ridden. Evacuating residents in the event of a fire can be incredibly difficult, labor intensive, and time consuming. Recognizing these problems, nursing homes are usually designed and constructed with a view to “defend in place,” whereby their design and construction is supposed to include fireproof or fire-retardant materials, the integration of effective smoke and fire barriers, and automatic warning and fire suppression systems.

While modern building codes tend to reflect current technology that can fully support the “defend in place” strategy, many nursing homes were built prior to 1971, when substantial Federal nursing home fire safety standards were initially adopted. Consequently, many older homes have been “grandfathered” in and may be placing their residents at a greater risk. GAO found that the Centers for Medicare and Medicaid Services (CMS) can further compromise nursing home safety by granting waivers to homes that do not meet Federal fire-safety standards. The GAO reported that waivers had been granted for many years to some facilities, despite the fact that the homes did not have the required compensating fire detection and containment features.

CMS has recently taken some significant steps to address some of the problems, including committing to requiring smoke detectors, better review of the waiver process, and better data collection from the states. The Committee will monitor CMS’ progress in this regard.

HHS Fraud—Document Destruction

Chairman Grassley wrote to Secretary Tommy Thompson, Department of Health and Human Services (HHS), objecting to a government proposal that would potentially increase the difficulty of qui tam relators under False Claims Act cases by allowing drug manufacturers to destroy billing records after three years. Chairman Grassley argued that such a short time frame would severely

limit the ability to make a case because documents, including pricing data and other information, would no longer be available. Chairman Grassley said that while it may be appropriate to set a definite period of time for record-keeping requirements, three years is too short of a time frame because False Claims Act cases are filed under seal, therefore drug manufacturers are not necessarily on notice to suspend the destruction of documents. According to CMS, approximately 550 pharmaceutical companies participate in the Medicaid drug rebate program. Enforcement of the False Claims Act and its whistleblower provisions has returned more than \$10 billion to the U.S. Treasury since 1986. Chairman Grassley also referred his concerns to the Justice Department and to the HHS Inspector General. As a result of the Chairman's action, the document retention period was extended from three years to 10 years.

CMS Quality of Care—End Stage Renal Dialysis

Senator Grassley wrote to Health and Human Services Secretary Tommy Thompson and Thomas Scully, Administrator of the Centers for Medicare and Medicaid Services (CMS), about poor patient care at a substantial number of dialysis facilities and the government's lapses in providing sufficient oversight. At the Chairman's request, the Government Accountability Office issued a report finding improper staff training, inadequate supervision, and sloppy care of patients who are afraid to complain because they fear retaliation or of being "dumped" from their local dialysis treatment center and then being forced to travel long distances for their constantly-needed dialysis treatments. CMS has prepared revised Conditions of Participation and currently is awaiting their clearance by the Office of Management and Budget. The Committee will continue to monitor improvements at CMS.

HHS Oversight—Improper Medical Payments

Chairman Grassley wrote to the Inspector General at the Department of Health and Human Services (HHS) seeking valid statistics about the level of improper Medicare payments being made by the government. Specifically, Senator Grassley challenged the government's decision to change the methodology it uses to determine the improper payment rate, thereby nearly cutting in half the statistically valid, but much higher rate that it had previously been using. In March 2004, the HHS Office of Inspector General confirmed that HHS had corrected its earlier methodology.

SSA Fraud—Disability Program

Chairman Grassley and Ranking Member Baucus won Senate approval of bipartisan legislation to rein in several sources of fraud, waste, and abuse of Social Security programs. Specifically, the Chairman and Ranking Member targeted fugitive felons who work the system to get Social Security benefits while fleeing from justice, as well as financial guardians of the disabled who make off with the payments of those in their care. The Social Security Protection Act of 2003, promoted by the Chairman and signed into Public Law 108-203, gives the Social Security Administration important new tools to fight waste, fraud and abuse, including mak-

ing fugitive felons ineligible to receive benefits under the Old Age, Survivors and Disability Insurance program. The bill provided funds for the Social Security Administration to conduct a survey that would for the first time produce statistically significant measures of the degree to which benefit payments managed by representative payees are not being used for the welfare of beneficiaries. The bill also closed the “last day” loophole in the application of the Government Pension Offset, as recommended by the Government Accountability Office.

HHS Oversight—Use of Medicaid Consultants

Chairman Grassley wrote to the Department of Health and Human Services (HHS) and the Government Accountability Office (GAO) asking for an explanation about consulting firms that charge states to help states increase their Medicaid reimbursements. Senator Grassley sought details about the size and scope of the problem nationwide, and information about whether consultants play a legitimate role in State budgeting or make the financial situation worse for all taxpayers by consuming money meant to help each state’s poorest residents. The Senator raised concerns that states may, in fact, be encouraged by their consultants to increase their Medicaid claims, since the consultants are reimbursed on a contingency fee basis and, therefore, may be tempted to inflate Medicaid claims. GAO is in the process of conducting a review requested by Chairman Grassley.

CMS-Fraud-Durable Medical Equipment (Power Wheelchairs)

Chairman Grassley wrote to the Centers for Medicare and Medicaid Services (CMS) inquiring about whether CMS has struck the proper balance between policing potential fraud and preserving beneficiaries’ access to medically necessary power wheelchairs. Senator Grassley asked CMS to explain how it developed its criteria and procedures for determining eligibility of individuals for power wheelchairs. He wanted to ensure that any individuals who qualify for a Medicare-financed motorized wheelchair should receive one. In January, Senator Grassley had asked the Government Accountability Office to analyze whether the Medicare reimbursement rules for motorized wheelchairs were too loose, enabling some providers to exploit the rules and over-bill or defraud Medicare. The Committee intends to continue to monitor CMS and its payments for motorized wheelchairs.

FDA Oversight—Antidepressants in Children

Chairman Grassley initiated an investigation into the Food and Drug Administration (FDA) concerning the effect of antidepressants on children and their possible link to suicide. Subsequently, Chairman Grassley wrote to Tommy Thompson, the Secretary of Health and Human Services to ask about the FDA’s decision not to make public the scientific report that eventually led to the issuance of a public health advisory about anti-depressants and a possible link to suicide among children and adolescents. In particular, the Chairman wrote that he was troubled by the allegations that the FDA was not forthcoming about the dangers associated with the use of antidepressants in children and adolescents,

and that Dr. Andrew Mosholder, an FDA scientist, had been barred from publicly presenting his report findings about these dangers. Furthermore, the Chairman also said he was troubled that the FDA's Office of Internal Affairs had reportedly initiated an investigation into uncovering who had provided information to the press about Dr. Mosholder's findings.

Six weeks later, Chairman Grassley wrote to Secretary Thompson and Acting Food and Drug Commissioner Lester Crawford to inquire about an FDA contract with Columbia University to study the risk to children of antidepressants. In his letter, Senator Grassley voiced his concern that the Food and Drug Administration was attempting (through the outside evaluation underway by Columbia University) to undermine the findings of the scientist who had identified the possible link between child suicide and antidepressants. Chairman Grassley also questioned Secretary Thompson and Acting FDA Commissioner Crawford about the FDA's handling of information related to antidepressants and suicide, and asked a series of additional questions about possible efforts by FDA to withhold information from the public. Senator Grassley also described new concerns about the relationship between the Office of New Drugs and the Office of Drug Safety within the Food and Drug Administration.

In addition, Chairman Grassley sent letters to eight major drug makers asking them about the information they had provided to the FDA with regard to the anti-depressants they manufactured and the rate of suicide among young people taking those medications. The manufacturers included Pfizer, Inc., Wyeth Pharmaceuticals, GlaxoSmithKline, Bristol-Myers Squibb Company, Organon Pharmaceuticals USA Inc., Solvay Pharmaceuticals Inc., Eli Lilly & Company, and Forest Pharmaceuticals, Inc. Previously, FDA had asked the manufacturers for pediatric trial data regarding their antidepressant drugs. The Chairman's letter sought to determine if the drug companies withheld any safety information from the Food and Drug Administration about those drugs.

Chairman Grassley also requested that Secretary Thompson and Acting Commissioner Crawford consider the prompt adoption of new warnings for pediatric antidepressants, including a prominent, black-box warning. The recommendations had been made by an expert advisory panel looking into the effect of antidepressants on adolescents and children. Senator Grassley wrote "I trust that the FDA will very quickly and fully consider the Advisory Committee's recommendations about the 'black box' and 'med guides' before the lives of more children are needlessly lost because parents and others lack adequate, readily understandable information when they most need it at the precise moment when they must make critical life and death health care decisions for themselves or their loved ones."

A "black box" warning is now required on all antidepressants that prominently notes suicidal behavior concerns, and Chairman Grassley has requested bi-monthly briefings for Committee staff by the FDA, including any milestones, timetables, and any identified impediments that may require a legislative fix.

CMS Quality of Care—Feeding Assistants and Nursing Home Care

Chairman Grassley joined another Member of Congress and wrote to the Secretary Thompson to ask for a report on the use of feeding assistants in nursing homes and to secure the release of more accurate data to the public about nursing home staffing. Under new rules issued in late 2003, feeding assistants are now allowed to feed nursing home patients. Previously, only trained health care workers could perform this job. Senator Grassley emphasized the need to carefully monitor the new rules, so that they do not result in malnutrition and dehydration of patients in nursing homes. In addition, he said that the public availability of accurate staffing data will make it easier to compare nursing homes. The Committee will continue to keep monitoring the progress made by the Centers for Medicare and Medicaid Services.

CMS Fraud—Medicaid Drug Prices

Chairman Grassley and Ranking Member Baucus wrote to 19 leading drug companies to ask those drug manufacturers questions about how they price for Medicaid eight top-selling classes of pharmaceutical drugs. Grassley and Baucus said they wanted to know if drug companies have been inappropriately using an exception to the best-price reporting requirements that apply to the Medicaid drug rebate program. To participate in the drug rebate program, a drug company must report to the government its best price, which is the lowest price its drug was sold to any purchaser in the United States. Congress created an exception to best-price reporting to encourage drug companies to continue making drugs available to charitable organizations at cheaper than market rates.

Grassley said the question is, “are drug companies abiding by both the letter and spirit of the law with regard to that exception?” Senators Grassley and Baucus have been working to bring down the high cost of prescription drugs. The drug makers who received a letter from Grassley and Baucus were Pfizer, Inc., GlaxoSmithKline, Johnson & Johnson, Merck & Co., Inc., AstraZeneca Pharmaceuticals LP, Bristol-Myers Squibb Company, Novartis Pharmaceuticals Corporation, Amgen, Inc., Wyeth Pharmaceuticals, Eli Lilly & Company, Aventis Pharmaceuticals Inc., Abbott Laboratories, Hoffmann-La Roche Inc., TAP Pharmaceutical Products Inc., Schering-Plough Corporation, Boehringer Ingelheim Pharmaceuticals, Inc., Forest Pharmaceuticals, Inc., Sanofi-Synthelabo and Eisai, Inc.

DOJ Oversight—Pharmaceutical Fraud

Chairman Grassley wrote to Attorney General John Ashcroft to request a briefing from the Justice Department about its ongoing drug company investigations, including whistleblower cases. Senator Grassley’s letter said that the Committee has been reviewing some of the business practices by drug companies participating in the Medicaid drug rebate program. Senator Grassley noted that Pfizer, Inc. agreed to pay a Medicaid fraud settlement with the Department of Justice (DOJ), totaling \$430 million, including a \$240 million criminal fine and \$190 million in civil settlements. Grassley indicated his concern that projected Medicaid spending for 2004 is to be over \$300 billion. According to Senator Grassley, Medicaid

spending has even surpassed Medicare as the largest government health program in the United States. He also stated that hundreds of billions of taxpayer dollars are at stake and oversight of the Medicaid program appears to be a decade or more behind oversight of the Medicare program.

The Chairman indicated that among the most troubling issues is the extent to which the drug industry is profiting at the expense of America's taxpayers. In fact, Grassley stated his concern that every one of these settlements involved Medicaid liability and likely represented just the tip of the iceberg. With potential astronomical profits, it appears that some drug companies are not always abiding by either the spirit or the letter of the law. He contended that the Committee will continue to examine drug companies' business practices closely with respect to Federal programs and the exorbitant costs that American taxpayers pay for drugs. He said, "Any drug company that improperly lines its pockets with Medicaid dollars, which are intended to benefit low-income Americans, pregnant women and poor children, should know that America's taxpayers, myself included, expect that it should be held fully accountable."

CMS Quality of Care—Nursing Home Data

Chairman Grassley wrote to Mark McClellan, Administrator of the CMS, saying that the Federal Government should improve the quality of information it makes available to the public about the care provided in the nation's nursing homes. Senator Grassley noted a report issued by the HHS Inspector General that found that Americans who rely on Nursing Home Compare have only a one in five chance that the information will be accurate. Nursing Home Compare is a Web site that provides information about the past performance of every Medicare- and Medicaid-certified nursing home in the country. Senator Grassley noted that the odds may be even worse for individuals and families searching for information about nursing homes because the data presented by Nursing Home Compare is based on inspection results, and there are serious deficiencies in the Federal-State survey and certification process for nursing homes. Grassley said that American's struggling with the difficult decision to choose a nursing home deserve better information than CMS is providing them.

Senator Grassley had previously written to CMS spelling out similar concerns that had been identified by his own investigative staff. Included in his staff's findings were reports that State surveyors who assess nursing home conditions had been pressured to go easy on long-term facilities or to overlook, downgrade, or revise adverse findings and deficiencies.

HHS Fraud—Administration of the Medicaid 340B Drug Discount Program

Chairman Grassley wrote to Tommy Thompson, the Secretary of Health and Human Services, and Elizabeth Duke, the Administrator of Health Resources and Services Administration (HRSA) to ask for a complete, detailed, written accounting of how HRSA did or did not implement the recommendations made by the Department of Health and Human Services' Office of Inspector General

(OIG) in its recently-issued evaluation report entitled: Appropriateness of 340B Drug Prices (OEI-05-02-00070). The OIG report found that drug companies had repeatedly overcharged public hospitals and clinics for low-income patients, making them pay more than the maximum prices that were allowed by Federal law. In just one month, for example, the OIG found that 340B entities overpaid drug companies more than \$41 million for prescription drugs. The letter noted that the Committee would maintain close scrutiny of the drug pricing practices by many drug companies participating in Federal health care programs and asked HRSA for detailed information about the 340B overcharges, which continue to be reviewed.

DOJ False Claims Act—Pharmaceutical Fraud

Chairman Grassley wrote to 19 drug companies urging them to inform their employees about the provisions of the False Claims Act in order to help prevent fraud in Federal health care programs. The 19 pharmaceutical companies who received a letter from Grassley included Schering-Plough Corporation, Pfizer, Inc., GlaxoSmithKline, Johnson & Johnson, Merck & Co., Inc., AstraZeneca Pharmaceuticals LP, Bristol-Myers Squibb Company, Novartis Pharmaceuticals Corporation, Amgen, Inc., Wyeth Pharmaceuticals, Eli Lilly & Company, Aventis Pharmaceuticals Inc., Abbott Laboratories, Hoffmann-La Roche Inc., TAP Pharmaceutical Products Inc., Boehringer Ingelheim Pharmaceuticals, Inc., Forest Pharmaceuticals, Inc., Sanofi-Synthelabo and Eisai, Inc.

Senator Grassley, the Senate author of the 1986 whistleblower amendments strengthening the False Claims Act, is a strong proponent of the False Claims Act and the importance of whistleblowers. He believes more must be done to deter the perception that fraud settlements are the cost of doing business with the Federal Government. "Taxpayers can't continue to subsidize those drug companies that rely on ill-gotten profits." It was a whistleblower's complaint about Schering-Plough Corporation that led to a settlement by that company with the government to pay a fine of \$52.5 million and more than \$290 million to resolve civil liabilities in connection with its illegal and fraudulent pricing of its drug, Claritin. The Committee is continuing to address those companies who feel it is unnecessary to inform their employees about the provisions of the False Claims Act in order to prevent fraud.

HHS/CMS Oversight of Medicaid Fraud, Waste and Abuse

Chairman Grassley wrote a letter to Tommy Thompson, Secretary of HHS, and Mark McClellan, Administrator of the CMS, about a Government Accountability Office (GAO) report entitled: Medicaid Program Integrity: State and Federal Efforts to Prevent and Detect Improper Payments (GAO-04-707). The GAO review had been conducted at Senator Grassley's request. Medicaid provides health care to an estimated 53 million low-income Americans, including children, pregnant women, individuals with disabilities and the elderly, and its projected spending for FY 2004 was to exceed \$300 billion. GAO found that Medicaid's size and diversity made it vulnerable to fraud and that oversight by the Centers for Medicare & Medicaid Services (CMS) may be insufficient relative to the risk of serious financial loss. For example, GAO disclosed

that CMS allocated only \$26,000 and had only eight employees working on Medicaid program integrity.

Responding to the GAO report, Senator Grassley expressed his concern that hundreds of billions of taxpayer dollars are at stake, and oversight of the Medicaid program has not kept pace with the degree of Medicare oversight. The Senator asked CMS to provide more intense oversight of Medicaid and will monitor CMS's progress in this regard.

FDA Oversight—Merck (Vioxx)

Chairman Grassley wrote a letter to Merck & Co., Inc., about its communication with the Food and Drug Administration (FDA) on Vioxx. Among other things, Senator Grassley questioned the communication between the Food and Drug Administration and Merck in the weeks leading up to the drug maker pulling its arthritis medicine Vioxx from the global marketplace. Specifically, Senator Grassley raised concerns about an agreement between FDA and Merck to give the drug company a “heads up” whenever FDA planned to publish a drug study that might negatively affect the drug company. Grassley said “The issue for doctors and their patients is, did the government agency that’s supposed to regulate pharmaceuticals have an inappropriate agreement with Merck? And did a cozy relationship between the FDA and a pharmaceutical company allow a drug with known safety risks to stay on the market longer than it should have? Part of the answer may rest in what Merck was or was not telling the FDA,” This was part of Senator Grassley’s congressional investigation of the way that the Food and Drug Administration dealt internally with information about problems with Vioxx. Three weeks later, Chairman Grassley also sent a letter to Lester Crawford, Acting Commissioner of the Food and Drug Administration, asking what actions FDA took in response to known risks about Vioxx.

On November 18, 2004, Chairman Grassley held a hearing on this particular issue entitled “FDA, Merck, and Vioxx: Putting Patient Safety First?” The hearing examined whether the FDA’s relationship with the pharmaceutical industry and whether FDA had made fundamental errors in the way it managed the public health risks associated with Vioxx, a drug that had been costing the Medicaid program more than \$1 billion per year.

GSA Oversight—Costs for Relocating Federal Employees

Chairman Grassley initiated follow-up action on his earlier investigation into relocation expenses paid for with taxpayer dollars. Accordingly, he sent letters to Joshua Bolton, Director of the Office of Management and Budget, and Stephen A. Perry, Administrator of the General Services Administration (GSA), about his concerns with the high cost, wasteful practices, and weak management oversight by the government when it pays to move Federal employees to other areas for their jobs. “The Federal Government’s employee relocation program appears to be costing taxpayers hundreds of millions of dollars each year,” Grassley said. “Yet, no one has the foggiest idea how many employees are relocated on the taxpayers’ dime, how much it’s costing the taxpayers, and what taxpayers are really getting in return.” Grassley cited admissions by GSA in a

draft report it prepared that acknowledges that the results for statutorily-required biennial reports were not even published over the past six years “because data quantity and quality remained poor in all surveys.” Grassley said that while many government agencies acknowledge that they do not have accurate cost data, in those instances where some data are available from Federal agencies, the cost for many government moves frequently surpasses \$100,000, with a number of individual relocation moves exceeding \$150,000. In fact, at least one employee move actually cost the Federal Government more than \$250,000.

In his letter, Senator Grassley asked GSA to advise him promptly of the names of any agencies that failed to provide GSA with accurate and complete data on employee moves, the names of invited agencies that were not actively participating in the Relocation Best Practices Committee, detailed information about the home sale expenses paid by the government for employee moves, and the measures that have been taken to revise the Relocation Income Tax provisions that result in overcompensating Federal employees for their moves.

GAO Oversight—Congressional Protocols

The Chairman sent several letters to David Walker, the Comptroller General of the Government Accountability Office (GAO), raising several questions and concerns about GAO’s proposed draft protocols that describe its working relationships with the Congress. Chairman Grassley’s specific concerns included the significance of the proposed changes. In particular, the Chairman questioned whether requests from individual Members or from Committee leaders who might be operating outside of their committees’ strict jurisdictions, should be relegated to a priority below that of GAO’s own self-initiated work, as GAO was suggesting. He felt this could be troubling, since many issues may overlap or impact the jurisdiction of multiple committees. He also questioned whether GAO should be the most appropriate entity to determine whether another Member should also be included in a requested review, rather than deferring to the wishes of the initial requestor.

In addition, Senator Grassley wrote that he believed that it would be inconsistent with the best interest of good government to require that Committee leaders approve any GAO requests that fall within their Committees’ respective areas of jurisdiction. The Senator wrote that he could envision circumstances that would benefit from a GAO review, but which may not have the full support of the Chair, thereby needlessly stifling the legitimate gathering of independent data and subsequent discussions. Furthermore, the Chairman questioned GAO’s right not to honor those requests that it did not consider to be bipartisan. Finally, Senator Grassley mentioned his concerns about possible limitations upon Congress by GAO to access to its workpapers. The Chairman recommended that GAO reconsider its proposed changes and then hold briefings for House and Senate staff. Following its receipt of the Chairman’s letter, GAO substantially revised its protocols and provided briefings to both houses of Congress.

Department of Labor Oversight—Trade Adjustment Assistance

Chairman Grassley and Ranking Minority Member Baucus asked the Government Accountability Office (GAO) to review the implementation by Federal, State, and local authorities of the Trade Adjustment Assistance Reform Act of 2002. The Trade Adjustment Assistance program provides job training, income support, and health coverage assistance to workers who have lost their jobs due to foreign competition. The Trade Adjustment Assistance Reform Act consolidated two prior TAA programs, expanded eligibility to new categories of workers, and expanded the benefits available to workers in the program. In light of reports that some States were experiencing difficulties managing the new, consolidated trade adjustment assistance program, Senators Grassley and Baucus asked the GAO to determine: the extent to which statutorily mandated changes are being implemented in a timely and effective manner; provide worker participation and benefit utilization rates before and after reform implementation; and assess any difficulties faced by Federal or State authorities in administering the program. The GAO found that the Department of Labor had largely completed the implementation phase of the Act, but that implementation of some program reforms, such as the Alternative Trade Adjustment Assistance program, was delayed in some important respects. It also found that certain key provisions of the Reform Act may be having unintended negative consequences for State administrators and workers, including the training enrollment deadlines and the individual qualification criteria for the health coverage tax credit and alternative trade adjustment assistance. GAO further noted a nationwide shortfall in retraining funds relative to the number of eligible workers. Finally, GAO noted steps the Department of Labor is taking to improve its previously inadequate performance measurement system for the TAA program. Following up on these findings, Senators Grassley and Baucus have asked the GAO to provide additional analysis of the Department of Labor's data collection and performance measurement systems and to further study the implementation of the Reform Act.

Internal Revenue Service Oversight—Health Coverage Tax Credit

Chairman Grassley and Ranking Minority Member Baucus asked the Government Accountability Office to review the implementation of the health coverage tax credit (HCTC) created in the Trade Adjustment Assistance Reform Act of 2002. The HCTC program provides a 65 percent tax credit toward the purchase of health coverage for displaced workers eligible for Trade Adjustment Assistance (TAA) and for certain retirees receiving pension benefits through the Pension Benefit Guarantee Corporation (PBGC). The HCTC is largely operated at the Federal level by the Internal Revenue Service, but aspects of its administration are the responsibilities of the Department of Labor, the Department of Health and Human Services, and the PBGC. Each State must provide qualified options for those who qualify for the credit but either lack COBRA continuation coverage or choose not to enroll in COBRA. Although noting that the HCTC program is still relatively new, GAO found that early enrollment in the program is well below projected levels. GAO identified several possible causes for this low enrollment, in-

cluding restrictive deadlines, complicated enrollment requirements, and higher than expected premiums, particularly in States permitting medical underwriting of premiums. GAO also noted very high administrative costs during the start-up phase of the program and proposed legislative or administrative fixes for some of the barriers they identified to broader participation in the HCTC program. Following up on these findings, Senators Grassley and Baucus have asked the GAO to provide additional analysis of the experience of workers with the HCTC program through a series of case studies.

Terrorism Financing

Chairman Grassley and Senator Baucus conducted oversight activities on terrorism financing to answer the following questions:

- (1) Is the Administration effectively coordinating the 20 or more Federal agencies and Departments that work on terrorism financing;
- (2) Should we be concerned that the Department with the greatest expertise, the Treasury Department, is no longer coordinating the interagency effort on terrorism financing, as it did in recent years;
- (3) Does the Treasury Department have the resources it needs for anti-terrorism financing efforts;
- (4) Why Saddam Hussein's \$4 billion was not recovered after the invasion of Iraq; and
- (5) Are resources dedicated to track down terrorist funds being used wisely?

On March 29 the Chairman and Senator Baucus wrote the President to express their concern that the terrorism financing effort was "heavy on generals but light on soldiers." They asked whether there was a lack of direct authority and resources to ensure that policy initiatives for which Treasury is held accountable are put into practice.

The Chairman and Senator Baucus also sent a letter to Secretary Snow on April 28 asking specific questions about the Treasury Department's record since 1995 of assets seized and/or frozen, how many Treasury employees are assigned to each threat—such as Al Qaeda and Hamas, and the status of the search for Saddam Hussein's funds.

The Finance Committee held an open and a closed hearing on terrorism financing issues.

Corporate Investments in Nations Sponsoring Terrorism

Chairman Grassley and Senator Baucus led an inquiry into the practices of U.S. companies in complying with a law which sets standards for parent corporations of subsidiaries that trade with terrorist states. Letters were sent to a number of companies requesting information on what products were sold to Iran, whether the company board of directors discussed doing business with Iran, and how the corporations acted to comply with the law.

U.S. law allows corporations to set up subsidiaries that trade with terrorist states such as Iran and Sudan as long as those subsidiaries are not "controlled" by the parent corporation; nor can the parent corporation approve or facilitate such trade. The Committee felt it was essential to establish the facts with regard to U.S. cor-

porations whose subsidiaries trade with terrorist nations. The war on terror makes it important to review the law allowing trade with terrorist states and question whether it is the right policy.

Treasury Secretary John Snow

The Committee examined a potential conflict of interest matter involving Treasury Secretary John Snow. The Secretary maintained an investment of \$10 million in bonds issued by Government Sponsored Enterprises (GSE) (Fannie Mae, Freddie Mac, Federal Home Loan Bank) during almost 16 months of his tenure as Secretary of Treasury, between February 3, 2003 and May 14, 2004. During this period the Secretary apparently participated in a decisionmaking process which considered changes in the laws governing GSE oversight and regulation.

Secretary Snow contends that he did not know of this investment until, upon review of his financial disclosure form in May, he was told of a problem by the Department of Treasury's ethics counsel. Subsequent to the review of his financial disclosure form he divested himself of these bonds.

The Committee was concerned that the Secretary's internal activities on GSE oversight and regulation issues had the potential to affect the value of his investments. Because potential criminal and civil penalties are provided for conflict of interest violations, Senator Baucus referred to the Justice Department documents related to the case.

CMS Oversight—Medicaid and SCHIP Waivers

Chairman Grassley and Ranking Member Baucus requested that the Government Accountability Office (GAO) report on the Centers for Medicare & Medicaid Services (CMS) activities to approve State proposals to waive certain Federal requirements under Medicaid and the State Children's Health Insurance Program (SCHIP). Section 1115 of the Social Security Act gives the Secretary of HHS the authority to waive certain Federal statutory requirements under the Act. States can apply to the Secretary for a waiver of certain requirements that are normally attached to receipt of Federal Medicaid or SCHIP matching funds. Senators Grassley and Baucus had requested an initial GAO report on all section 1115 waivers in 2002 prompted by concerns about whether section 1115 waivers were being used to restructure the fundamental tenets of the Medicaid and SCHIP programs. That report raised substantial concerns about whether CMS had inappropriately waived budget-neutrality requirements, statutory prohibitions on using Federal SCHIP funds to cover childless adults, and due process protocols that mandated an open and transparent process for developing and granting waivers.

Senators Grassley and Baucus asked GAO to continue its review of CMS' waiver activities. In 2004, GAO issued a second report which updated its analysis of new waivers granted since July 2002 and analyzed CMS' compliance with SCHIP's statutory requirements. GAO found that CMS had approved three more State waiver proposals that provided health coverage to childless adults in violation of SCHIP's statutory requirements and four more State

waivers for coverage of parents or legal guardians without requiring States to meet the cost-neutrality requirements.

Senators Grassley and Baucus responded to the GAO report by writing to Mark McClellan, the Administrator of CMS, in 2004 to raise concerns regarding the use of waivers granted to States for their Medicaid and SCHIP programs and to ask whether these waivers were being used to circumvent the Congressional process.

In August 2004, GAO issued a third report on CMS waiver activities, which focused on the approvals of Pharmacy Plus demonstration programs by HHS. In this report, GAO found further abuses, noting that four waiver programs that had been approved violated the budget neutrality requirement and would actually increase Federal spending by \$1.5 billion over five years. GAO also found that CMS had required States to cap Medicaid spending as a condition of approval of the waiver, which would impose significant financial risks on the affected States and could adversely impact access to services for other vulnerable populations covered under the State Medicaid programs.

Senator Baucus, joined by Senator Rockefeller, introduced the Medicaid and SCHIP Safety and Preservation Act, S. 2222, to address a number of the concerns identified in the GAO reports on CMS waiver activities. S. 2222 would clarify and ensure that Section 1115 of the Social Security Act (the so-called “1115 waiver” authority) could not be applied to erode core objectives and statutory requirements of the Medicaid and SCHIP programs. The bill would also protect and preserve the integrity of Medicaid and SCHIP programs and the viability of the health care safety net, and ensure greater transparency and public input into the “1115 waiver” process.

HHS and SSA Oversight—Transfer of Medicare Administrative Appeals

Chairman Grassley and Ranking Member Baucus wrote to Health and Human Services Secretary Tommy Thompson and Social Security Commissioner Jo Anne Barnhart about the insufficiency of their Report to Congress: Plan for the Transfer of Responsibility for Medicare Appeals, which was submitted pursuant to section 931 of the Medicare Prescription Drug, Improvements, and Modernization Act of 2003 (MMA). Senators Grassley and Baucus also requested that the Government Accountability Office (GAO) continue monitoring the agencies’ implementation of the transfer after the GAO submitted its report evaluating the joint transfer plan as mandated by the MMA. Senator Grassley and Senator Baucus continue to monitor the agencies’ progress as the mandated transfer date approaches.

Health Savings Accounts

Ranking Member Baucus and Senator Breaux requested that the Government Accountability Office (GAO) review the workings of health savings accounts (HSAs), the tax-favored savings accounts established in conjunction with high-deductible health insurance plans by the Medicare Prescription Drug, Improvements, and Modernization Act of 2003 (MMA). The Senators’ request to GAO was to determine the effect HSAs have on coverage and on health care

costs, as well as identifying any issues that arise during implementation of HSAs.

Consumer-Driven Health Care

Ranking Member Baucus requested that the Government Accountability Office (GAO) conduct an analysis of the Federal Employees Health Benefit Program (FEHBP) consumer-driven health care plan, which is offered by the American Postal Workers Union, which was introduced as an option for Federal civilian employees in 2003. Consumer-driven health care is intended to hold down costs by shifting financial responsibility for health care to employees and by giving employees more incentives and tools to manage their own care. Senator Baucus asked the GAO to ensure that the consumer-driven health care plan under FEHBP is meeting its goals and providing sufficient coverage.

CMS Oversight: Medicaid UPL and IGT State Financing Arrangements

Chairman Grassley and Ranking Member Baucus requested that the Government Accountability Office (GAO) review the policies implemented by the Centers for Medicare & Medicaid Services (CMS) to protect against misappropriation of Federal funds through the upper payment level (UPL) rules and intergovernmental transfer (IGT) policies under the Medicaid program. Title XIX of the Social Security Act authorizes Federal Medicaid funds to be provided to the States to finance health care for low-income, elderly, and disabled individuals, subject to States' compliance with certain Federal requirements. Among these is the requirement that States' payment for services be consistent with efficiency, economy, and quality of care, and not exceed the upper payment limit of what Medicare pays for comparable services. After State abuses of UPL payments came to light, Congress responded by passing legislation to require the implementation of a rule to curtail and phase out the use of UPL arrangements. The final rule in 2001 provided for varying transition periods for 18 States that had relied to some extent on prior UPL arrangements, with some transitions extending for up to 8 years. In prior reports, GAO had raised concerns about the implementation of this policy. In their February 2004 report, GAO found that two of the three States permitted to have the longest transition period of eight years did not meet CMS' own criteria for qualification. The report also raised concerns about whether CMS had provided States with sufficient notice and guidance of a uniform enforcement policy to avoid future transgressions.

Senators Grassley and Baucus also requested a GAO analysis of the scope of State intergovernmental transfer arrangements. In March 2004, GAO issued a report which outlined how some State financing arrangements including IGTs had been used by States to maximize their Federal Medicaid payments and discussed concerns about the extent to which such arrangements undermined Medicaid's funding arrangement and the need to curtail them.

Senator Baucus wrote a letter to CMS Administrator Mark McClellan raising concerns about CMS' IGT policy and requesting further information about how the IGT policy was being applied and whether formal uniform guidance would be issued.

Medicaid Long-Term Care Partnerships

Chairman Grassley and Ranking Member Baucus, along with Senator Rockefeller, requested that the Government Accountability Office (GAO) review what has happened in the four States that have implemented long-term care partnerships. Long-term care partnerships allow individuals who purchase private long-term care insurance and exhaust their benefits to become eligible for Medicaid coverage for long-term care services without being subject to the normal asset limits. The GAO request focuses on the States' experiences with this program, whether any savings have been achieved, and whether this program ensures access to appropriate long-term care services and provides adequate consumer protections.

CALENDAR OF HEARINGS

Jan. 28, 2003	.....	Nomination of John W. Snow, of Virginia, to be Secretary of the U.S. Treasury
Jan. 30, 2003	.....	U.S. Borders: Safe or Sieve?
Feb. 5, 2003	.....	Revenue Proposals in the President's FY 2004 Budget
Feb. 11, 2003	.....	Examination of Proposals for Economic Growth and Job Creation: Incentives for Consumption
Feb. 12, 2003	.....	Examination of Proposals for Economic Growth and Job Creation: Incentives for Investment
Feb. 12, 2003	.....	Nominations of Joseph Robert Goeke, to be Judge of the U.S. Tax Court, the Judiciary; Glen L. Bower, to be Judge of the U.S. Tax Court, the Judiciary; Daniel Pearson, to be Member of the U.S. International Trade Commission; Charlotte A. Lane, to be Member of the U.S. International Trade Commission; and Raymond T. Wagner, Jr. to be Member of the Department of the Treasury, Oversight Board
Feb. 13, 2003	.....	Enron: The Joint Committee on Taxation's Investigative Report
Feb. 20, 2003	.....	Welfare Reform: Past Successes, New Challenges (Field Hearing in Des Moines, IA)
Feb. 27, 2003	.....	Examining the Administration's Fiscal Year 2004 Health Care Priorities
Mar. 5, 2003	.....	The Administration's Trade Agenda
Mar. 11, 2003	....	The Funding Challenge: Keeping Defined Benefit Pension Plans Afloat
Mar. 12, 2003	....	Welfare Reform: Building on Success
Mar. 18, 2003	....	Nomination of Mark W. Everson, to be Commissioner of the Internal Revenue, U.S. Department of the Treasury
Apr. 1, 2003	.....	Taxpayer Alert: Choosing a Paid Preparer and the Pitfalls of Charitable Car Donation
Apr. 1, 2003	.....	Nominations of Mark Van Dyke Holmes, Diane L. Kroupa, Robert Allen Wherry, Jr., and Harry A. Haines to be Judges of the U.S. Tax Court
Apr. 3, 2003	.....	Purchasing Health Care Services in a Competitive Environment
Apr. 8, 2003	.....	Enron: Joint Committee on Taxation Investigative Report, Compensation and Related Issues
Apr. 9, 2003	.....	2003 Annual Report of the Board of Trustees of the Federal Old Age and Survivors Insurance and Disability Insurance Trust Funds
Apr. 14, 2003	....	A Fair Deal for Rural America: Fixing Medicare Reimbursement

May 13, 2003	Status of the Free Trade Area of the Americas: Negotiations and Preparations for the Miami Ministerial (Subcommittee on International Trade)
June 6, 2003	Strengthening and Improving the Medicare Program
June 17, 2003	Implementation of U.S. Bilateral Free Trade Agreements with Singapore and Chile
June 26, 2003	Nominations of Josette Sheeran Shiner, to be Deputy U.S. Trade Representative, Executive Office of the President and James J. Jochum, to be Assistant Secretary, Department of Commerce
July 8, 2003	Examination of U.S. Tax Policy and Its Effect on the Domestic and International Competitiveness of U.S.-Based Operations
July 15, 2003	An Examination of U.S. Tax Policy and Its Effect on the International Competitiveness of U.S.-Owned Foreign Operations
July 17, 2003	Nursing Home Quality Revisited: The Good, the Bad, and the Ugly
July 30, 2003	Nominations of Robert Stanley Nichols, to be Assistant Secretary for Public Affairs, Department of the Treasury, and Teresa M. Ressel, to be Assistant Secretary for Management, Department of the Treasury
Aug. 26, 2003	Rural Economy, Renewable Energy, and the Role of our Cooperatives
Sept. 4, 2003	U.S.-Cuba Economic Relations
Sept. 9, 2003	The Alias Among Us: The Homeland Security and Terrorism Threat from Document Fraud, Identity Theft, and Social Security Number Misuse
Sept. 23, 2003	Unfulfilled Promises: Mexican Barriers to U.S. Agricultural Exports
Oct. 21, 2003	Tax Shelters: Who's Buying, Who's Selling, and What's the Government Doing About It?
Oct. 23, 2003	Company Owned Life Insurance
Nov. 4, 2003	Nominations of Michael O'Grady to be Assistant Secretary of Health and Human Services, Assistant Secretary for Planning and Evaluation, Department Health and Human Services; Jennifer Baxendell Young to be Assistant Secretary of Health and Human Services, Assistant Secretary for Legislation, Department for Health and Human Services; and Bradley D. Belt, to be Member of the Social Security Advisory Board, Social Security Administration
Nov. 18, 2003	Nomination of Arnold I. Havens, to be General Counsel for the Department of the Treasury
Feb. 4, 2004	Administration's Health and Human Services Budget Priorities
Feb. 10, 2004	Nomination of Samuel W. Bodman, to be Deputy Secretary of the Treasury, U.S. Department of the Treasury
Feb. 12, 2004	Revenue Proposals in the President's FY '05 Budget
Mar. 3, 2004	Health Insurance Challenges: "Buyer Beware"

Mar. 8, 2004	Nominations of Mark B. McClellan, to be Administrator of the Center for Medicare and Medicaid Services; Brian Roseboro, to be Under Secretary of the Department of the Treasury; Donald Korb, to be Chief Counsel for the Internal Revenue Service and Assistant General Counsel in the Department of the Treasury; and Mark J. Warshawsky, to be Assistant Secretary, U.S. Department of the Treasury
Mar. 9, 2004	Administration's International Trade Agenda
Mar. 10, 2004	U.S. Economic and Trade Policy in the Middle East
Apr. 7, 2004	Strategies to Improve Access to Medicaid Home- and Community-Based Services
Apr. 15, 2004	International Trade and the Impact on the U.S. Soda Ash Industry (Field Hearing in Rock Springs, WY)
Apr. 27, 2004	International Trade and Pharmaceuticals (Subcommittee on International Trade and the Subcommittee on Health Care)
Apr. 28, 2004	Taking the Taxpayers for a Ride: Fraud and Abuse in the Power Wheelchair Program
May 5, 2004	Benefits of a Healthy Marriage
May 19, 2004	Nominations of John O. Colvin, to be Judge, U.S. Tax Court, the Judiciary; Juan C. Zarate, to be Assistant Secretary for Terrorism Finance, U.S. Department of the Treasury; and Stuart Levey to be Under Secretary for Enforcement, U.S. Department of the Treasury
May 19, 2004	Treasury Department and Terrorism Financing
June 8, 2004	Medicare Drug Card: Delivering Savings for Participating Beneficiaries
June 15, 2004	United States-Australia and United States-Morocco Free Trade Agreement
June 16, 2004	Strengthening Regulations and Oversight to Better Ensure Agriculture Financing Integrity
June 22, 2004	Charity Oversight and Reform: Keeping Bad Things From Happening to Good Charities
July 7, 2004	Nominations of J. Russell George, to be Inspector General for Tax Administration, U.S. Department of the Treasury; Patrick P. O'Carroll, Jr., to be Inspector General, Social Security Administration; Timothy Bitsberger, to be Assistant Secretary of the Treasury, U.S. Department of the Treasury; and Paul Jones, to be Member of the Internal Revenue Service Oversight Board, U.S. Department of the Treasury
July 21, 2004	Bridging the Tax Gap
July 22, 2004	The Role of Higher Education Financing in Strengthening U.S. Competitiveness in a Global Economy
Aug. 25, 2004	Saving America's Great Places: The Role of Tax Incentives in Preserving Rural Communities
Sept. 14, 2004	Implementing the Medicare Prescription Drug Benefit and Medicare Advantage Program: Perspectives on the Proposed Rules

Sept. 21, 2004	Indian Jails: A Clarion Call for Reform
Oct. 8, 2004	Nomination of Anna Escobedo Cabral to be U.S. Treasurer, U.S. Department of the Treasury
Nov. 18, 2004	FDA, Merck, and Vioxx: Putting Patient Safety First?

BILLS AND RESOLUTIONS REFERRED AND CONSIDERED

There were 749 Senate bills and 17 House bills referred to the Committee for consideration during the 108th Congress. In addition, 19 Senate and House resolutions (joint, concurrent, or simple resolutions) were referred to the Committee.

STATUS OF BILLS ON WHICH LEGISLATIVE ACTION WAS TAKEN
SENATE BILLS AND RESOLUTIONS

Bill No.	Title	Reported in Senate	Passed Senate	Reported in House	Passed House	Conference Report Agreed to in—		Signed Into Law	Public Law No.
						Senate	House		
S. 312 (H.R. 2854)	Availability of SCHIP Allotments for Fiscal Years 1998 through 2001	June 24, 2003 S. Rpt. 108–78	June 26, 2003* (See H.R. 2854)						
S. 351 (H.R. 1307)	Armed Forces Tax Fairness Act of 2003	Feb. 11, 2003 (without written rpt.)							
S. 476	CARE Act of 2003	Feb. 27, 2003 S. Rpt. 108–11	Apr. 9, 2003*						
S. 622	Family Opportunity Act of 2003	Sept. 30, 2003* S. Rpt. 108–157	May 6, 2003* (May 10, 2004—Referred to Energy and Commerce)						
S. 671 (H.R. 1047)	Miscellaneous Trade and Technical Corrections Act of 2003	Mar. 20, 2003 S. Rpt. 108–28	(See H.R. 1047)						

S. 753	Tax Court Modernization Act	May 5, 2003 S. Rpt. 108–42	
S. 760 (H.R. 1584)	Clean Diamond Trade Act	Apr. 9, 2003* S. Rpt. 108–36 (Apr. 30, 2003— <i>Indef. postponed</i>)	(See H.R. 1584)
S. 882 (H.R. 1528)	Tax Administration Good Government Act	May 4, 2004 S. Rpt. 108–257*	(See H.R. 1528)
S. 1149	Energy Tax Incentives Act of 2003	May 23, 2003 S. Rpt. 108–54	
S. 1416 (H.R. 2738)	U.S.-Chile Free Trade Agreement Implementation Act	July 22, 2003 S. Rpt. 108–116 (<i>Reported jointly w/ Judiciary</i>)	(See H.R. 2738)

STATUS OF BILLS ON WHICH LEGISLATIVE ACTION WAS TAKEN—Continued
SENATE BILLS AND RESOLUTIONS

Bill No.	Title	Reported in Senate	Passed Senate	Reported in House	Passed House	Conference Report Agreed to in—		Signed Into Law	Public Law No.
						Senate	House		
S. 1417 (H.R. 2739)	U.S.-Singapore Free Trade Agreement Implementation Act	July 22, 2003 S. Rpt. 108–117 <i>(Reported jointly w / Judiciary)</i>	<i>(See H.R. 2739)</i>						
S. 1637 (H.R. 4520)	Jumpstart Our Business Strength (JOBS) Act	Nov. 7, 2003* S. Rpt. 108–192	May 11, 2004* <i>(See H.R. 4520)</i>						
S. 2424	National Employee Savings and Trust Equity Guarantee Act	May 14, 2004 S. Rpt. 108–266							
S. 2610 (H.R. 4759)	U.S.-Australia Free Trade Agreement Implementation Act	July 14, 2004 S. Rpt. 108–316	<i>(See H.R. 4759)</i>						

S. 2677 (H.R. 4842)	U.S.-Morocco Free Trade Agreement Implemen- tation Act	July 20, 2004 S. Rpt. 108- 317	July 21, 2004 (See <i>H.R.</i> 4842)						
S.J. Res. 39 (H.J. Res. 97)	Approving the Renewal of Import Restrictions Contained in the Bur- mese Freedom and De- mocracy Act of 2003	June 15, 2004 S. Rpt. 108- 281	(See <i>H.J.</i> <i>Res.</i> 97)						

*With amendments.

STATUS OF BILLS ON WHICH LEGISLATIVE ACTION WAS TAKEN
HOUSE BILLS AND RESOLUTIONS

Bill No.	Title	Reported in House	Passed House	Reported in Senate	Passed Senate	Conference Report Agreed to in—		Signed Into Law	Public Law No.
						House	Senate		
H.R. 1047 (S. 671)	Miscellaneous Trade and Technical Corrections Act of 2003	Mar. 4, 2003 H. Rpt. 108–771	Mar. 5, 2003	Mar. 6, 2003 S. Rpt. 108–28	Mar. 4, 2003*	Oct. 8, 2003 H. Rpt. 108–771	Nov. 19, 2003 H. Rpt. 108–771	Dec. 3, 2003	108–429
H.R. 1307 (S. 351)	Armed Forces Tax Fairness Act of 2003		Mar. 20, 2003	(Mar. 20, 2003— <i>Received in the Senate</i>)	Mar. 27, 2003*				
H.R. 1584 (S. 760)	Clean Diamond Trade Act		Apr. 8, 2003	Apr. 9, 2003 S. Rpt. 108–36	Apr. 10, 2003*			Apr. 25, 2003	108–19
H.R. 2854 (S. 312)	Availability of SCHIP Allotments for Fiscal Years 1998 through 2001		July 25, 2003	(July 28, 2003— <i>Received in the Senate</i>)	July 31, 2003			Aug. 15, 2003	108–74
H.R. 1528 (S. 882)	Tax Administration Good Government Act	Apr. 8, 2003 H. Rpt. 108–61	June 19, 2003*	(June 20, 2003— <i>Fin. Cmte. discharged</i>)	May 19, 2003* (<i>In lieu of S. 882</i>)				
H.R. 2738 (S. 1416)	U.S.-Chile Free Trade Agreement Implementation Act	July 21, 2003 H. Rpt. 108–224	July 24, 2003	(July 24, 2003— <i>placed on cal.</i>)	July 31, 2003			Sept. 3, 2003	108–77

H.R. 2739 (S. 1417)	U.S.-Singapore Free Trade Agreement Implementation Act	July 21, 2003 H. Rpt. 108–225	July 24, 2003	<i>(July 24, 2003—placed on cal.)</i>	July 31, 2003			Sept. 3, 2003	108–78
H.R. 4520 (S. 1637)	American Jobs Creation Act of 2004	June 16, 2004 H. Rpt. 108–548	June 17, 2004*	June 18, 2004 S. Rpt. 108–192 <i>(June 21, 2004—placed on cal.)</i>	July 15, 2004*	Oct. 7, 2004 H. Rpt. 108–755	Oct. 11, 2004 H. Rpt. 108–755	Oct. 22, 2004	108–357
H.R. 4759 (S. 2610)	U.S.-Australia Free Trade Agreement Implementation Act	July 12, 2004 H. Rpt. 108–597	July 14, 2004		July 15, 2004			Aug. 3, 2004	108–286
H.R. 4842 (S. 2677)	U.S.-Morocco Free Trade Agreement Implementation Act	July 21, 2004 H. Rpt. 108–627	July 22, 2004		July 22, 2004			Aug. 17, 2004	108–302
H.J. Res. 97 (S.J. Res. 39)	Approving the Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003	June 3, 2004	June 14, 2004		June 24, 2004			July 7, 2004	108–272

*With amendments.

FULL COMMITTEE BUSINESS MEETINGS

January 30, 2003

Finance Committee Members considered the following items during an Executive Session:

The Committee ordered favorably reported the following business items:

Nomination of John Snow to be Secretary of the Treasury,
U.S. Department of the Treasury

February 5, 2003

Finance Committee Members considered the following items during an Executive Session:

S. 351, Armed Forces Tax Fairness Act of 2003
S. 476, Savings for Working Families Act of 2003

February 14, 2003

Finance Committee Members considered the following items during an Executive Session:

Committee Funding Resolution
Committee Rules
Adoption of Subcommittees
Designation of Committee Members to Serve on the Joint
Committee on Taxation
Designation of Committee Members to serve as Congressional
Advisors on Trade Policy and Negotiations

February 26, 2003 and February 27, 2003

Finance Committee Members considered the following items during an Executive Session:

An original bill, entitled, the Miscellaneous Trade and
Technical Corrections Act of 2003.

March 5, 2003

Finance Committee Members considered the following items during an Executive Session:

The Nomination of Daniel Pearson, to be a Member of the
United States International Trade Commission
The Nomination of Charlotte Lane, to be a Member of the
United States International Trade Commission

April 2, 2003

Finance Committee Members considered the following items during an Executive Session:

Energy Tax Incentives Act
The Clean Diamond Trade Act
The Tax Court Modernization Act

The Nomination of Mark Everson, to be Commissioner of Internal Revenue
 The Nomination of Diane Kroupa, to be Judge of the United States Tax Court
 The Nomination of Harry Haines, to be Judge of the United States Tax Court
 The Nomination of Robert Wherry, Jr., to be Judge of the United States Tax Court
 The Nomination of Joseph Goeke, to be Judge of the United States Tax Court
 The Nomination of Raymond T. Wagner, Jr., to be Member of the Oversight Board, U.S. Department of the Treasury

May 8, 2003

Finance Committee Members considered the following items during an Executive Session:

A substitute for S.2, the Jobs and Growth Tax Act of 2003.

May 13, 2003

Finance Committee Members considered the following items during an Executive Session:

An original bill, the text of which was reported by the Committee on Finance on May 8, 2003, for the purposes of meeting Finance Committee reconciliation instructions.

June 5, 2003

Finance Committee Members considered the following items during an Executive Session:

A revenue title to S. 824, the Aviation Investment and Revitalization Vision Act.

June 12, 2003

Finance Committee Members considered the following items during an Executive Session:

S. 1, Prescription Drug and Medicare Improvement Act of 2003
 S. 312, Availability of SCHIP Allotments for Fiscal Years 1998–2001.

July 10, 2003

Finance Committee Members informally considered the following items during a Committee meeting:

Proposed legislation implementing the U.S.-Singapore Free Trade Agreement and the U.S.-Chile Free Trade Agreement.

July 17, 2003

Finance Committee Members considered the following items during an Executive Session:

Proposed legislation implementing the U.S.-Singapore Free Trade Agreement and the U.S.-Chile Free Trade Agreement.

July 30, 2003

Finance Committee Members considered the following items during an Executive Session:

The Nomination of Josette Shiner, to be Deputy United States Trade Representative, Executive Office of the President

The Nomination of James Jochum, to be Assistant Secretary, U. S. Department of Commerce

The Nomination of Robert Nichols, to be Assistant Secretary for Public Affairs, U. S. Department of the Treasury

September 10, 2003

Finance Committee Members considered the following items during an Executive Session:

H.R. 4, Personal Responsibility, Work, and Promotion Act of 2003

S. 622, The Family Opportunity Act of 2003

September 17, 2003

Finance Committee Members considered the following items during an Executive Session:

H.R. 743, The Social Security Protection Act of 2003

S. 1548, Volumetric Ethanol Excise Tax Credit Act of 2003

S. 2424, National Employee Savings and Trust Equity Guarantee Act.

October 1, 2003

Finance Committee Members considered the following items during an Executive Session:

S. 1637, the "Jumpstart Our Business Strength (JOBS) Act of 2003."

November 12, 2003

Finance Committee Members considered the following items during an Executive Session:

The Nomination of Michael O'Grady, to be Assistant Secretary of Health and Human Services, U. S. Department of Health and Human Services

The Nomination of Jennifer Young, to be Assistant Secretary of Health and Human Services, U. S. Department of Health and Human Services

The Nomination of Bradley Belt, to be Member of the Social Security Advisory Board, Social Security Administration

November 21, 2003

Finance Committee Members considered the following items during an Executive Session:

The Nomination of Arnold Havens, to be General Counsel for the Department of Treasury, U.S. Department of the Treasury

February 2, 2004

Finance Committee Members considered the following items during an Executive Session:

- S. 2424, National Employee Savings and Trust Equity Guarantee Act, Extension of Highway Trust Fund
- S. 882, Tax Administration Good Government Act.

February 12, 2004

Finance Committee Members considered the following items during an Executive Session:

- The Nomination of Samuel Bodman, to be Assistant Secretary of the Treasury, U.S. Department of the Treasury

March 9, 2004

Finance Committee Members considered the following items during an Executive Session:

- The Nomination of Mark B. McClellan, Administrator, Centers for Medicare and Medicaid Services
- The Nomination of Brian Roseboro, to be Under Secretary, U.S. Department of the Treasury
- The Nomination of Mark J. Warshawsky, to be Assistant Secretary, U.S. Department of the Treasury.

March 30, 2004

Finance Committee Members considered the following items during an Executive Session:

- The Nomination of Donald Korb, to be Chief Counsel for the Internal Revenue Service and an Assistant General Counsel, U.S. Department of the Treasury

May 20, 2004

Finance Committee Members considered the following items during an Executive Session:

- The Nomination of John O. Colvin, to be Judge of the United States Tax Court
- The Nomination of Juan C. Zarate, to be Assistant Secretary for Terrorism Finance, U.S. Department of the Treasury
- The Nomination of Stuart Levey, to be Under Secretary for Enforcement, U.S. Department of the Treasury

June 15, 2004

Finance Committee Members considered the following items during an Executive Session:

- S.J. Res. 39, Approving the Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003.

June 23, 2004

Finance Committee Members informally considered the following items during a Committee Meeting:

- Review and make recommendations on proposed legislation implementing the U.S.-Australia Free Trade Agreement

June 24, 2004

Finance Committee Members informally considered the following items during a Committee Meeting:

Continued Executive Session to review and make recommendations on proposed legislation implementing the U.S.-Australia Free Trade Agreement.

July 14, 2004

Finance Committee Members informally considered the following items during a Committee Meeting:

To consider proposed legislation implementing the U.S.-Morocco Free Trade Agreement
S. 2610, the U.S.-Australia Free Trade Agreement.

July 20, 2004

Finance Committee Members considered the following items during an Executive Session:

S. 2677, the U.S.-Morocco Free Trade Agreement;
H.R. 982, To Clarify the Tax Treatment of Bonds and other Obligations Issued by the Government of American Samoa
The Nomination of Charles Kolbe, to be Member, IRS Oversight Board
The Nomination of Timothy Bitsberger, to be Assistant Secretary for Financial Markets, U.S. Department of the Treasury
The Nomination of Patrick O'Carroll, to be Inspector General, Social Security Administration
The Nomination of Paul Jones, to be Member, IRS Oversight Board

September 15, 2004 and September 20, 2004

Finance Committee Members considered the following items during an Executive Session:

S. 333, John Breaux Elder Justice Act
The Nomination of Joey Russell George, to be Treasury Inspector General for Tax Administration, U.S. Department of the Treasury

CALENDAR OF NOMINATIONS

Nov. 16, 2004

WAGNER, JR., RAYMOND THOMAS, to be Member of the Internal Revenue Service Oversight Board, Department of the Treasury; vice Oversight Board for a term expiring September 14, 2009. (Reappointment)

Nov. 16, 2004—Received in the Senate and referred to the Committee on Finance.

Dec. 8, 2004—Returned to the President under the provisions of Senate Rule XXXI, paragraph 6 of the Standing Rules of the Senate at the sine die adjournment of the 108th Congress.

Oct. 7, 2004

DAMELIN, HAROLD, to be Inspector General, Department of the Treasury, Department of the Treasury; vice Jeffrey Rush, Jr., resigned.

Oct. 7, 2004—Received in the Senate and referred to the Committee on Finance.

Dec. 8, 2004—Returned to the President under the provisions of Senate Rule XXXI, paragraph 6 of the Standing Rules of the Senate at the sine die adjournment of the 108th Congress.

Sept. 20, 2004

DELGADO-JENKINS, JESUS H., to be Assistant Secretary of the Treasury, Department of the Treasury; vice Teresa M. Ressel, resigned.

Sept. 20, 2004—Received in the Senate and referred to the Committee on Finance.

Dec. 8, 2004—Returned to the President under the provisions of Senate Rule XXXI, paragraph 6 of the Standing Rules of the Senate at the sine die adjournment of the 108th Congress.

Sept. 10, 2004

JONES, PAUL, to be Member of the Internal Revenue Service Oversight Board, Department of the Treasury; vice Oversight Board for a term expiring September 14, 2008, vice Charles L. Kolbe, term expired, to which position he was appointed during the last recess of the Senate.

Sept. 10, 2004—Received in the Senate and referred to the Committee on Finance.

Dec. 8, 2004—Returned to the President under the provisions of Senate Rule XXXI, paragraph 6 of the Standing Rules of the Senate at the sine die adjournment of the 108th Congress.

July 22, 2004

CABRAL, ANNA ESCOBEDO, to be Treasurer of the United States, Department of the Treasury; vice Rosario Marin.

July 22, 2004—Received in the Senate and referred to the Committee on Finance.

Oct. 11, 2004—Senate Committee on Finance discharged by Unanimous Consent.

Oct. 11, 2004—Placed on Senate Executive Calendar. Calendar No. 934.

Nov. 21, 2004—Confirmed by the Senate by Voice Vote.

July 22, 2004

JENNER, GREGORY FRANKLIN, to be Assistant Secretary of the Treasury, Department of the Treasury; vice Pamela F. Olson, resigned.

July 22, 2004—Received in the Senate and referred to the Committee on Finance.

Dec. 8, 2004—Returned to the President under the provisions of Senate Rule XXXI, paragraph 6 of the Standing Rules of the Senate at the sine die adjournment of the 108th Congress.

July 19, 2004

LEVINSON, DANIEL R., to be Inspector General, Department of Health and Human Services; vice Janet Rehnquist, resigned.

July 19, 2004—Received in the Senate and referred to the Committee on Finance.

Dec. 8, 2004—Returned to the President under the provisions of Senate Rule XXXI, paragraph 6 of the Standing Rules of the Senate at the sine die adjournment of the 108th Congress.

May 13, 2004

COLVIN, JOHN O., to be Judge of the United States Tax Court, the Judiciary.

May 13, 2004—Received in the Senate and referred to the Committee on Finance.

May 19, 2004—Committee on Finance. Hearings held.

May 20, 2004—Committee on Finance. Ordered to be reported favorably.

May 20, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.

May 20, 2004—Placed on Senate Executive Calendar. Calendar No. 695. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

July 22, 2004—Confirmed by the Senate by Voice Vote.

May 11, 2004

BITSBERGER, TIMOTHY S., to be Assistant Secretary of the Treasury, Department of the Treasury; vice Brian Carlton Roseboro, resigned.

May 11, 2004—Received in the Senate and referred to the Committee on Finance.

July 7, 2004—Committee on Finance. Hearings held.
 July 20, 2004—Committee on Finance. Ordered to be reported favorably.
 July 20, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.
 July 20, 2004—Placed on Senate Executive Calendar. Calendar No. 795. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.
 Nov. 21, 2004—Confirmed by the Senate by Voice Vote.

Apr. 8, 2004

O'CARROLL, JR., PATRICK P., to be Inspector General, Social Security Administration, Social Security Administration; vice James G. Huse, Jr., retired.

Apr. 8, 2004—Received in the Senate and referred to the Committee on Finance, and if and when reported, to be sequentially referred to the Committee on Governmental Affairs for not more than 20 days.
 July 7, 2004—Committee on Finance. Hearings held.
 July 20, 2004—Committee on Finance. Ordered to be reported favorably.
 July 20, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.
 July 20, 2004—Referred to the Committee on Governmental Affairs pursuant to an order of the Senate of January 15, 2003.
 Sept. 20, 2004—Senate Committee on Governmental Affairs discharged. Pursuant to an order of the Senate on January 15, 2003.
 Sept. 20, 2004—Placed on Senate Executive Calendar. Calendar No. 813.
 Nov. 21, 2004—Confirmed by the Senate by Voice Vote.

Apr. 8, 2004

LEVEY, STUART, to be Under Secretary of the Treasury for Enforcement, Department of the Treasury; vice Jimmy Gurule, resigned.

Apr. 8, 2004—Received in the Senate and referred to the Committee on Finance.
 May 19, 2004—Committee on Finance. Hearings held.
 May 20, 2004—Committee on Finance. Ordered to be reported favorably.
 May 20, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.
 May 20, 2004—Placed on Senate Executive Calendar. Calendar No. 698. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.
 July 8, 2004—Referred to the Committee on Banking, Housing, and Urban Affairs by unanimous consent agreement on July 8, 2004.
 July 15, 2004—Committee on Banking, Housing, and Urban Affairs. Hearings held.

- July 20, 2004—Committee on Banking, Housing, and Urban Affairs. Ordered to be reported favorably.
- July 8, 2004—Referred to Senate Committee on Finance. By unanimous consent agreement on July 8, 2004, ordering that when the nomination is reported out by the Committee on Banking, it also be automatically discharged from the Committee on Finance and placed on the Executive Calendar.
- July 20, 2004—Reported by Senator Shelby, Committee on Banking, Housing, and Urban Affairs, without printed report.
- July 20, 2004—Senate Committee on Finance discharged by Unanimous Consent. Agreement of July 8, 2004.
- July 20, 2004—Placed on Senate Executive Calendar. Calendar No. 799. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.
- July 21, 2004—Confirmed by the Senate by Voice Vote.

Mar. 11, 2004

ZARATE, JUAN CARLOS, to be Assistant Secretary of the Treasury, Department of the Treasury; vice Kenneth Lawson, resigned.

- Mar. 11, 2004—Received in the Senate and referred to the Committee on Finance.
- May 19, 2004—Committee on Finance. Hearings held.
- May 20, 2004—Committee on Finance. Ordered to be reported favorably.
- May 20, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.
- May 20, 2004—Placed on Senate Executive Calendar. Calendar No. 697. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.
- July 8, 2004—Referred to the Committee on Banking, Housing, and Urban Affairs by unanimous consent agreement on July 8, 2004.
- July 15, 2004—Committee on Banking, Housing, and Urban Affairs. Hearings held.
- July 20, 2004—Committee on Banking, Housing, and Urban Affairs. Ordered to be reported favorably.
- July 8, 2004—Referred to Senate Committee on Finance. By unanimous consent agreement on July 8, 2004, ordering that when the nomination is reported out by the Committee on Banking, it also be automatically discharged from the Committee on Finance and placed on the Executive Calendar.
- July 20, 2004—Reported by Senator Shelby, Committee on Banking, Housing, and Urban Affairs, without printed report.
- July 20, 2004—Senate Committee on Finance discharged by Unanimous Consent. Agreement of July 8, 2004.
- July 20, 2004—Placed on Senate Executive Calendar. Calendar No. 798. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.
- July 21, 2004—Confirmed by the Senate by Voice Vote.

Feb. 26, 2004

McCLELLAN, MARK B., to be Administrator of the Centers for Medicare and Medicaid Services, Centers for Medicare and Medicaid Services; vice Thomas Scully, resigned.

Feb. 26, 2004—Received in the Senate and referred to the Committee on Finance.

Mar. 8, 2004—Committee on Finance. Hearings held.

Mar. 9, 2004—Committee on Finance. Ordered to be reported favorably.

Mar. 9, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.

Mar. 9, 2004—Placed on Senate Executive Calendar. Calendar No. 587. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Mar. 12, 2004—Confirmed by the Senate by Voice Vote.

Jan. 21, 2004

BELT, BRADLEY D., to be Member of the Social Security Advisory Board, Social Security Administration; vice Stanford G. Ross, term expired, to which position he was appointed during the last recess of the Senate.

Jan. 21, 2004—Received in the Senate and referred to the Committee on Finance.

Apr. 26, 2004—Received message of withdrawal of nomination from the President.

Dec. 9, 2003

ROSEBORO, BRIAN CARLTON, to be Under Secretary of the Treasury, Department of the Treasury; vice Peter R. Fisher, resigned.

Dec. 9, 2003—Received in the Senate and referred to the Committee on Finance.

Mar. 8, 2004—Committee on Finance. Hearings held.

Mar. 9, 2004—Committee on Finance. Ordered to be reported favorably.

Mar. 9, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.

Mar. 9, 2004—Placed on Senate Executive Calendar. Calendar No. 585. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Apr. 8, 2004—Confirmed by the Senate by Voice Vote.

Dec. 9, 2003

KORB, DONALD, to be Chief Counsel for the Internal Revenue Service and Assistant General Counsel in the Department of the Treasury; vice and an Assistant General Counsel in the Department of the Treasury, vice B. John Williams, Jr.

Dec. 9, 2003—Received in the Senate and referred to the Committee on Finance.

Mar. 8, 2004—Committee on Finance. Hearings held.

Mar. 30, 2004—Committee on Finance. Ordered to be reported favorably.

Mar. 30, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.

Mar. 30, 2004—Placed on Senate Executive Calendar. Calendar No. 597. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Apr. 8, 2004—Confirmed by the Senate by Voice Vote.

Dec. 9, 2003

KOLBE, CHARLES L., to be Member of the Internal Revenue Service Oversight Board, Department of the Treasury; vice Oversight Board for the remainder of the term expiring September 14, 2004, vice Steve H. Nickles, resigned.

Dec. 9, 2003—Received in the Senate and referred to the Committee on Finance.

July 20, 2004—Committee on Finance. Ordered to be reported favorably.

July 20, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.

July 20, 2004—Placed on Senate Executive Calendar. Calendar No. 796. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

July 22, 2004—Confirmed by the Senate by Voice Vote.

Dec. 9, 2003

JONES, PAUL, to be Member of the Internal Revenue Service Oversight Board, Department of the Treasury; vice Oversight Board for a term expiring September 14, 2008, vice Charles L. Kolbe, term expired.

Dec. 9, 2003—Received in the Senate and referred to the Committee on Finance.

July 7, 2004—Committee on Finance. Hearings held.

July 20, 2004—Committee on Finance. Ordered to be reported favorably.

July 20, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.

July 20, 2004—Placed on Senate Executive Calendar. Calendar No. 797. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Nov. 21, 2004—Confirmed by the Senate by Voice Vote.

Dec. 9, 2003

JEPSON, ROBERT, to be Member of the Internal Revenue Service Oversight Board, Department of the Treasury; vice Oversight Board for a term expiring September 14, 2008, vice Karen Hastie Williams, term expired.

Dec. 9, 2003—Received in the Senate and referred to the Committee on Finance.

Sept. 13, 2004—Received message of withdrawal of nomination from the President.

Dec. 9, 2003

BODMAN, SAMUEL W., to be Deputy Secretary of the Treasury, Department of the Treasury; vice Kenneth W. Dam, resigned.

Dec. 9, 2003—Received in the Senate and referred to the Committee on Finance.

Feb. 10, 2004—Committee on Finance. Hearings held.

Feb. 12, 2004—Committee on Finance. Ordered to be reported favorably.

Feb. 12, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.

Feb. 12, 2004—Placed on Senate Executive Calendar. Calendar No. 553. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Feb. 12, 2004—Confirmed by the Senate by Voice Vote.

Nov. 25, 2003

WARSHAWSKY, MARK J., to be Assistant Secretary of Treasury, Department of the Treasury; vice Richard Clarida, resigned.

Nov. 25, 2003—Received in the Senate and referred to the Committee on Finance.

Mar. 8, 2004—Committee on Finance. Hearings held.

Mar. 9, 2004—Committee on Finance. Ordered to be reported favorably.

Mar. 9, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.

Mar. 9, 2004—Placed on Senate Executive Calendar. Calendar No. 586. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Mar. 12, 2004—Confirmed by the Senate by Voice Vote.

Nov. 19, 2003

GEORGE, J. RUSSELL, to be Inspector General for Tax Administration, Department of the Treasury; vice David C. Williams.

Nov. 19, 2003—Received in the Senate and referred to the Committee on Finance.

July 7, 2004—Committee on Finance. Hearings held.

Sept. 15, 2004—Committee on Finance. Committee consideration held.

Sept. 20, 2004—Reported by Senator Grassley, Committee on Finance, without printed report.

Sept. 20, 2004—Committee on Finance. Ordered to be reported favorably.

Sept. 20, 2004—Received in the Senate and referred to the Committee on Governmental Affairs for not to exceed 20 days pursuant to the order of January 15, 2003.

Oct. 10, 2004—Senate Committee on Governmental Affairs discharged. Pursuant to an order of the Senate of January 15, 2003.

Oct. 10, 2004—Placed on Senate Executive Calendar pursuant to an order of the Senate of January 15, 2003. Calendar No. 924.
 Nov. 21, 2004—Confirmed by the Senate by Voice Vote.

Oct. 29, 2003

HAVENS, ARNOLD I., to be General Counsel for the Department of the Treasury, Department of the Treasury; vice David Aufhauser.

Oct. 29, 2003—Received in the Senate and referred to the Committee on Finance.

Nov. 18, 2003—Committee on Finance. Hearings held.

Nov. 21, 2003—Committee on Finance. Ordered to be reported favorably.

Nov. 21, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Nov. 21, 2003—Placed on Senate Executive Calendar. Calendar No. 489. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Dec. 9, 2003—Confirmed by the Senate by Voice Vote.

Oct. 1, 2003

PEARSON, DANIEL, to be Member of the United States International Trade Commission, United States International Trade Commission; vice Lynn M. Bragg, term expired, to which position he was appointed during the last recess of the Senate.

Oct. 1, 2003—Received in the Senate and referred to the Committee on Finance.

Dec. 08, 2004—Returned to the President under the provisions of Senate Rule XXXI, paragraph 6 of the Standing Rules of the Senate at the sine die adjournment of the 108th Congress.

Oct. 1, 2003

LANE, CHARLOTTE A., to be Member of the United States International Trade Commission, United States International Trade Commission; vice Dennis M. Devaney, to which position she was appointed during the last recess of the Senate.

Oct. 1, 2003—Received in the Senate and referred to the Committee on Finance.

Dec. 8, 2004—Returned to the President under the provisions of Senate Rule XXXI, paragraph 6 of the Standing Rules of the Senate at the sine die adjournment of the 108th Congress.

Sept. 8, 2003

O'GRADY, MICHAEL, to be Assistant Secretary of Health and Human Services, Department of Health and Human Services; vice Piyush Jindal, resigned.

Sept. 8, 2003—Received in the Senate and referred to the Committee on Finance.

Nov. 4, 2003—Committee on Finance. Hearings held.

Nov. 12, 2003—Committee on Finance. Ordered to be reported favorably.

Nov. 12, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Nov. 12, 2003—Placed on Senate Executive Calendar. Calendar No. 475. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Dec. 9, 2003—Confirmed by the Senate by Voice Vote.

Sept. 3, 2003

YOUNG, JENNIFER, to be Assistant Secretary of Health and Human Services, Department of Health and Human Services; vice Scott Whitaker.

Sept. 3, 2003—Received in the Senate and referred to the Committee on Finance.

Nov. 4, 2003—Committee on Finance. Hearings held.

Nov. 12, 2003—Committee on Finance. Ordered to be reported favorably.

Nov. 12, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Nov. 12, 2003—Placed on Senate Executive Calendar. Calendar No. 474. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Dec. 9, 2003—Confirmed by the Senate by Voice Vote.

Sept. 3, 2003

BELT, BRADLEY D., to be Member of the Social Security Advisory Board, Social Security Administration; vice Stanford G. Ross, term expired.

Sept. 3, 2003—Received in the Senate and referred to the Committee on Finance.

Nov. 4, 2003—Committee on Finance. Hearings held.

Nov. 12, 2003—Committee on Finance. Ordered to be reported favorably.

Nov. 12, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Nov. 12, 2003—Placed on Senate Executive Calendar. Calendar No. 473. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Apr. 26, 2004—Received message of withdrawal of nomination from the President.

July 22, 2003

WEEMS, KERRY N., to be Assistant Secretary of Health and Human Services, Department of Health and Human Services; vice Janet Hale, resigned.

July 22, 2003—Received in the Senate and referred to the Committee on Finance.

Sept. 4, 2003—Received message of withdrawal of nomination from the President.

July 17, 2003

SCHWAB, SUSAN C., to be Deputy Secretary of the Treasury, Department of the Treasury; vice Kenneth W. Dam, resigned.

July 17, 2003—Received in the Senate and referred to the Committee on Finance.

Dec. 9, 2003—Received message of withdrawal of nomination from the President.

June 2, 2003

SHINER, JOSETTE SHEERAN, to be Deputy United States Trade Representative, Executive Office of the President; vice Jon M. Huntsman, Jr.

June 2, 2003—Received in the Senate and referred to the Committee on Finance.

June 26, 2003—Committee on Finance. Hearings held.

Aug. 1, 2003—Committee on Finance. Ordered to be reported favorably.

July 31, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

July 31, 2003—Placed on Senate Executive Calendar. Calendar No. 344. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Aug. 1, 2003—Confirmed by the Senate by Voice Vote.

Apr. 10, 2003

NICHOLS, ROBERT STANLEY, to be Assistant Secretary, Department of the Treasury; vice Michele A. Davis.

Apr. 10, 2003—Received in the Senate and referred to the Committee on Finance.

July 31, 2003—Committee on Finance. Hearings held.

Aug. 1, 2003—Committee on Finance. Ordered to be reported favorably.

July 31, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

July 31, 2003—Placed on Senate Executive Calendar. Calendar No. 346. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Aug. 1, 2003—Confirmed by the Senate by Voice Vote.

Apr. 9, 2003

JOCHUM, JAMES J., to be Assistant Secretary, Department of Commerce; vice Faryar Shirzad.

Apr. 9, 2003—Received in the Senate and referred to the Committee on Finance (for Import Administration).

June 26, 2003—Committee on Finance. Hearings held.

Aug. 1, 2003—Committee on Finance. Ordered to be reported favorably.

July 31, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

July 31, 2003—Placed on Senate Executive Calendar. Calendar No. 345. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Aug. 1, 2003—Confirmed by the Senate by Voice Vote.

Apr. 2, 2003

RESSEL, TERESA M., to be Assistant Secretary of the Treasury, Department of the Treasury; vice Edward Kingman, Jr.

Apr. 2, 2003—Received in the Senate and referred to the Committee on Finance.

July 31, 2003—Committee on Finance. Hearings held.

Aug. 1, 2003—Senate Committee on Finance discharged by Unanimous Consent.

Aug. 1, 2003—Confirmed by the Senate by Voice Vote.

Feb. 25, 2003

HOLMES, MARK VAN DYKE, to be Judge of the United States Tax Court, The Judiciary; vice Julian L. Jacobs, term expired.

Feb. 25, 2003—Received in the Senate and referred to the Committee on Finance.

Apr. 1, 2003—Committee on Finance. Hearings held.

Apr. 2, 2003—Committee on Finance. Ordered to be reported favorably.

Apr. 2, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Apr. 2, 2003—Placed on Senate Executive Calendar. Calendar No. 102. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Apr. 3, 2003—Confirmed by the Senate by Voice Vote.

Feb. 25, 2003

KROUPA, DIANE L., to be Judge of the United States Tax Court, the Judiciary; vice Robert P. Ruwe, term expired.

Feb. 25, 2003—Received in the Senate and referred to the Committee on Finance.

Apr. 3, 2003—Confirmed by the Senate by Voice Vote.

Feb. 12, 2003

HAINES, HARRY A., to be Judge of the United States Tax Court, The Judiciary; vice Renato Beghe, retiring.

Feb. 12, 2003—Received in the Senate and referred to the Committee on Finance.

Apr. 1, 2003—Committee on Finance. Hearings held.

Apr. 2, 2003—Committee on Finance. Ordered to be reported favorably.

Apr. 2, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Apr. 2, 2003—Placed on Senate Executive Calendar. Calendar No. 100. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Apr. 3, 2003—Confirmed by the Senate by Voice Vote.

Feb. 6, 2003

WHERRY, JR., ROBERT ALLEN, to be Judge of the United States Tax Court, The Judiciary; vice Laurence J. Whalen, term expired.

Feb. 6, 2003—Received in the Senate and referred to the Committee on Finance.

Apr. 1, 2003—Committee on Finance. Hearings held.

Apr. 2, 2003—Committee on Finance. Ordered to be reported favorably.

Apr. 2, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Apr. 2, 2003—Placed on Senate Executive Calendar. Calendar No. 99. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Apr. 3, 2003—Confirmed by the Senate by Voice Vote.

Jan. 22, 2003

EVERSON, MARK W., to be Commissioner of Internal Revenue, Department of the Treasury; vice Charles Rossotti, term expired.

Jan. 22, 2003—Received in the Senate and referred to the Committee on Finance.

Apr. 2, 2003—Committee on Finance. Ordered to be reported favorably.

Apr. 2, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Apr. 2, 2003—Placed on Senate Executive Calendar. Calendar No. 103. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

May 01, 2003—Confirmed by the Senate by Voice Vote.

Jan. 15, 2003

GOEKE, JOSEPH ROBERT, to be Judge of the United States Tax Court, The Judiciary; vice Herbert L. Chabot.

Jan. 15, 2003—Received in the Senate and referred to the Committee on Finance.

Feb. 12, 2003—Committee on Finance. Hearings held.

Apr. 2, 2003—Committee on Finance. Ordered to be reported favorably.

Apr. 2, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Apr. 2, 2003—Placed on Senate Executive Calendar. Calendar No. 98. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Apr. 3, 2003—Confirmed by the Senate by Voice Vote.

Jan. 13, 2003

SNOW, JOHN W., to be Secretary of the Treasury, Department of the Treasury; vice Paul Henry O'Neill, resigned.

Jan. 13, 2003—Received in the Senate and referred to the Committee on Finance.
 Jan. 30, 2003—Committee on Finance. Ordered to be reported favorably.
 Jan. 30, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.
 Jan. 30, 2003—Placed on Senate Executive Calendar. Calendar No. 20. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.
 Jan. 30, 2003—Confirmed by the Senate by Unanimous Consent Vote.

Jan. 9, 2003

WAGNER, JR., RAYMOND T., to be Member of, Department of the Treasury; vice Oversight Board for the remainder of the term expiring September 14, 2004, vice George L. Farr.

Jan. 9, 2003—Received in the Senate and referred to the Committee on Finance.
 Feb. 12, 2003—Committee on Finance. Hearings held.
 Apr. 2, 2003—Committee on Finance. Ordered to be reported favorably.
 Apr. 2, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.
 Apr. 2, 2003—Placed on Senate Executive Calendar. Calendar No. 104. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.
 Apr. 3, 2003—Confirmed by the Senate by Voice Vote.

Jan. 9, 2003

PEARSON, DANIEL, to be Member of, United States International Trade Commission; vice Lynn M. Bragg, term expired.

Jan. 9, 2003—Received in the Senate and referred to the Committee on Finance.
 Feb. 12, 2003—Committee on Finance. Hearings held.
 Mar. 5, 2003—Committee on Finance. Ordered to be reported favorably.
 Mar. 5, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.
 Mar. 5, 2003—Placed on Senate Executive Calendar. Calendar No. 48. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.
 Nov. 21, 2004—Confirmed by the Senate by Voice Vote.

Jan. 9, 2003

LANE, CHARLOTTE A., to be Member of, United States International Trade Commission; vice Dennis M. Devaney.

Jan. 9, 2003—Received in the Senate and referred to the Committee on Finance.
 Feb. 12, 2003—Committee on Finance. Hearings held.

Mar. 5, 2003—Reported by Senator Grassley, Committee on Finance, without printed report.

Mar. 5, 2003—Placed on Senate Executive Calendar. Calendar No. 49. Subject to nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Nov. 21, 2004—Confirmed by the Senate by Voice Vote.

Jan. 7, 2003

BOWER, GLEN L., to be Judge of the United States Tax Court, The Judiciary; vice Carolyn Miller Parr, term expired.

Jan. 7, 2003—Received in the Senate and referred to the Committee on Finance.

Mar. 22, 2004—Received message of withdrawal of nomination from the President.

REPORTS, PRINTS, AND STUDIES

During the 108th Congress, the Committee and supporting Joint Committees, prepared and issued 24 reports, special prints, and studies on the following topics:

No.	Title
108–036	Clean Diamond Trade Act (S. 760)
108–078	Availability of SCHIP Allotments for Fiscal Years 1998 through 2001 (S. 312)
108–281	Approving the Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003 (S.J. Res. 39)
108–031	Report on the Activities of the Committee on Finance of the United States Senate during the 107th Congress Pursuant To Rule XXVI of the Standing Rules of the United States Senate
108–042	Tax Court Modernization Act (S. 753)
108–157	Family Opportunity Act of 2003 (S. 622)
108–003	Armed Forces Tax Fairness Act of 2003 (S. 351)
108–317	United States-Morocco Free Trade Agreement Implementation Act Filed, Under Authority of the Order of the Senate of July 22, 2004 (S. 2677)
108–316	United States-Australia Free Trade Agreement Implementation Act Filed Under Authority of the Order of the Senate of July 22, 2004 (S. 2610)
108–117	United States-Singapore Free Trade Agreement Implementation Act (S. 1417)
108–176	Social Security Protection Act of 2003 (H.R. 743)
108–116	United States-Chile Free Trade Agreement Implementation Act (S. 1416)
108–054	Energy Tax Incentives Act of 2003 (S. 1149)
108–257	Tax Administration Good Government Act (S. 882)
108–011	Savings for Working Families Act of 2003 (CARE) (S. 476)
108–028	Miscellaneous Trade and Technical Corrections Act of 2003 (S. 671)
108–266	National Employee Savings and Trust Equity Guarantee Act (S. 2424)
108–162	Personal Responsibility and Individual Development for Everyone Act (PRIDE) (H.R. 4)
108–192	Jumpstart Our Business Strength (JOBS) Act (S. 1637)

No.	Title
108-053	Description of the John Breaux Elder Justice Act (Committee Print)
108-696	Working Families Tax Relief Act of 2004 (H.R. 1308) (Committee Print)
108-026	Description of the Jobs and Growth Reconciliation Act of 2003 (Committee Print)
108-029	Description of the Prescription Drug and Medicare Improvement Act of 2003 (Committee Print)
108-015	Report of Staff Investigation of Enron Corp. and Related Entities Regarding the Guatemalan Power Project (Committee Print)

OFFICIAL COMMUNICATIONS

During the 108th Congress, a total of 1,055 official communications were submitted to the Committee. Of these, 20 were Presidential Messages; 945 were Executive Communications—these communications include reports to advise and inform the Congress, required annual or semi-annual agency budget and activities summaries, and requests for legislative action. The committee also received 90 petitions and memorials.