



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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JOBS Act Conference: Opening Statement of Sen. Chuck Grassley
Wednesday, September 29, 2004

As everyone knows, the WTO has ruled that FSC-ETI is an illegal export subsidy and has authorized up to \$4 Billion a year of sanctions against U.S. exports. Those sanctions began in March. They are at 11% and increase 1% for each month that we don't repeal FSC-ETI. By November, they will be at 13%. Senator Frist rightly called these sanctions Euro Taxes on our exporters. Mr. Chairman, it has been a long road to conference. Both bodies passed bills to deal with these Euro Taxes. Both bodies struggled to get to conference. Nothing has been easy with this bill, but we are, at last, at the final stage of the process. Now, that we are at conference stage, we cannot fritter away the opportunity to eliminate the Euro Tax. Many will say there is too much to do and not enough time.

Mr. Chairman, America's workers, especially those in the manufacturing sector, put in the work necessary, as you say, to "move product." We conferees have to employ the same work ethic. We cannot do this job halfway. We cannot leave the job site without finishing our work. So, fellow conferees, let's focus on the job at hand. The Chairman has started the ball rolling with a discussion draft. The discussion draft reflects the core elements of the bill. The main piece complies with our WTO obligations by repealing the FSC-ETI regime. In its place, we provide a deduction for all manufacturers, big and small. Mr. Chairman, that is a significant movement toward the Senate position. In one move, you have addressed, in my mind, the top Senate priority. That is, that all manufacturers receive the benefit of the deduction.

The next piece of the Chairman's discussion draft includes a package of international tax reforms that will make America's manufacturers more competitive. This package reflects the priorities of both the House and Senate bills. Finally, Mr. Chairman, the discussion draft includes identical and nearly identical provisions from both bills. The Chairman's discussion draft loses revenue. The Chairman and I, however, have committed to achieve revenue neutrality when we reach the Chairman's mark stage. Revenue neutrality was another important principle of the Senate bill. I appreciate Chairman Thomas' cooperation on this Senate priority. So, even though the Chairman's discussion draft was presented by Chairman Thomas, it is, in effect, my starting position as well.

As I pointed out, the Chairman's Discussion Draft reflects Senate priorities. We will move through this process and go to the next step which is a Chairman's mark. At that stage, we will hopefully have addressed some of the key priorities of members and achieved revenue neutrality. Before we get to the Chairman's mark, we will be discussing members' views and priorities through

filed amendments. Finance Committee conferees will recognize a similarity to the custom of Finance Committee markups. I recognize this process is somewhat unusual. Normally, conferees would go through a series of meetings or exchanges of offers or some other elongated process. Sometimes conferences take months; sometimes they end undone with the adjournment of a Congress. We have neither option here. We are in an unusual situation. And we are in a time sensitive situation. Unusual situations require unusual procedures. We have eight days left. That's not much time. Fingers can rightfully point in many directions for the delay. The bottom line is we have to give a shot and I'm fully committed to getting this conference done before we leave for the elections. I will say I appreciate Chairman Thomas' willingness to open this process up and let the transparency occur through the amendment process.

I'd also like to thank my Finance Committee conferees, particularly, my friend and Ranking Member, Senator Baucus. We wouldn't be here without the bipartisan spirit of our Finance Committee members. That spirit will remain in place as we take the final steps and conclude this conference. Mr. Chairman, let's finish the job.