



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Friday, April 4, 2003

Hearing to Examine Enron-Related Executive Compensation

Event: Hearing, "Enron: Joint Committee on Taxation Investigation on Compensation-Related Issues"

Date/time: Tuesday, April 8, 2003, at 10 a.m.

Location: 215 Dirksen Senate Office Building, Washington, D.C.

Description: In February, Sen. Chuck Grassley, chairman of the Committee on Finance, released the results of the Joint Committee on Taxation's year-long investigation into the Enron Corp.'s tax practices. The Joint Committee reviewed whether the company's tax practices were legal, somewhat questionable, highly questionable, or even illegal. The Joint Committee's report provided an extensive look at the climate that allowed Enron to skirt its tax obligations. Since the report came out, Grassley has been following up on various aspects of the findings. Grassley is interested in whether the report should shape pending and prospective legislation to curb questionable tax activities. This hearing will examine the executive compensation findings of the Joint Committee's report.

Grassley is interested in whether the executive compensation provisions of last year's NESTEG Act, which he plans to re-introduce, are adequate to stop the abusive aspects of executive compensation. Last year's bill bans "off-shore rabbi trusts" used to hide executive compensation from creditors, including the IRS; requires that supplemental payments to executives be taxed at the top rate; and repeals the moratorium imposed on the Treasury Department in 1978 on regulations on deferred compensation. A fourth provision, imposing limitation on loans to executives, was made moot by the ban on loans made in the Sarbanes-Oxley bill last summer.

Witness List

Ms. Mary M. Schmitt, Acting Chief of Staff, Joint Committee on Taxation, Washington, D.C.

Ms. Pamela Olson, Assistant Secretary, Tax Policy, Department of the Treasury, Washington, D.C.

Mr. Charles E. Essick, Principal, Towers Perrin, Houston, Texas;

Ms. Kathryn J. Kennedy, Associate Professor, the John Marshall Law School, Chicago, Ill.

Mr. Bruce J. McNeil, Partner, Dorsey & Whitney, Minneapolis, Minn.