



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Sen. Chuck Grassley
Hearing to Consider Nominees
February 12, 2003

It is my pleasure to welcome several nominees to the Finance Committee today. First I would like to welcome Dan Pearson and Charlotte Lane. Mr. Pearson and Ms. Lane are the President's nominees to fill two slots on the International Trade Commission. We also have with us two nominees to the United States Tax Court, Mr. Joseph Goeke and Mr. Glen Bower. Finally, we will also be hearing from Mr. Raymond Wagner, who has been nominated to be a member of the Department of the Treasury Oversight Board.

First the International Trade Commission. The ITC is an independent, nonpartisan, quasi-judicial federal agency that provides trade expertise to both the legislative and executive branches of government, determines the impact of imports on U.S. industries, and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement. The work of the ITC is critical to the proper functioning of our trade policy. That is why the people who serve on the ITC must not only have a strong understanding of international trade, but must also be impartial in their application of our international trade law. I trust both candidates will meet this test.

I am especially pleased to welcome the nomination of Dan Pearson. Over a year ago, Senator Graham and I, along with many of my colleagues, sent a letter to the administration asking that the next ITC nominee have a strong background in agriculture trade. Trained as an agriculture economist, Dan Pearson not only fits the bill, but also brings with him extensive analytical skills and a strong understanding of international trade in general. These skills should aid him in his work as an ITC Commissioner. Dan Pearson is highly respected in the agriculture community, as evidenced by a letter I received in August 2002 in which 16 agriculture associations wrote and I quote:

“We believe Dan’s years as a farmer, coupled with his long legislative and corporate experience in international agricultural trade issues, make him an ideal candidate to serve on the International Trade Commission as it grapples with future agriculture trade disputes. We support his candidacy wholeheartedly and urge Members of the Senate to expeditiously approve his nomination as Commissioner of the International Trade Commission.”

I am also pleased to welcome Charlotte Lane back to the Finance Committee. Ms. Lane has a long and distinguished record of public service. Her commitment to public service is well-

documented, since she has served the people of West Virginia as a member of the House of Delegates, a public service commissioner and most recently as chairman of the Public Service Commission. I admire her record of public service and appreciate her enthusiasm to continue that work here in Washington. I also appreciate her patience with this process. I am hopeful that both of these nominees may move through the Senate quickly.

Before turning to our other nominees, I would like to reiterate a point I made at an earlier hearing. It is extremely important that the ITC act as an independent, impartial arbiter in international trade disputes under U.S. trade law. This independent stature was established and is guaranteed by the Congress. By deciding cases on the merits, the commission makes decisions that may be unpopular with certain industry sectors or individual Senators and Representatives -- including me -- and will doubtless do so again. But, despite disagreements, the Congress must continue to defend the commission's independence.

The fact that the commission and commissioners can rule on the merits, without fear of political pressure or retribution, is crucial to America's economy at home and our trade negotiations abroad. As other nations begin to implement their own trade remedy laws, they often look to U.S. law and institutions for guidance. It is important that U.S. institutions serve as good models for other nations. One way to do that is for Congress to ensure that the independent nature of the ITC is preserved, regardless of the outcome of any particular case, just as we would any other quasi-judicial agency. It is our duty as elected representatives.

And now we turn to nominations to fill two vacancies on the U.S. Tax Court. Both candidates hail from Illinois and both have credentials that make them well-qualified for the bench. I am pleased to see both Mr. Goeke and Mr. Landis here today before the Committee. I am certain that Mr. Goeke's experience, both in and out of government service, will aid him on the bench. His 13 years in various trial attorney roles for IRS is nicely balanced by 13 years of private tax controversy practice. I trust that his accumulated wisdom will allow him to adjudicate well.

He will be joined at the Tax Court by Glen Bower, whom my wife and I have had the pleasure of knowing for many years. Glen brings rich tax administrative experience with him to the bench, having served 11 years as either the Director, Assistant Director or General Counsel of the Illinois Department of Revenue. He also brings with him many years of adjudication experience, both as chair of the U.S. Railroad Retirement Board and as chair or member of the Illinois Board of Appeals. He is highly regarded by his peers and brings useful and relevant experience with him to the bench. I thank both gentlemen for their public service to date and look forward to seeing both of them uphold the highest standards as judges on the United States Tax Court.

And now we turn to the nomination to fill a vacancy on the IRS Oversight Board. I am pleased to see the administration nominate someone as well-credentialed as Mr. Wagner. Obviously, his education and professional experience, both in the private sector and as a public servant, are impressive and relevant to the task at hand. I am hopeful that Mr. Wagner's experience will benefit the board. His first-hand experience with the challenges of administering the tax code is balanced by his corporate experience with the challenges of complying with the very same tax code. Further, Mr. Wagner also doubles the number of what I call 'West of the Alleghanies' perspectives on the

board.

He will be joining on the Oversight Board two members that I respect greatly, Steve Nickles and Chuck Kolbe. Quite frankly, I respect Steve and Chuck because each understands something that is actually quite fundamental: Oversight Board members are overseers, not advocates. The purpose of the Oversight Board is to independently oversee IRS' management, administration, and conduct. I worry that the board, particularly under its current leadership, forgets its mission. I worry that the board forgets that its role is not to echo IRS management, not to obscure, obfuscate, or otherwise provide cover for IRS actions, but to keep a watchful eye on a very powerful and very important federal agency.

Again, I would like to welcome all of our nominees to the Committee. I look forward to your testimony. However, before turning to your testimony, I would ask each nominee to acknowledge any family members or guests who have come here today and ask those individuals to stand so we may welcome them here today. Thank you.