Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release
Wednesday, September 17, 2003

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STATEMENT OF SENATOR MAX BAUCUS
MARKUP OF TRANSPORTATION, PENSION, AND SOCIAL SECURITY LEGISLATION
SEPTEMBER 17, 2003

Thank you, Mr. Chairman. I commend you for holding today's markup on three important pieces of legislation: the Extension of Highway Trust Fund Provisions, the National Employee Savings and Trust Equity Guarantee Act, and the Social Security Protection Act.

First, the highway bill. If I had my druthers -- and I am sure that if Chairman Grassley had his -- today, this Committee would be marking up a financing plan for a 6-year highway bill, not a 5-month extension of the current law.

It is the responsibility of the Finance Committee to fund the Federal Aid Highway Program. And this past year, we have been working diligently toward that goal. More than a year ago, I introduced my TEA-21 reauthorization proposals. And last January, Chairman Grassley and I unveiled a proposal to finance a federal highway and transit program. In fact, the Grassley-Baucus proposal to finance the TEA-21 reauthorization remains the only idea out there -- other than raising taxes, which just isn't going to happen. Our plan would increase the highway and transit programs by at least 40 percent, without raising taxes.

Some have criticized our financing proposal for the way that it simplifies and improves tax policy by taking back highway taxes to pay for highways. And even though some have criticized, none have offered a realistic alternate funding source. So we are here today -- despite our efforts -- unable to get agreement on a plan to pay for a multi-year bill.

Today, the Committee will mark up a temporary extension of TEA-21 to allow surface transportation programs to continue while we work toward a multi-year reauthorization of TEA-21. Why do we need to extend? After TEA-21 authorizations end on September 30, 2003, the Federal Highway Administration will not be able to continue program delivery. Unless we act, on October 1, the Federal Aid Highway Program will face a shutdown. Highway construction in states will be stopped. Contracts for new projects will not get let.

It is within the jurisdiction of the Finance Committee to grant expenditure authority for programs funded with the Highway Trust Fund. To avoid a shutdown of the Federal Aid Highway Program, before October 1, 2003, we must enact new legislation allowing expenditures from the Highway Trust Fund. Today, the committee will extend that necessary expenditure authority for 5 months. Under the bill before us today, expenditure authority would run out on March 1, 2004, rather than October 1, 2003. And I hope that this Congress can collectively embrace a funding plan for a multi-year bill before expenditure authority runs out next March.

Additionally, the Chairman's mark would modify the tax incentives for the use of ethanol. And the mark would also establish new tax incentives for the use of biodiesel. I have been working for more than 3 years now, trying to improve how ethanol benefits interact with the Highway Trust Fund. We need to hold the Highway Trust Fund harmless for the effects of the ethanol tax incentive.

This Committee passed these ethanol and biodiesel provisions as part of the energy tax bill. And I am pleased that we will mark them up again today as part of this highway bill extension. Closer to home -- this extension is crucial to my state of Montana. We depend on the stability of these programs to ensure jobs -- well-paying jobs -- for Montanans.

I know that other states also depend on the highway program as a large part of their economic development programs. We must meet this September 30 deadline, so that projects will not be put on hold. And we must make these changes to ethanol -- easing burdens on the ethanol industry and helping the highway program -- by ensuring that more revenue starts flowing immediately to the Highway Trust Fund.

Second, the pension bill. The Enron debacle spawned a crisis of confidence. On February 27 of last year, this committee held a hearing on retirement security, in the wake of Enron. I was troubled by the effect of Enron on business ethics. On our accounting systems. On our tax laws. And on our pension laws. I remain troubled today. Things have not gotten better.

Last week, it was reported that the Chairman of the New York Stock Exchange received $140 million in deferred compensation. This is the person charged with overseeing all of the publicly-traded companies. Following Enron's collapse, we have also been barraged with reports of questionable accounting practices from other giants of American industry: Tyco, K-Mart, WorldCom, Xerox, Merck, and AOL. There is something else these companies have in common: All of them had thousands of workers at risk of losing their jobs and their retirement savings if the companies went bankrupt.

And even workers who are not employed by a troubled company are worried, too. They are worried that the company for which they work may be the next to fall. That is why Chairman Grassley and I have attempted put together a bipartisan bill to provide transparency and accountability in the pension plans that cover America's workers.

Pensions require a delicate balance. Companies offer them voluntarily, so we need to be careful not to make them so burdensome that companies stop offering them. At the same time, workers have the right to basic protections to ensure that the money they are counting on for retirement is really there when the time comes.

I believe that this bill strikes the right balance. It phases out the ability companies have to keep workers locked into company stock in their retirement plans. But it does not limit those workers' ability to invest in that stock, if they decide to on their own. To help make that decision, we give workers tools to make good decisions, and really understand the consequences of their actions. We require benefit statements, so that workers know how much their accounts are worth and how much company stock they already own.

The bill provides protections so that workers are less likely to get caught up in the company executives' cheerleading, when they know that same executives are selling their own stock. And, we provide a safe harbor to make it easier for employers to make independent investment advice available, if they want to.

Third, the Social Security Protection Act. This legislation will make a number of significant changes to Socia l Security and Supplemental Security Income -- or SSI. The bill will enhance the financial security of some of the most vulnerable beneficiaries of these programs. It will increase protections to seniors from deceptive practices. It will improve program integrity. And it will reduce disincentives to employment for individuals with disabilities.

One of the most important results of this legislation will be to enhance the financial security of the almost 7 million Social Security and SSI beneficiaries who are not capable of managing their own financial affairs due to advanced age or disability. The Social Security Administration currently appoints individuals or organizations to act as what are called "representative payees" for these beneficiaries. Most of these representative payees perform their roles conscientiously. Some, however, do not. There have been instances of terrible abuse.

Congress needs to guard vulnerable seniors and disabled individuals from such abuse. When representative payees defraud beneficiaries of their benefits, this legislation would increase requirements for the Social Security Administration to make the beneficiaries whole. This legislation would also tighten the qualifications for representative payees, increase oversight of the program, and impose stricter penalties on those who violate their responsibilities.

This legislation contains the types of improvements on which we can all agree, as demonstrated by the overwhelming bipartisan vote that it received in the House. I am pleased that we are considering it today. I urge my Colleagues to approve these sensible and important changes. Mr. Chairman, I would like to work with you to see that Congress enacts these three pieces of legislation this year. The pension bill is one of the pieces of unfinished business from last year.

Unfortunately, the Committee's other unfinished business from last year – the CARE Act, the energy bill, the Tax Shelter Transparency Act, the inversions bill, and the military tax relief bill – also remain unfinished this year. Mr. Chairman, I hope that we can work together to see that none of these bills are stalled for yet another year.